

CITY OF NORTH OLMSTED, OHIO
SUPPLEMENTAL AUDITOR'S REPORT
DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the City of North Olmsted, Cuyahoga County, prepared by Costin + Company, for the audit period January 1, 2003 to December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

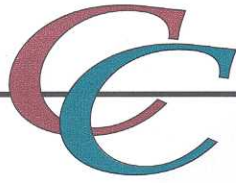
BETTY MONTGOMERY
Auditor of State

September 29, 2004

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

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COSTIN + COMPANY

Certified Public Accountants

35945 Center Ridge Road

North Ridgeville, OH 44039

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

To the City Council
City of North Olmsted, Ohio

We have audited the basic financial statements of the City of North Olmsted, Ohio, as of and for the year ended December 31, 2003 and have issued our report thereon dated July 2, 2004. As noted in note 3 to the basic financial statements, the city changed its capitalization threshold for capital assets, changed its accounting for capital assets and adopted Governmental Accounting Standards Board Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of North Olmsted, Ohio's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of City of North Olmsted, Ohio, in a separate letter dated July 2, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of North Olmsted, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of North Olmsted, Ohio, in a separate letter dated July 2, 2004.

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

North Ridgeville, Ohio
July 2, 2004

City of North Olmsted, Ohio

**Comprehensive
Annual Financial Report**
for the year ended December 31, 2003

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

City of North Olmsted, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2003
Table of Contents

	<i>Page</i>
I. Introductory Section	
Title Page	i
Table of Contents	ii
Letter of Transmittal	v
Organization Chart.....	xii
Principal City Officials	xiii
GFOA Certificate of Achievement	xiv
 II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statements of Net Assets.....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual: General Fund	22
Statement of Fund Net Assets - Proprietary Funds.....	23
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Assets and Liabilities - Agency Fund.....	27
Notes to Basic Financial Statements	28

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions	59
Combining Balance Sheet - Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	63
Combining Balance Sheet - Nonmajor Special Revenue Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	68
Combining Balance Sheet - Nonmajor Debt Service Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	73
Combining Balance Sheet - Nonmajor Capital Projects Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	75

Financial Statement - Fiduciary Fund:

Fund Description.....	76
Statement of Changes in Assets and Liabilities Deposits Fund	77

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in
Fund Balances/Fund Equity - Budget (Non-GAAP Basis) and Actual:

Major Funds:

General Fund	79
General Obligation Bond Retirement Fund.....	84
Library Construction Fund	85
North Olmsted Municipal Bus Line Fund (NOMBL)	86
Springvale Golf Course and Ballroom Fund	87
Sewer Revenue Fund.....	88

NonMajor Funds:

Casualty Loss Fund	89
Alcohol Education Fund.....	90
Economic Development Fund	91
FEMA Grant Fund.....	92
Motor Vehicle License Fund	93
Recreation Fund	94
Clague Park Fund	95
Hotel/Motel Tax Fund	96
Emergency Medical Services Fund	97
State Highway Fund	98
Street Maintenance Fund.....	99

Solid Waste Management Fund.....	100
Community Diversion Fund.....	101
Drug Enforcement Fund.....	102
Endowment and Grant Fund.....	103
Fire Pension Fund.....	104
Law Enforcement Fund.....	105
Stop Program Fund.....	106
Police Pension Fund.....	107
Senior Center Fund.....	108
Title III Fund.....	109
Library Bond Retirement Fund.....	110
Sewer Bond Retirement Fund.....	111
Special Assessment Bond Retirement Fund.....	112
Permanent Improvement Street and Storm Fund.....	113
Capital Improvement Project Fund.....	114
Issue II Fund.....	115
Hospitalization Fund.....	116

III. Statistical Section

Governmental Revenues by Source and Expenditures by Function - Last Ten Years.....	S2
Property Tax Levies and Collections - Last Ten Years.....	S4
Assessed Valuation and Estimated Actual Values of Taxable Property - Last Ten Years.....	S6
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years.....	S7
Special Assessment Billings and Collections - Last Ten Years.....	S8
Computation of Legal Debt Margin.....	S9
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita - Last Ten Years.....	S10
Ratio of Annual Debt Principal Expenditures for General Bonded Debt to Total Governmental Expenditures - Last Ten Years.....	S12
Computation of Direct and Overlapping General Obligation Bonded Debt.....	S13
Demographic Statistics - Last Ten Years.....	S14
Property Value, Construction and Financial Institution Deposits- Last Ten Years.....	S16
Principal Taxpayers - Real Estate Tax.....	S17
Principal Taxpayers - Tangible Personal Property Tax.....	S18
Principal Taxpayers - Municipal Income Tax.....	S19
Miscellaneous Statistics.....	S20

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City of North Olmsted

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

Carrie B. Copfer, CPA
Director of Finance

Department of Finance

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July 2, 2004

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

We are pleased to present to you the Comprehensive Annual Financial Report of the City of North Olmsted (the "City") for the year ended December 31, 2003. We believe this report, prepared by the Department of Finance, presents comprehensive financial and operating information about the City's activities during 2003 which should be useful to citizens and taxpayers. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe that the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and, that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The Comprehensive Annual Financial Report is presented in three sections:

- ♦ **The Introductory Section** includes a table of contents, the letter of transmittal, a list of the City's principal officials (elected and appointed), the City's organizational chart and the Government Finance Officer Association Certificate of Achievement.
- ♦ **The Financial Section** begins with the Independent Auditor's Report and includes Management's Discussion and Analysis (MD&A), the Basic Financial Statements that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
- ♦ **The Statistical Section** includes selected financial and demographic information generally presented on a multi-year basis.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed as a supplement to the MD&A and should be read in combination with it. The City of North Olmsted MD&A can be found immediately after the report of our independent auditors, Costin + Company.

PROFILE OF THE GOVERNMENT

Reporting Entity

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



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

- ◆ Police and Fire Protection
- ◆ Bus Service provided through North Olmsted Municipal Bus Line (NOMBL)
- ◆ Recreation Facility
- ◆ Parks and Recreational Activities
- ◆ 18 hole Golf Course and Ballroom
- ◆ WasteWater Treatment Plant Processing of Sanitary Sewage
- ◆ Planning and Zoning Committees
- ◆ Senior Center and Related Programs
- ◆ Local Human Services - ministering to youth, disabled, seniors and needy families
- ◆ Maintenance and Improvement of City Roads and Infrastructure
- ◆ Maintenance and Improvement of Storm and Sanitary Sewer Systems

The North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) has been presented as a discretely presented component unit of the primary government, based on the significant services and resources provided by the City. A complete discussion of the City's reporting entity is provided in Notes 1, 18 and 21 of the basic financial statements.

Community Profile

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

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

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

Form of Government

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

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

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

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

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

Budgetary Process

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

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

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

FACTORS AFFECTING FINANCIAL CONDITIONS

Economic Development

The City is a suburban residential community and a commercial center for the western portion of Cuyahoga County and adjacent Lorain County. The largest commercial development in the City includes the Westfield Great Northern Shopping Center and Mall, a 1.7 million square foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center phases I, II and III, a 267,000 square foot executive office complex; and the Great Northern Technology Center, a 144,000 square foot office complex, all located immediately adjacent to an interchange on interstate highway I-480. These properties have been developed in phases over the past 30 years. The businesses located in them now provide employment for approximately 6,500 persons.

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

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

Commercial construction was led by the construction of a 219,000 square foot Dillard's Department Store as a fourth "anchor" store to the Westfield Great Northern mall which began in February 2002 and the store opened in March 2003. A 36,000 square foot addition, with a 73,000 square foot renovation of the existing mall, provided a connection to Dillard's and also opened in March 2003. Many of the existing smaller retail complexes throughout the City have been renovated for aesthetic reasons as well as for retooling and revitalizing previously vacant retail space.

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

Limited residential development has continued in the City with 36 new construction permits issued in 2003. A multifamily development began construction in 2003. Residents of the City were eligible to participate in the Housing Enhancement Loan Program (HELP). This program provides a vehicle by which homeowners with single or multifamily houses valued at less than \$250,000 can borrow at a rate of three percent below their current lending rate to perform internal and external property improvements. Twenty-three (23) homeowners have made improvements adding \$266,991 value to their property in 2003.

The most important contribution the Administration and City Council made to economic development was to reprioritize in a difficult financial time and create a Planning and Economic Development Director. This fostered an environment that encourages business to move and grow in our community. As a mature community, not only do we have to utilize what vacant land that is left wisely, we must be smart as we revitalize and redevelop older areas. This position will guide the City in this critical endeavor paramount to our future financial success.

Local Economy

The local economy mirrored our region's and State's stagnant economy. The City's income remained relatively flat for the third straight year. Fortunately, in 2002 the Administration and Council reacted to these uncertain economic times by implementing cost reductions through attrition, minimal layoffs, limiting discretionary expenses and enhancing revenues where possible. This continued through 2003: the reduced staffing levels were maintained and divisions controlled their non-payroll expenses as well. Council also redirected \$475,000 in funds for 2003 that were in the past legislatively designated for special revenue funds without hindering the purpose of those funds. The local economy's outlook is still tenuous; however, economists are predicting some recovery in 2004. Local unemployment is 1.7 percent higher than the national average. One strength the City has is that its revenue base is strong because of its diversity of sources. Additionally, the City is not dependent on one significant taxpayer.

FINANCIAL INFORMATION

Internal Control

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

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

Basis of Accounting

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

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

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

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

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

Debt Administration

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

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

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

Cash Management

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

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

Risk Management

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

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City funds the insurance plan by contributing the expected cost for single and family coverage out of the fund from which the employee's compensation is paid. Employees contribute a portion of this expected cost on a pre-tax basis through payroll withholding. Resources are accumulated in the internal service fund to meet current and future claims. The City has reinsurance for claims in excess of \$50,000 per individual and \$2,898,090 in the aggregate for plan year 2003. Claims in excess of this aggregate are insured by private carriers. The City expects to assume no additional risks in the near future. The City contracts with a third party administrator to process the claims in accordance with the plan. The City also offers a Health Maintenance Organization (HMO) which the City pays a premium per month with no additional assumption of risk.

OTHER INFORMATION

Independent Audit

Included in this report is a unqualified audit opinion regarding the City's financial statements for the year ended December 31, 2003. This year's audit was completed by Costin + Company, a private independent public accounting firm.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Olmsted for its comprehensive annual financial report for the fiscal year ended December 31, 2002. This was the fourth year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

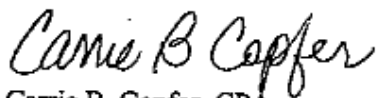
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The 2003 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all City departments. We would like to express our appreciation to Costin + Company, CPAs, and the Local Government Services Section of the Auditor of State for their guidance in the preparation of this report.

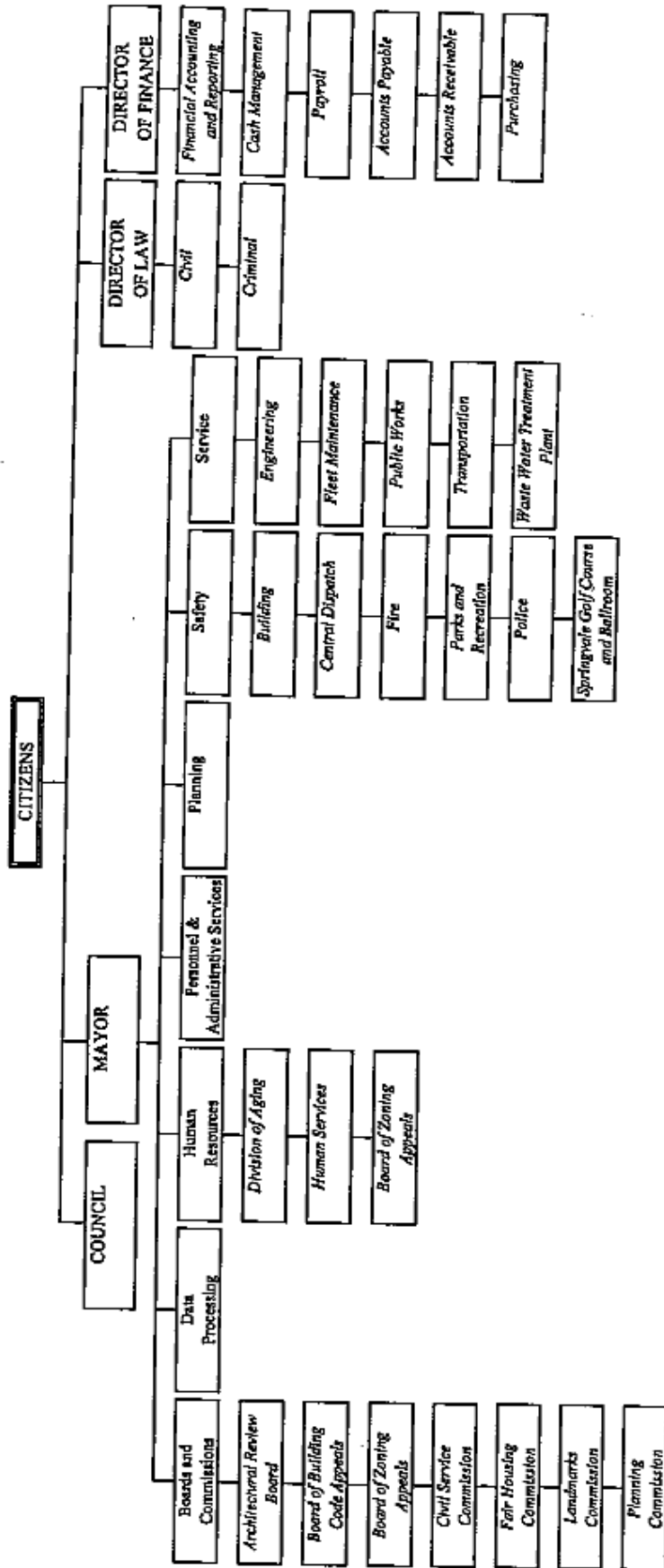
We would also like to thank the Mayor and members of City Council for supporting the preparation of this report, which expresses their commitment to financial integrity. In closing, we are grateful to the residents and taxpayers of the City of North Olmsted for entrusting us with the fiscal administration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

Respectfully submitted,



Carrie B. Copfer, CPA
Director of Finance

**City of North Olmsted
Organization Chart as of December 31, 2003**



City of North Olmsted

PRINCIPAL CITY OFFICIALS
December 31, 2003

Elected Officials

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

Appointed Officials

Don Copeland	Director of Human Resources
Dan Dreiscoll	Director of Public Service
Cheryl Farver	Director of Personnel and Administrative Services
Richard Jesse	Director of Public Safety
Kimberly Wenger	Director of Planning

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Olmsted,
Ohio

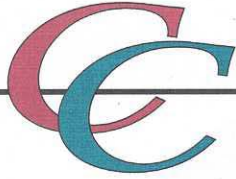
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



President

Executive Director



COSTIN + COMPANY

Certified Public Accountants

35945 Center Ridge Road

North Ridgeville, OH 44039

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of North Olmsted, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major funds and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2003, 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 an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major funds and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the City changed its capitalization threshold for capital assets, changed its accounting for capital assets and implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments."

In accordance with Government Auditing Standards, we have also issued our report dated July 2, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and required supplementary information as listed in the Table of Contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

North Ridgeville, Ohio
July 2, 2004

A handwritten signature in black ink that reads "Costin + Company". The signature is written in a cursive, flowing style with a horizontal line underneath the text.

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The management's discussion and analysis of the City of North Olmsted's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- Total net assets are \$67,391,158 at December 31, 2003, which represents a 2.7 percent decrease from the prior year.
- Total invested in capital assets, net of related debt of \$58,816,152, represents 87.3 percent of total net assets in 2003.
- Total liabilities decreased by \$3,165,512 or 3.5 percent from 2002 primarily from debt service payments.
- Total equity in pooled cash and cash equivalents decreased by \$4,345,466 or 25 percent due to construction of the library.
- The City began construction in 2003 of a new 35,000 square foot public library. It opened in April 2004.

Using This Comprehensive Annual Financial Report (CAFR)

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

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

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Reporting the City of North Olmsted as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2003. The *Statement of Net Assets* and the *Statement of Activities* include assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

Reporting the City of North Olmsted's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of North Olmsted, the major governmental funds are the general fund, general obligation bond retirement fund and library construction fund and the major enterprise funds are NOMBL fund, Springvale golf course and ballroom fund and sewer revenue fund.

Governmental Funds

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

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Proprietary Funds

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on beginning on page 23 of this report.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 28 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 59 of this report.

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The City of North Olmsted as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2003 compared to 2002.

NET ASSETS

TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and Other Assets	\$28,510,905	\$32,733,466	\$3,817,164	\$4,156,868	\$32,328,069	\$36,890,334
Capital Assets, Net	84,556,697	83,459,965	36,514,780	38,105,931	121,071,477	121,565,896
<i>Total Assets</i>	<u>113,067,602</u>	<u>116,193,431</u>	<u>40,331,944</u>	<u>42,262,799</u>	<u>153,399,546</u>	<u>158,456,230</u>
Current and Other Liabilities	13,775,999	12,758,149	661,605	782,228	14,437,604	13,540,377
Long-Term Liabilities:						
Due within One Year	5,743,350	3,886,788	1,548,572	1,214,997	7,291,922	5,101,785
Due in More than One Year	43,094,364	47,827,940	21,184,498	22,703,798	64,278,862	70,531,738
<i>Total Liabilities</i>	<u>62,613,713</u>	<u>64,472,877</u>	<u>23,394,675</u>	<u>24,701,023</u>	<u>86,008,388</u>	<u>89,173,900</u>
Invested in Capital Assets, Net of Related Debt	44,107,156	44,453,871	14,708,996	15,196,668	58,816,152	59,650,539
Restricted for:						
Capital Projects	258,561	1,548,189	0	0	258,561	1,548,189
Debt Service	3,073,546	2,917,357	0	0	3,073,546	2,917,357
Recreation	283,588	407,351	0	0	283,588	407,351
Police and Fire Pension	97,338	130,726	0	0	97,338	130,726
Solid Waste Services	502,192	594,928	0	0	502,192	594,928
Casualty Loss	84,341	141,003	0	0	84,341	141,003
Endowment and Grants	107,253	93,552	0	0	107,253	93,552
Police Programs and Services	183,045	127,679	0	0	183,045	127,679
Street Repair	811,161	802,515	0	0	811,161	802,515
Senior Programs and Services	59,937	61,923	0	0	59,937	61,923
Community Development	73,523	75,622	0	0	73,523	75,622
Emergency Medical Services	166,036	254,333	0	0	166,036	254,333
Unrestricted	646,212	111,505	2,228,273	2,365,108	2,874,485	2,476,613
<i>Total Net Assets</i>	<u>\$50,453,889</u>	<u>\$51,720,554</u>	<u>\$16,937,269</u>	<u>\$17,561,776</u>	<u>\$67,391,158</u>	<u>\$69,282,330</u>

Net assets may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets exceed total liabilities by \$67,391,158 as of December 31, 2003.

The largest portion of the City's governmental net assets (87.3 percent) reflects the investments in capital assets (land, construction in progress, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and infrastructure) less any related debt to acquire those assets that is still outstanding. These capital assets are used to provide services to the City's citizens; consequently, these assets

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets for 2003 decreased by \$5,056,684 or 3.2 percent when compared to 2002. The decrease in total assets was primarily due to accumulated depreciation on capital assets. The net affect of depreciation, additions and deletions on governmental activities decreased roads by \$3,204,436 and was offset by an increase in other capital assets (buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and bridges and culverts) of \$4,301,168. Business-type activities capital assets (buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and storm sewer lines) decreased by \$1,591,151. In 2003, the City only purchased new equipment that was deemed necessary replacement and reduced the monies available for street improvements as precautionary measures to the continuous recession. The City's total liabilities decreased by \$3,165,512 from 2002 to 2003. This is primarily from the annual debt service payment at a greater rate than the increase in short term liabilities and the bond anticipation notes outstanding. Therefore, total net assets decreased by \$1,891,172 from 2002 to 2003.

In order to further understand what makes up the changes in net assets for the current year, Table 2 provides further details regarding the results of activities for the current year. However, since this is the first year the City has prepared financial statements following GASB Statement 34, revenue and expense comparisons to 2002 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

CHANGES IN NET ASSETS

TABLE 2

	Governmental Activities	Business-Type Activities	Total
Revenues			
Program Revenues:			
Charges for Services	\$3,830,522	\$11,850,147	\$15,680,669
Operating Grants and Contributions	1,381,604	0	1,381,604
Capital Grants and Contributions	1,979,290	135,336	2,114,626
Total Program Revenues	7,191,416	11,985,483	19,176,899
General Revenues:			
Property and Other Local Taxes	10,238,732	0	10,238,732
Municipal Income Taxes	10,927,745	0	10,927,745
Grants and Entitlements	2,906,433	0	2,906,433
Other	339,243	22,295	361,538
Total General Revenues	24,412,153	22,295	24,434,448
Total Revenues	\$31,603,569	\$12,007,778	\$43,611,347

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

	Governmental Activities	Business-Type Activities	Total
Program Expenses			
General Government	\$4,537,200	\$0	\$4,537,200
Security of Persons and Property	12,210,303	0	12,210,303
Public Health Services	437,691	0	437,691
Transportation	9,155,956	0	9,155,956
Basic Utility Services	1,681,386	0	1,681,386
Leisure Time Activities	2,447,232	0	2,447,232
Interest and Fiscal Charges	2,354,210	0	2,354,210
NOMBL	0	4,467,129	4,467,129
Springvale Golf Course and Ballroom	0	1,509,294	1,509,294
Sewer Revenue	0	6,702,118	6,702,118
Total Program Expenses	<u>32,823,978</u>	<u>12,678,541</u>	<u>45,502,519</u>
Decrease in Net Assets Before Transfers	(1,220,409)	(670,763)	(1,891,172)
Transfer	<u>(46,256)</u>	46,256	<u>0</u>
Decrease in Net Assets	(1,266,665)	(624,507)	(1,891,172)
Net Assets Beginning of Year	<u>51,720,554</u>	<u>17,561,776</u>	<u>69,282,330</u>
Net Assets End of Year	<u><u>\$50,453,889</u></u>	<u><u>\$16,937,269</u></u>	<u><u>\$67,391,158</u></u>

Governmental Activities

Several revenue sources fund the City's governmental activities. Property and other local taxes contribute 32.4 percent, municipal income taxes contribute 34.6 percent, with the remaining 33.0 percent coming from other sources which include charges for services, grants and entitlements from other governmental entities.

Security of Persons and Property expenses represent 37.2 percent of program expenses. This supports the police, fire and dispatch wages, benefits, program supplies, training and equipment.

Transportation expenses represent 27.9 percent of program expenses. This includes the cost of providing all public works services such as street and storm channel maintenance and improvement, snow removal and equipment maintenance.

General Government is 13.8 percent of program expenses. This includes the general legislative and administrative services such as council, mayor, finance, law, personnel and information systems along with fixed building costs, such as utilities and maintenance.

Leisure Time Activities represent 7.5 percent of program expenses. This is the cost of operating the recreation center and recreational programs. 1.2 mills of property tax is dedicated and covers 36 percent of the costs with charges for services making up the remaining costs .

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Interest and Fiscal Charges on debt service are 7.2 percent of program expenses.

Basic Utility Services represents 5.1 percent of program expenses. This includes trash collection, recycling, leaf pick up and brush removal. These are funded from 15 percent of the income tax collection by a 1991 vote of the people.

Public Health Services represent only 1.3 percent of the program costs, but provide many services to those in need through the Department of Human Resources and many youth development and senior programs.

Business Type Activities

Charges for Services is the primary source of revenue for the municipal bus line, Springvale golf course and ballroom operations and sewer operations. Both the Springvale operations and Sewer operations had program expenses that exceeded their revenues in 2003. This was primarily due to their Charges for Services being impacted by the wet weather in 2003.

Financial Analysis of the City's Funds

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

Governmental Funds

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

At of December 31, 2003, the City's governmental funds reported combined ending fund balances of \$11,831,746. Of that amount, \$9,002,952 constitutes unreserved fund balances, which is available for spending at the government's discretion. The \$2,828,794 remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period.

All governmental funds had total revenues of \$32,289,891 and expenditures of \$39,252,101, leaving a \$4,802,110 current year deficit, after consideration of \$2,160,190 in other financing sources. This is primarily due to the library construction fund expenditures in 2003 from bonds issued in the previous year, as can be seen in the beginning fund balance for that fund.

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The general fund is the most significant fund as it is the source for providing a significant portion of major governmental activities such as police, fire, service, legislative and administrative functions. In 2003, the general fund had total revenues of \$18,396,409 and expenditures of \$17,699,321 resulting in an increase in fund balance of \$667,195, after consideration of \$29,893 in other financing uses, for an ending general fund balance at December 31, 2003 of \$3,521,264. This represents 19.9 percent of the current year general fund expenditures. This is an encouraging comparison in a difficult economic climate. Revenues ended approximately \$300,000 over last year's revenues while expenditures were approximately \$300,000 less than last year's expenditures.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City amended its general fund budget at various times throughout fiscal year 2003. All recommendations for budget amendments are initially presented to the Finance Committee of City Council for review before they are presented to the whole Council for Ordinance enactment on the change. Budgetary modifications between the legal level of control categories may only be made by resolution of the City Council. The City allows intradepartment budget modifications if they are within the same legal level of control category. The general fund supports many of the City's major activities such as the police, fire and service departments, as well as most legislative and administrative activities. The general fund is monitored closely, looking for possible revenue shortfalls or potential overspending by individual departments.

For the general fund, the original budgeted revenues were \$17,491,033. The final budgeted revenue amount was \$17,464,369. The change was insignificant. The City actually received \$18,148,613 in 2003. The excess came primarily from greater than anticipated revenues of nearly \$300,000 in municipal income taxes, \$125,000 in building licenses and permits, fines of \$72,000, and approximately \$118,000 of intergovernmental revenues. The original appropriations for the general fund were \$18,947,308. The final appropriations were \$18,830,748. The decrease of \$116,560 was due to unappropriating monies that had revised lower estimates to be available if needed to be appropriated in the event of an additional transfer to Springvale. The City had a \$1,693,302 variance when comparing the budgeted and actual unencumbered balance because the City historically budgets to expend nearly 100 percent of their available resources, when actually only 91.0 percent of available resources were expended in 2003.

The City's actual expenditures ended \$990,817 below the final budgeted amount because managers were required to reanalyze their needs throughout the year and only purchase necessary items and hold off on regular replacement whenever possible.

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Capital Assets and Debt Administration

Capital Assets

**CAPITAL ASSETS AT DECEMBER 31,
(NET OF DEPRECIATION)**

TABLE 3

	Governmental Activities		Business-Type Activities	
	2003	2002	2003	2002
Land	\$3,712,536	\$3,712,536	2,880,214	2,880,214
Construction in Progress	5,549,468	501,716	0	0
Buildings	7,416,355	7,848,448	9,591,591	10,046,688
Improvements Other Than Buildings	337,269	371,717	798,361	843,811
Machinery and Equipment	1,332,660	1,521,413	15,260,879	16,070,557
Vehicles	196,404	213,439	421	1,263
Infrastructure				
Roads	63,984,913	67,189,349	0	0
Bridges and Culverts	2,027,092	2,101,347	0	0
Storm Sewer Lines	0	0	7,983,314	8,263,398
<i>Total</i>	<u>\$84,556,697</u>	<u>\$83,459,965</u>	<u>\$36,514,780</u>	<u>\$38,105,931</u>

Total capital assets net of depreciation of the City's governmental activities as of December 31, 2003, were \$84,556,697, which was \$1,096,732 higher than December 31, 2002. The most significant increase was in construction in progress of \$5,047,752 for construction of the library offset by a decline in all other categories as equipment purchases were limited in 2003 due to the uncertain economy, allowing annual depreciation to exceed new capital purchases. Business type activities assets decreased by \$1,591,151 over 2002 which also allowed annual depreciation to exceed new capital additions from limiting capital purchases due to the uncertain economy. For additional information see Note 8.

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Debt

As of December 31, 2003, the City of North Olmsted had \$66,941,819 in total debt outstanding with \$5,041,804 due within one year.

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
General Obligation Bonds	\$42,230,000	\$45,130,000	\$19,385,000	\$20,290,000	\$61,615,000	\$65,420,000
Special Assessment Bonds	515,000	570,000	0	0	515,000	570,000
OWDA Loans	0	172,176	805,381	849,216	805,381	1,021,392
OPWC Loan	136,123	149,736	1,564,001	1,694,334	1,700,124	1,844,070
Police Pension	111,314	113,422	0	0	111,314	113,422
Long-Term Notes	2,195,000	1,865,000	0	0	2,195,000	1,865,000
Total	\$45,187,437	\$48,000,334	\$21,754,382	\$22,833,550	\$66,941,819	\$70,833,884

The General Obligation Bonds are composed of many various purposes which include street and storm improvements, sanitary sewer improvements, equipment, computerization, golf course purchase and improvements, recreation center and parks improvements, city building improvements and new library construction. Many revenue sources assist in the payment of debt service. The Special Assessment Bonds are for the Industrial Parkway construction. The property owners pay for this bond which will be repaid in 2010.

The City has several OPWC and OWDA loans outstanding, however, the OPWC loans are no interest loans. The City also has \$2,195,000 in bond anticipation notes outstanding at December 31, 2003.

The State of Ohio statute limits the amount of general obligation debt a governmental entity may issue to 10.5 percent of the total assessed valuation. The City's overall legal debt margin was \$48,612,357 at December 31, 2003. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue without exceeding the limitation.

Additional information concerning the City's debt can be found in note 12 to the basic financial statements.

City of North Olmsted, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Economic Factors and Next Year's Budget

The City of North Olmsted began to react in 2002 to the slowing economy. Through attrition and layoffs at the end of 2003, the number of full-time employees Citywide decreased by 22 from the beginning of 2002. This is saving approximately \$1.5 million in wages and benefits annually. With the exception of one position, none of these vacant positions were budgeted to be replaced in 2004. This has not affected services to our residents and taxpayers. Additionally, all employees were not given a cost of living adjustment in 2004. Council passed the legislation for the non-union employees and the City's labor negotiating team achieved the same with the union contracts, which were all up for renewal in 2004. The City adopted a slowdown in 2003 in capital purchases for equipment unless critical, such as police cars, ambulance, etc. In 2004, Service and Fire vehicles and equipment continued to keep services to our residents and taxpayers at an excellent level.

The State of Ohio and, more specifically, Cuyahoga County are lagging behind the national economic recovery. Income tax collections are projected to remain relatively flat in 2004 and property values are increasing in 2004 at a minimal rate because of the triennial reappraisal. Even though during 2003 the City's general fund balance increased, monies were redirected from other special revenue funds which contributed to that. As stated earlier, the City has historically budgeted nearly all of its unencumbered balance and did so again in 2004. The City is monitoring revenues and expenditures closely in 2004 and will adjust the budget as deemed necessary.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

City of North Olmsted, Ohio

Statement of Net Assets

December 31, 2003

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,383,692	\$2,548,507	\$12,932,199	\$46,321
Accrued Interest Receivable	7,248	0	7,248	0
Accounts Receivable	221,211	323	221,534	3,115
Internal Balances	725,742	(725,742)	0	0
Intergovernmental Receivable	2,722,028	1,713,129	4,435,157	16,285
Materials and Supplies Inventory	363,963	183,913	547,876	0
Prepaid Items	107,516	97,034	204,550	0
Municipal Income Taxes Receivable	2,561,504	0	2,561,504	0
Property Taxes Receivable	10,903,001	0	10,903,001	0
Special Assessments Receivable	515,000	0	515,000	0
Nondepreciable Capital Assets	9,262,004	2,880,214	12,142,218	0
Depreciable Capital Assets, Net	75,294,693	33,634,566	108,929,259	33,679
<i>Total Assets</i>	<u>113,067,602</u>	<u>40,331,944</u>	<u>153,399,546</u>	<u>99,400</u>
Liabilities				
Accounts Payable	324,168	183,067	507,235	1,740
Accrued Wages and Benefits	503,767	198,867	702,634	3,558
Contracts Payable	759,491	6,645	766,136	0
Intergovernmental Payable	665,973	171,166	837,139	1,653
Deferred Revenue	10,365,073	0	10,365,073	0
Retainage Payable	682,553	794	683,347	0
Accrued Interest Payable	196,996	101,066	298,062	0
Claims Payable	277,978	0	277,978	0
Long-Term Liabilities:				
Due Within One Year	5,743,350	1,548,572	7,291,922	0
Due In More Than One Year	43,094,364	21,184,498	64,278,862	0
<i>Total Liabilities</i>	<u>62,613,713</u>	<u>23,394,675</u>	<u>86,008,388</u>	<u>6,951</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	44,107,156	14,708,996	58,816,152	33,679
Restricted for:				
Capital Projects	258,561	0	258,561	0
Debt Service	3,073,546	0	3,073,546	0
Recreation	283,588	0	283,588	0
Police and Fire Pension	97,338	0	97,338	0
Solid Waste Services	502,192	0	502,192	0
Casualty Loss	84,341	0	84,341	0
Endowment and Grants	107,253	0	107,253	0
Police Programs and Services	183,045	0	183,045	0
Street Repair	811,161	0	811,161	0
Senior Programs and Services	59,937	0	59,937	0
Community Development	73,523	0	73,523	0
Emergency Medical Services	166,036	0	166,036	0
Unrestricted	646,212	2,228,273	2,874,485	58,770
<i>Total Net Assets</i>	<u>\$50,453,889</u>	<u>\$16,937,269</u>	<u>\$67,391,158</u>	<u>\$92,449</u>

See accompanying notes to the basic financial statements

City of North Olmsted, Ohio
Statement of Activities
For the Year Ended December 31, 2003

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$4,537,200	\$1,913,520	\$39,683	\$1,037,239
Security of Persons and Property	12,210,303	675,496	102,673	0
Public Health Services	437,691	8,910	0	0
Transportation	9,155,956	123,303	1,166,058	0
Basic Utility Services	1,681,386	16,931	0	942,051
Leisure Time Activities	2,447,232	1,092,362	73,190	0
Interest and Fiscal Charges	2,354,210	0	0	0
<i>Total Governmental Activities</i>	<u>32,823,978</u>	<u>3,830,522</u>	<u>1,381,604</u>	<u>1,979,290</u>
Business-Type Activities				
NOMBL	4,467,129	4,497,011	0	0
Springvale Golf Course and Ballroom	1,509,294	1,356,442	0	0
Sewer Revenue	6,702,118	5,996,694	0	135,336
<i>Total Business-Type Activities</i>	<u>12,678,541</u>	<u>11,850,147</u>	<u>0</u>	<u>135,336</u>
<i>Totals</i>	<u>\$45,502,519</u>	<u>\$15,680,669</u>	<u>\$1,381,604</u>	<u>\$2,114,626</u>
Component Unit				
North Olmsted Commission on Paratransit, Inc.	<u>\$138,374</u>	<u>\$25,768</u>	<u>\$125,406</u>	<u>\$0</u>

General Revenues

Property and Other Local Taxes Levied for:

- General Purposes
- Recreation
- Fire Pension
- Police Pension
- Debt Service

Municipal Income Taxes Levied for:

- General Purposes
- Solid Waste Management
- Capital Outlay

- Grants and Entitlements not Restricted to Specific Programs
- Investment Earnings
- Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - See Note 3

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
(\$1,546,758)	\$0	(\$1,546,758)	\$0
(11,432,134)	0	(11,432,134)	0
(428,781)	0	(428,781)	0
(7,866,595)	0	(7,866,595)	0
(722,404)	0	(722,404)	0
(1,281,680)	0	(1,281,680)	0
(2,354,210)	0	(2,354,210)	0
(25,632,562)	0	(25,632,562)	0
0	29,882	29,882	0
0	(152,852)	(152,852)	0
0	(570,088)	(570,088)	0
0	(693,058)	(693,058)	0
(25,632,562)	(693,058)	(26,325,620)	0
0	0	0	12,800
5,389,334	0	5,389,334	0
883,340	0	883,340	0
220,834	0	220,834	0
220,834	0	220,834	0
3,524,390	0	3,524,390	0
7,653,635	0	7,653,635	0
1,637,055	0	1,637,055	0
1,637,055	0	1,637,055	0
2,906,433	0	2,906,433	0
295,832	0	295,832	0
43,411	22,295	65,706	0
24,412,153	22,295	24,434,448	0
(46,256)	46,256	0	0
24,365,897	68,551	24,434,448	0
(1,266,665)	(624,507)	(1,891,172)	12,800
51,720,554	17,561,776	69,282,330	79,649
\$50,453,889	\$16,937,269	\$67,391,158	\$92,449

City of North Olmsted, Ohio

Balance Sheet

Governmental Funds

December 31, 2003

	General	General Obligation Bond Retirement	Library Construction	Other Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,913,835	\$390,345	\$4,166,582	\$3,443,319
Accrued Interest Receivable	602	0	6,646	0
Accounts Receivable	109,300	0	0	111,911
Interfund Receivable	201,518	979,493	0	231
Intergovernmental Receivable	1,228,410	132,010	4,195	1,357,413
Materials and Supplies Inventory	296,791	0	0	67,172
Prepaid Items	80,616	0	0	26,900
Municipal Income Taxes Receivable	1,793,052	0	0	768,452
Property Taxes Receivable	5,614,232	2,522,336	0	2,766,433
Special Assessments Receivable	0	0	0	515,000
<i>Total Assets</i>	<u>\$11,238,356</u>	<u>\$4,024,184</u>	<u>\$4,177,423</u>	<u>\$9,056,831</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$134,889	\$0	\$12,802	\$176,282
Accrued Wages and Benefits	475,005	0	0	28,762
Contracts Payable	88	0	597,501	161,902
Intergovernmental Payable	213,470	0	0	26,835
Deferred Revenue	6,892,537	2,654,346	4,195	4,206,579
Interfund Payable	0	0	0	397,302
Retainage Payable	1,103	0	464,202	217,248
<i>Total Liabilities</i>	<u>7,717,092</u>	<u>2,654,346</u>	<u>1,078,700</u>	<u>5,214,910</u>
Fund Balances				
Reserved for Encumbrances	124,397	0	2,168,390	536,007
Undesignated, Reported in:				
General Fund	3,396,867	0	0	0
Special Revenue Funds	0	0	0	1,633,313
Debt Service Funds	0	1,369,838	0	996,897
Capital Projects Funds	0	0	930,333	675,704
<i>Total Fund Balances</i>	<u>3,521,264</u>	<u>1,369,838</u>	<u>3,098,723</u>	<u>3,841,921</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,238,356</u>	<u>\$4,024,184</u>	<u>\$4,177,423</u>	<u>\$9,056,831</u>

See accompanying notes to the basic financial statements

City of North Olmsted, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2003*

<p style="text-align: center;">Total Governmental Funds</p>	<p>Total Governmental Fund Balances</p>	<p>\$11,831,746</p>												
	<p><i>Amounts reported for governmental activities in the statement of net assets are different because</i></p>													
<p>\$9,914,081 7,248 221,211 1,181,242 2,722,028 363,963 107,516 2,561,504 10,903,001 515,000</p> <hr/> <p>\$28,496,794</p>	<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds</p> <p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Property and Other Taxes</td> <td style="text-align: right;">537,928</td> </tr> <tr> <td style="padding-left: 20px;">Municipal Income Taxes</td> <td style="text-align: right;">764,123</td> </tr> <tr> <td style="padding-left: 20px;">Intergovernmental</td> <td style="text-align: right;">1,498,134</td> </tr> <tr> <td style="padding-left: 20px;">Charges For Services</td> <td style="text-align: right;">77,399</td> </tr> <tr> <td style="padding-left: 20px;">Special Assessments</td> <td style="text-align: right; border-bottom: 1px solid black;">515,000</td> </tr> </table> <p>Total</p>	Property and Other Taxes	537,928	Municipal Income Taxes	764,123	Intergovernmental	1,498,134	Charges For Services	77,399	Special Assessments	515,000	<p>84,556,697</p> <p>3,392,584</p>		
Property and Other Taxes	537,928													
Municipal Income Taxes	764,123													
Intergovernmental	1,498,134													
Charges For Services	77,399													
Special Assessments	515,000													
	<p>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.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Net Assets</td> <td style="text-align: right;">191,438</td> </tr> <tr> <td style="padding-left: 20px;">Internal Balances</td> <td style="text-align: right; border-bottom: 1px solid black;">(58,198)</td> </tr> </table> <p>Total</p>	Net Assets	191,438	Internal Balances	(58,198)	<p>133,240</p>								
Net Assets	191,438													
Internal Balances	(58,198)													
<p>\$323,973 503,767 759,491 240,305 13,757,657 397,302 682,553</p> <hr/> <p>16,665,048</p>	<p>Intergovernmental payables includes contractually required pension contributions not expected to be paid with expendable available financial resources are therefore not reported in the funds.</p>	<p>(425,668)</p>												
<p>2,828,794</p>	<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>	<p>(196,996)</p>												
<p>3,396,867 1,633,313 2,366,735 1,606,037</p> <hr/> <p>11,831,746</p> <hr/> <p>\$28,496,794</p>	<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">General Obligation Bonds</td> <td style="text-align: right;">(42,230,000)</td> </tr> <tr> <td style="padding-left: 20px;">Special Assessment Bonds</td> <td style="text-align: right;">(515,000)</td> </tr> <tr> <td style="padding-left: 20px;">Police Pension Liability</td> <td style="text-align: right;">(111,314)</td> </tr> <tr> <td style="padding-left: 20px;">OPWC Loans</td> <td style="text-align: right;">(136,123)</td> </tr> <tr> <td style="padding-left: 20px;">Notes Payable</td> <td style="text-align: right;">(2,195,000)</td> </tr> <tr> <td style="padding-left: 20px;">Compensated Absences Payable</td> <td style="text-align: right; border-bottom: 1px solid black;">(3,650,277)</td> </tr> </table> <p>Total</p>	General Obligation Bonds	(42,230,000)	Special Assessment Bonds	(515,000)	Police Pension Liability	(111,314)	OPWC Loans	(136,123)	Notes Payable	(2,195,000)	Compensated Absences Payable	(3,650,277)	<p>(48,837,714)</p>
General Obligation Bonds	(42,230,000)													
Special Assessment Bonds	(515,000)													
Police Pension Liability	(111,314)													
OPWC Loans	(136,123)													
Notes Payable	(2,195,000)													
Compensated Absences Payable	(3,650,277)													
	<p><i>Net Assets of Governmental Activities</i></p>	<p>\$50,453,889</p>												

City of North Olmsted, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2003

	General	General Obligation Bond Retirement	Library Construction	Other Governmental Funds
Revenues				
Property and Other Local Taxes	\$5,266,715	\$2,153,841	\$0	\$2,580,147
Municipal Income Taxes	8,165,103	0	0	3,493,310
Charges for Services	760,151	0	0	1,241,952
Licenses and Permits	1,222,457	0	0	0
Fines and Forfeitures	262,593	0	0	301,683
Intergovernmental	2,544,008	269,914	0	3,496,359
Special Assessments	0	0	0	55,000
Interest	120,069	47,145	87,977	40,641
Donations	0	0	0	96,529
Rentals	17,870	0	0	23,016
Miscellaneous	37,443	0	0	5,968
<i>Total Revenues</i>	<u>18,396,409</u>	<u>2,470,900</u>	<u>87,977</u>	<u>11,334,605</u>
Expenditures				
Current:				
General Government	4,006,279	7,500	0	250,159
Security of Persons and Property	10,551,604	0	0	1,053,156
Public Health and Welfare	442,111	0	0	0
Transportation	2,692,421	0	0	2,619,495
Basic Utility Services	0	0	0	1,681,386
Leisure Time Activities	0	0	0	2,212,675
Capital Outlay	0	0	5,063,574	1,285,169
Debt Service:				
Principal Retirement	2,108	3,933,613	0	1,072,176
Interest and Fiscal Charges	4,798	1,746,068	0	627,899
<i>Total Expenditures</i>	<u>17,699,321</u>	<u>5,687,181</u>	<u>5,063,574</u>	<u>10,802,115</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>697,088</u>	<u>(3,216,281)</u>	<u>(4,975,597)</u>	<u>532,490</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	11,446	0	0	0
Notes Issued	0	1,495,000	0	700,000
Transfers In	31,866	1,766,680	0	227,000
Transfers Out	(73,205)	0	0	(1,998,597)
<i>Total Other Financing Sources (Uses)</i>	<u>(29,893)</u>	<u>3,261,680</u>	<u>0</u>	<u>(1,071,597)</u>
<i>Net Change in Fund Balances</i>	667,195	45,399	(4,975,597)	(539,107)
<i>Fund Balances Beginning of Year Restated (See Note 3)</i>	<u>2,854,069</u>	<u>1,324,439</u>	<u>8,074,320</u>	<u>4,381,028</u>
<i>Fund Balances End of Year</i>	<u>\$3,521,264</u>	<u>\$1,369,838</u>	<u>\$3,098,723</u>	<u>\$3,841,921</u>

See accompanying notes to the basic financial statements

City of North Olmsted, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2003*

	Net Change in Fund Balances - Total Governmental Funds	(\$4,802,110)
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$10,000,703	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
11,658,413	Capital Asset Additions	7,631,062
2,002,103	Current Year Depreciation	(5,923,253)
1,222,457	Total	1,707,809
564,276	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(611,077)
6,310,281	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues	
55,000	Delinquent Property Taxes	238,029
295,832	Municipal Income Taxes	(730,668)
96,529	Intergovernmental	(139,483)
40,886	Special Assessments	(55,000)
43,411	Charges for Services	800
32,289,891	Total	(686,322)
	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	5,007,897
	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	24,555
	Notes issued in the governmental funds increased long-term liabilities in the statement of net assets.	(2,195,000)
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures	
	Compensated Absences	19,014
	Pension Obligation	169,827
	Intergovernmental Payable	45,103
	Total	233,944
	The internal service fund used by management to charge the costs of insurance to individual funds is not reported in 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 the governmental activities.	
	Change in Net Assets	77,068
	Internal Balances	(23,429)
	Total	53,639
\$11,831,746	<i>Change in Net Assets of Governmental Activities</i>	(\$1,266,665)

City of North Olmsted, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$5,305,505	\$5,297,429	\$5,266,715	(\$30,714)
Municipal Income Taxes	7,806,883	7,795,000	8,087,898	292,898
Charges for Services	681,029	679,951	742,125	62,174
Fees, Licenses and Permits	1,093,913	1,092,700	1,217,689	124,989
Fines and Forfeitures	201,957	201,650	272,675	71,025
Intergovernmental	2,255,499	2,251,614	2,369,331	117,717
Interest	100,152	100,000	119,467	19,467
Rentals	19,530	19,500	17,870	(1,630)
Miscellaneous	26,565	26,525	54,843	28,318
<i>Total Revenues</i>	<u>17,491,033</u>	<u>17,464,369</u>	<u>18,148,613</u>	<u>684,244</u>
Expenditures				
Current:				
General Government	4,853,270	4,585,456	4,043,549	541,907
Security of Persons and Property	10,740,580	10,830,634	10,516,518	314,116
Public Health and Welfare	451,886	454,086	450,353	3,733
Transportation	2,894,666	2,953,666	2,822,605	131,061
Debt Service:				
Principal Retirement	2,108	2,108	2,108	0
Interest and Fiscal Charges	4,798	4,798	4,798	0
<i>Total Expenditures</i>	<u>18,947,308</u>	<u>18,830,748</u>	<u>17,839,931</u>	<u>990,817</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,456,275)</u>	<u>(1,366,379)</u>	<u>308,682</u>	<u>1,675,061</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	10,000	11,446	1,446
Transfers In	31,866	31,866	31,866	0
Transfers Out	0	(90,000)	(73,205)	16,795
<i>Total Other Financing Sources (Uses)</i>	<u>41,866</u>	<u>(48,134)</u>	<u>(29,893)</u>	<u>18,241</u>
<i>Net Change in Fund Balance</i>	(1,414,409)	(1,414,513)	278,789	1,693,302
<i>Fund Balance Beginning of Year</i>	1,328,529	1,328,529	1,328,529	0
Prior Year Encumbrances Appropriated	121,445	121,445	121,445	0
<i>Fund Balance End of Year</i>	<u>\$35,565</u>	<u>\$35,461</u>	<u>\$1,728,763</u>	<u>\$1,693,302</u>

See accompanying notes to the basic financial statements

City of North Olmsted, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2003

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue		Total
Assets					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$865,664	\$10,235	\$1,672,608	\$2,548,507	\$469,611
Materials and Supplies Inventory	33,959	17,406	132,548	183,913	0
Accounts Receivable	323	0	0	323	0
Intergovernmental Receivable	392,143	0	1,320,986	1,713,129	0
Prepaid Items	12,767	13,455	70,812	97,034	0
<i>Total Current Assets</i>	<u>1,304,856</u>	<u>41,096</u>	<u>3,196,954</u>	<u>4,542,906</u>	<u>469,611</u>
<i>Noncurrent Assets</i>					
Nondepreciable Capital Assets	372,084	2,508,130	0	2,880,214	0
Depreciable Capital Assets, Net	1,978	3,696,340	29,936,248	33,634,566	0
Total Noncurrent Assets	<u>374,062</u>	<u>6,204,470</u>	<u>29,936,248</u>	<u>36,514,780</u>	<u>0</u>
<i>Total Assets</i>	<u>1,678,918</u>	<u>6,245,566</u>	<u>33,133,202</u>	<u>41,057,686</u>	<u>469,611</u>
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	18,954	15,142	148,971	183,067	195
Contracts Payable	0	0	6,645	6,645	0
Accrued Wages and Benefits	124,718	6,979	67,170	198,867	0
Intergovernmental Payable	106,506	9,033	55,627	171,166	0
Interfund Payable	0	685,930	98,010	783,940	0
Retainage Payable	794	0	0	794	0
Accrued Interest Payable	0	25,515	75,551	101,066	0
Claims Payable	0	0	0	0	277,978
Compensated Absences Payable	189,256	8,159	199,938	397,353	0
General Obligation Bonds Payable	0	235,000	715,000	950,000	0
OWDA Loans Payable	0	0	45,660	45,660	0
OPWC Loans Payable	0	0	130,333	130,333	0
Capital Leases Payable	0	25,226	0	25,226	0
<i>Total Current Liabilities</i>	<u>440,228</u>	<u>1,010,984</u>	<u>1,542,905</u>	<u>2,994,117</u>	<u>278,173</u>
<i>Long-Term Liabilities (Net of Current Portion)</i>					
Compensated Absences Payable	255,560	11,344	263,029	529,933	0
General Obligation Bonds Payable	0	5,855,000	12,580,000	18,435,000	0
OWDA Loans Payable	0	0	759,721	759,721	0
OPWC Loans Payable	0	0	1,433,668	1,433,668	0
Capital Leases Payable	0	26,176	0	26,176	0
<i>Total Long-Term Liabilities</i>	<u>255,560</u>	<u>5,892,520</u>	<u>15,036,418</u>	<u>21,184,498</u>	<u>0</u>
<i>Total Liabilities</i>	<u>695,788</u>	<u>6,903,504</u>	<u>16,579,323</u>	<u>24,178,615</u>	<u>278,173</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	374,062	63,068	14,271,866	14,708,996	0
Unrestricted (Deficit)	609,068	(721,006)	2,282,013	2,170,075	191,438
<i>Total Net Assets (Deficit)</i>	<u>\$983,130</u>	<u>(\$657,938)</u>	<u>\$16,553,879</u>	<u>16,879,071</u>	<u>\$191,438</u>
Net assets reported for business-type activities in the statement of net assets are different because they include accumulated overpayments to the internal service funds:				<u>58,198</u>	
Net assets business-type activities				<u>\$16,937,269</u>	

See accompanying notes to the basic financial statements

City of North Olmsted, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2003*

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue		Total
Operating Revenues					
Charges for Services	\$4,497,011	\$1,356,442	\$5,996,694	\$11,850,147	\$2,706,200
Other	22,295	0	0	22,295	0
<i>Total Operating Revenues</i>	<u>4,519,306</u>	<u>1,356,442</u>	<u>5,996,694</u>	<u>11,872,442</u>	<u>2,706,200</u>
Operating Expenses					
Personal Services	3,914,828	438,428	2,743,805	7,097,061	0
Materials and Supplies	115,865	226,237	363,081	705,183	0
Contractual Services	441,036	337,092	859,459	1,637,587	482,340
Depreciation	3,957	183,053	1,561,367	1,748,377	0
Other	6,780	0	411,201	417,981	0
Claims	0	0	0	0	2,146,792
<i>Total Operating Expenses</i>	<u>4,482,466</u>	<u>1,184,810</u>	<u>5,938,913</u>	<u>11,606,189</u>	<u>2,629,132</u>
<i>Operating Income</i>	36,840	171,632	57,781	266,253	77,068
Non Operating Expenses					
Interest and Fiscal Charges	0	(324,715)	(771,066)	(1,095,781)	0
<i>Income (Loss) before Capital Contributions and Transfers</i>	36,840	(153,083)	(713,285)	(829,528)	77,068
Capital Contributions	0	0	135,336	135,336	0
Transfers In	0	73,205	0	73,205	0
Transfers Out	(26,949)	0	0	(26,949)	0
<i>Change in Net Assets</i>	9,891	(79,878)	(577,949)	(647,936)	77,068
<i>Net Assets (Deficit) Beginning of Year Restated (See Note 3)</i>	<u>973,239</u>	<u>(578,060)</u>	<u>17,131,828</u>		<u>114,370</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$983,130</u>	<u>(\$657,938)</u>	<u>\$16,553,879</u>		<u>\$191,438</u>

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

	23,429
Change in net assets business-type activities	(\$624,507)

See accompanying notes to the basic financial statements

City of North Olmsted, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2003

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	
<i>Increase (Decrease) In Cash and Cash Equivalents</i>					
Cash Flows from Operating Activities					
Cash Received from Customers	\$4,504,910	\$1,356,442	\$6,482,381	\$12,343,733	\$0
Cash Received from Interfund Services Provided	0	0	0	0	2,706,200
Cash Received from Other Operating Sources	60,196	0	0	60,196	0
Cash Payments to Suppliers for Goods and Services	(529,921)	(558,624)	(1,183,216)	(2,271,761)	(482,955)
Cash Payments for Claims	0	0	0	0	(2,168,665)
Cash Payments for Employee Services and Benefits	(4,062,501)	(452,846)	(2,778,429)	(7,293,776)	0
Cash Payments for Other Operating Expenses	0	0	(471,118)	(471,118)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	(27,316)	344,972	2,049,618	2,022,302	54,580
Cash Flows from Noncapital Financing Activities					
Financing Activities:					
Transfer In	0	73,205	0	73,205	0
Transfer Out	(26,949)	0	0	(26,949)	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	(26,949)	73,205	0	46,256	0
Cash Flows from Capital and Related Financing Activities					
Tap-In Fees	0	0	135,336	135,336	0
Acquisition of Capital Assets	0	0	(157,226)	(157,226)	0
Principal Paid on General Obligation Bond	0	(225,000)	(680,000)	(905,000)	0
Principal Paid on OWDA Loan	0	0	(43,835)	(43,835)	0
Principal Paid on OPWC Loan	0	0	(130,333)	(130,333)	0
Principal Paid on Capital Lease	0	(24,311)	0	(24,311)	0
Interest Paid on General Obligation Bond	0	(273,329)	(739,678)	(1,013,007)	0
Interest Paid on OWDA Loan	0	0	(34,431)	(34,431)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	0	(522,640)	(1,650,167)	(2,172,807)	0
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	(54,265)	(104,463)	399,451	240,723	54,580
<i>Cash and Cash Equivalents Beginning of Year</i>	919,929	114,698	1,273,157	2,307,784	415,031
<i>Cash and Cash Equivalents End of Year</i>	\$865,664	\$10,235	\$1,672,608	\$2,548,507	\$469,611

(continued)

City of North Olmsted
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2003

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue		Total
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities					
<i>Operating Income</i>	\$36,840	\$171,632	\$57,781	\$266,253	\$77,068
Adjustments:					
Depreciation	3,957	183,053	1,561,367	1,748,377	0
(Increase)/Decrease in Assets:					
Accounts Receivable	17	0	0	17	0
Intergovernmental Receivable	34,570	0	485,687	520,257	0
Materials and Supplies Inventory	8,221	(10,662)	6,780	4,339	0
Prepaid Items	(1,554)	(2,398)	(14,945)	(18,897)	0
Increase/(Decrease) in Liabilities:					
Accounts Payable	(5,964)	(38,353)	(19,173)	(63,490)	(615)
Accrued Wages	18,550	119	5,644	24,313	0
Compensated Absences	(66,742)	(9,048)	(6,456)	(82,246)	0
Retainage Payable	0	0	(7,046)	(7,046)	0
Contracts Payable	0	0	6,645	6,645	0
Intergovernmental Payable	(55,211)	(4,940)	(26,666)	(86,817)	0
Due to Other Funds	0	55,569	0	55,569	0
Claims Payable	0	0	0	0	(21,873)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$27,316)</u>	<u>\$344,972</u>	<u>\$2,049,618</u>	<u>\$2,022,302</u>	<u>\$54,580</u>

See accompanying notes to the basic financial statements

City of North Olmsted, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2003

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$202,026</u></u>
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Liabilities

Intergovernmental Payable	\$4,300
Deposits Held and Due to Others	<u>197,726</u>

<i>Total Liabilities</i>	<u><u>\$202,026</u></u>
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See accompanying notes to the basic financial statements

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Note 1 - Description of the City and Reporting Entity

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

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. This definition of reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity".

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

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

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

North Olmsted Commission on Paratransit, Inc. (NOCOP) provides transportation to the residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who are sixty years of age or older or disabled. NOCOP was formed in 1992 and is governed by a Board of Trustees which consists of nine members. The following five members are automatic members of the Board of Trustees: The Mayor of the City of North Olmsted or designee, The Finance Director of the City of North Olmsted or designee, a designee from the Advisory Board for the Department of Human Resources of the City of North Olmsted, a member of the Finance Committee of the North Olmsted City Council as designated by the Chairman of the Committee and the President of the North Olmsted City Council. The remaining four members of the Board of Trustees are elected by the membership as provided in its by-laws. Fares are collected based on the destination and frequency that the service is used. The three communities also share costs or deficits on a prorated agreement based on each community's population. The current formula is as follows: the City of North Olmsted contributes 68.9 percent, the City of Olmsted Falls contributes 10.0 percent and Olmsted Township contributes 21.1 percent. NOCOP operates on a fiscal year ending December 31. Complete financial statements for NOCOP may be obtained by writing the North Olmsted Commission on Paratransit, Inc., 5200 Dover Center Road, North Olmsted, Ohio 44070.

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

The City is associated with two jointly governed organizations, the West Shore Council of Governments and the Northeast Ohio Public Energy Council. These organizations are presented in Note 18 to the basic financial statements.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

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

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

Library Construction Fund The library construction fund accounts for financial resources designated to construct a free and public library and related expenditures.

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

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

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

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

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

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

Internal Service Fund The internal service fund accounts 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 accounts for a self-insurance program for employee medical, dental and vision benefits.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

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

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, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. 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 Data

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

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

F. Pooled Cash and Cash Equivalents

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

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

During 2003, investments were limited to repurchase agreements, non negotiable certificates of deposit, Victory United States Government Obligations Money Market Mutual Funds and Key Public Money Market Savings.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2003 amounted to \$120,069, which includes \$76,962 assigned from other City funds.

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

G. Materials and Supplies Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 years
Machinery and Equipment	2 to 15 years
Furniture and Fixtures	10 to 15 years
Roads	20 to 30 years
Bridges and Culverts	35 to 50 years
Storm Sewer Lines	20 years

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

J. Interfund Balances

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

K. Compensated Absences

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

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

L. Accrued Liabilities and Long-term Obligations

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

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

M. Fund Balance Reserves

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

N. Net Assets

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

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

O. Operating Revenues and Expenses

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

P. Contributions of Capital

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

Q. Interfund Activity

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

R. 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.

S. 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.

Note 3 - Changes in Accounting Principles and Restatement of Prior Year Fund Equity

Changes in Accounting Principles For 2003, the City of North Olmsted has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures" and GASB Interpretation No. 6 "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB Statement No. 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

On the government-wide financial statements, the beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2002, caused by the reclassification of funds based on the guidance provided in Statement No. 34 and the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Restatement of Fund Balance The implementation of these changes, together with the understatement of prepaid items, intergovernmental receivable, materials and supplies inventory and due from other funds had the following effects on fund balance of the major and nonmajor funds of the City. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	General Obligation Bond Retirement	Library Construction	Nonmajor	Total
Fund Balance, December 31, 2002	\$2,418,164	\$1,324,439	\$8,074,320	\$2,390,195	\$14,207,118
Prepaid Items	63,012	0	0	21,156	84,168
Notes Reclassification	0	0	0	1,884,683	1,884,683
Intergovernmental Receivable	278,242	0	0	83,831	362,073
Interfund Receivable	47,939	0	0	0	47,939
Materials and Supplies Inventory	22,076	0	0	0	22,076
Implementation of GASB Interpretation No. 6	24,636	0	0	1,163	25,799
Restated Fund Balance, December 31, 2002	<u>\$2,854,069</u>	<u>\$1,324,439</u>	<u>\$8,074,320</u>	<u>\$4,381,028</u>	16,633,856
GASB 34 Adjustments:					
Capital Assets					83,459,965
Long-Term (Deferred) Assets					4,078,906
Internal Service					114,370
Long-Term Liabilities					(51,714,728)
Pension Obligations					(595,495)
Accrued Interest Payable					(221,551)
Internal Balances					(34,769)
Governmental Activities Net Assets, December 31, 2002					<u>\$51,720,554</u>

The implementation of these changes, along with adjustments to prepaid items, and material and supplies inventory, accrued interest payable, due to other funds and OPWC and OWDA loans payable, had the following effect on net assets for business-type activities and on fund net assets at December 31, 2002:

	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total Business-type Activities
Fund Equity, December 31, 2002	\$964,005	(\$425,530)	\$12,056,673	\$12,595,148
Capital Asset Adjustments	(1,979)	(115,648)	7,441,004	7,323,377
Prepaid Items	11,213	11,057	55,867	78,137
Materials and Supplies Inventory	0	0	139,328	139,328
Interfund Receivable	0	(47,939)	0	(47,939)
Accrued Interest Adjustment	0	0	(17,494)	(17,494)
OWDA Loan Payable	0	0	(2,543,550)	(2,543,550)
Restated Fund Equity December 31, 2002	<u>\$973,239</u>	<u>(\$578,060)</u>	<u>\$17,131,828</u>	17,527,007
Internal Balances				34,769
Business-Type Activities Net Assets, December 31, 2002				<u>\$17,561,776</u>

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Note 4 – Fund Deficit

At December 31, 2003 the Springvale golf course and ballroom enterprise fund had a fund deficit of \$657,938. The fund deficit is the result of interfund loans which are used to finance the debt payments until resources are accumulated to repay the general obligation bond retirement debt service fund.

Note 5 - Budgetary Basis of Accounting

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$667,195
Net Adjustment for Revenue Accruals	(247,796)
Net Adjustment for Expenditure Accruals	44,462
Encumbrances	<u>(185,072)</u>
Budget Basis	<u><u>\$278,789</u></u>

Note 6 - Deposits and Investments

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

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

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

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

Interim monies can be invested in the following obligations:

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

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.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements."

Deposits At year-end, the carrying amount of the City's deposits was \$8,882,929 and the bank balance was \$10,215,106. Of the bank balance:

1. \$554,559 was covered by federal depository insurance.
2. \$9,660,547 was uncollateralized and uninsured. Although the securities were held by the pledging institutions in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments Investments are categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. The City's investment in Victory United States Government Obligations Money Market Mutual Funds is unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying and Fair Value
Repurchase Agreement	\$2,213,368	\$2,213,368
Victory United States Government Obligations Money Market Mutual Funds		2,037,928
Total		\$4,251,296

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting". Cash and equivalents are defined to include investments with original maturities of three months or less and funds included within the City's cash management pool.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

A reconciliation between the classification of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$13,134,225	\$0
Repurchase Agreement	(2,213,368)	2,213,368
Victory United States Government Obligations		
Money Market Mutual Funds	(2,037,928)	2,037,928
GASB Statement No. 3	\$8,882,929	\$4,251,296

Note 7 - Receivables

Receivables at December 31, 2003, consisted primarily of municipal income taxes, property and other taxes, special assessments, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

Special assessments expected to be collected in more than one year amount to \$455,000 in the special assessment bond retirement fund. At December 31, 2003 the amount of delinquent special assessments was \$14,449.

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 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) and for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

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. 2003 public utility property taxes which became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the values as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

The full tax rate for all City operations for the year ended December 31, 2003, was \$13.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based as follows:

Real Estate	
Residential/Agriculture	\$751,348,000
Tangible Personal Property	
Public Utility	16,129,090
General Tangible Personal Property	<u>46,312,966</u>
Total Valuation	<u><u>\$813,790,056</u></u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. In the general fund; recreation, fire pension and police pension special revenue funds; and general obligation bond retirement, library bond retirement and sewer bond retirement debt service funds; the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2003 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Taxes

The City levies and collects an income tax of 2 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly.

Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government	\$701,184
Homestead and Rollback	570,731
Issue II Grant	445,362
Gasoline Tax	307,880
Estate Tax	163,467
Excise Tax	126,809
Permissive Tax	116,317
OPWC Grant	70,028
ODOT Grant	49,362
FEMA Grant	48,186
Court Fines	47,887
Bus Administration Fee	21,548
DARE Grant	14,226
Auto Registration	13,102
North Olmsted City School District	8,949
Liquor Fees	7,440
Miscellaneous	5,272
Ohio Recycle Grant	4,195
Title III	83
	2,722,028
Business-Type Activities	
Sewer Charges	1,242,293
RTA Charges	382,986
Fairview Park	78,693
Fuel Tax Refund	9,157
	1,713,129
<i>Total Business-Type Activities</i>	1,713,129
<i>Total</i>	\$4,435,157

The City financed sanitary sewer system improvements through the issuance of general obligation bonds and an OWDA loan. The sanitary sewer system provides sewer services for part of the City of Fairview Park. The City of Fairview Park has agreed to pay the City 5.24 percent of the debt retirement related to the improvement and a capital surcharge. An intergovernmental receivable of \$78,693 has been recorded on the statement of net assets.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Note 8 - Capital Assets

A summary of changes in capital assets during 2003 follows:

	Balance 12/31/02	Additions	Deletions	Balance 12/31/03
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$3,712,536	\$0	\$0	\$3,712,536
Construction in Progress	501,716	5,047,752	0	5,549,468
<i>Total Capital Assets Not Being Depreciated</i>	<u>4,214,252</u>	<u>5,047,752</u>	<u>0</u>	<u>9,262,004</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings	16,929,708	0	0	16,929,708
Improvements Other Than Buildings	557,304	0	0	557,304
Machinery and Equipment	7,074,935	168,941	(119,619)	7,124,257
Furniture and Fixtures	327,288	6,921	0	334,209
Infrastructure				
Roads	120,431,051	2,407,448	(1,174,084)	121,664,415
Bridges and Culverts	3,101,565	0	0	3,101,565
<i>Total Capital Assets, Being Depreciated</i>	<u>148,421,851</u>	<u>2,583,310</u>	<u>(1,293,703)</u>	<u>149,711,458</u>
Less Accumulated Depreciation:				
Buildings	(9,081,260)	(432,093)	0	(9,513,353)
Improvements Other Than Buildings	(185,587)	(34,448)	0	(220,035)
Machinery and Equipment	(5,553,522)	(357,144)	119,069	(5,791,597)
Furniture and Fixtures	(113,849)	(23,956)	0	(137,805)
Infrastructure				
Roads	(53,241,702)	(5,001,357)	563,557	(57,679,502)
Bridges and Culverts	(1,000,218)	(74,255)	0	(1,074,473)
<i>Total Accumulated Depreciation</i>	<u>(69,176,138)</u>	<u>(5,923,253) *</u>	<u>682,626</u>	<u>(74,416,765)</u>
<i>Total Capital Assets, Being Depreciated, Net</i>	<u>79,245,713</u>	<u>(3,339,943)</u>	<u>(611,077)</u>	<u>75,294,693</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$83,459,965</u>	<u>\$1,707,809</u>	<u>(\$611,077)</u>	<u>\$84,556,697</u>

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

	Balance 12/31/02	Additions	Deletions	Balance 12/31/03
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,880,214	\$0	\$0	\$2,880,214
<i>Capital Assets, Being Depreciated</i>				
Buildings	23,042,785	0	0	23,042,785
Improvements Other Than Buildings	916,298	0	0	916,298
Machinery and Equipment	34,367,926	157,226	(30,000)	34,495,152
Furniture and Fixtures	23,058	0	0	23,058
Sanitary Sewer Lines	14,064,897	0	0	14,064,897
<i>Total Capital Assets, Being Depreciated</i>	<u>72,414,964</u>	<u>157,226</u>	<u>(30,000)</u>	<u>72,542,190</u>
Less Accumulated Depreciation:				
Buildings	(12,996,097)	(455,097)	0	(13,451,194)
Improvements Other Than Buildings	(72,487)	(45,450)	0	(117,937)
Machinery and Equipment	(18,297,369)	(966,904)	30,000	(19,234,273)
Furniture and Fixtures	(21,795)	(842)	0	(22,637)
Sanitary Sewer Lines	(5,801,499)	(280,084)	0	(6,081,583)
<i>Total Accumulated Depreciation</i>	<u>(37,189,247)</u>	<u>(1,748,377)</u>	<u>30,000</u>	<u>(38,907,624)</u>
<i>Total Capital Assets, Being Depreciated, Net</i>	<u>35,225,717</u>	<u>(1,591,151)</u>	<u>0</u>	<u>33,634,566</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$38,105,931</u>	<u>(\$1,591,151)</u>	<u>\$0</u>	<u>\$36,514,780</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$136,081
Security of Persons and Property	309,702
Transportation	5,217,212
Leisure Time Activities	260,258
Total	<u>\$5,923,253</u>

Note 9 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$906,771, \$1,510,400 and \$1,545,300, respectively; 88.16 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were \$1,444 made by the City and \$906 made by the plan members.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$236,149 and \$315,836 for the year ended December 31, 2003, \$1,339,800 for the year ended December 31, 2002, and \$1,297,300 for the year ended December 31, 2001. The full amount has been contributed for 2002 and 2001. 72.34 percent for police and 64.53 percent for firefighters has been contributed for 2003 with the remainder being reported as a liability.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2003, the unfunded liability of the City was \$111,314 payable in semi-annual payments through the year 2031. This is an accounting liability of the City which will not vary. The liability is reported as "long-term liabilities" in the governmental activities column on the statement of net assets.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Note 10 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$530,275. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

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

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

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to 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.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$284,712 for police and 207,143 for firefighters. The OP&F's total health care expense for the year ended December 31, 2002, (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

Note 11 - 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. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays the monthly premium for the self-insurance plan. The City contracts with a third party administrator to direct this program. During 2003, self-insurance was in effect for claims up to \$50,000 per covered individual and \$2,492,751 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated are insured by private carriers.

The claims liability of \$277,978 as estimated by the third party administrator and reported in the Hospitalization internal service fund at December 31, 2003, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the funds claims liability amount in 2002 and 2003 were as follows:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2002	\$255,891	\$2,798,877	\$2,754,917	\$299,851
2003	299,851	2,146,792	2,168,665	277,978

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Workers' compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 12 - Long-term Obligations

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
General Obligation Bonds				
Municipal Building	1985	2005	9.25 %	\$3,050,000
Sanitary Sewer #3	1975	2004	6.75	1,845,000
Waste Water Treatment Plant	1985	2005	9.25	4,000,000
Various Purpose, Series 1996	1996	2016	3.70-6.20	21,655,000
Various Purpose, Series 2000	2000	2020	4.50-5.375	5,650,000
Library Improvements	2001	2020	3.15-5.5	10,750,000
Various Purpose, Series 2001	2001	2021	3.3-5.125	2,305,000
Refunding	2001	2012	3.15-5.0	7,625,000
Special Assessment Bonds				
Industrial Park Road	1990	2010	6.0-7.25	1,010,000
OWDA Street Loan				
	1979	2003	6.25	2,186,000
OPWC Street Loan				
	1994	2014	0	272,250
Long Term Bond Anticipation Notes				
Capital Improvements	2002	2003	1.25-2.00	1,865,000
Capital Improvements	2003	2004	2.15	2,195,000
Business-Type Activities				
General Obligation Bonds				
Various Purpose, Series 1996	1996	2021	3.7-6.2	20,550,000
Various Purpose, Series 2000	2000	2020	4.5-5.375	1,195,000
Golf Course Improvements	2001	2021	3.3-5.125	2,500,000
OWDA Sanitary Sewer Loan				
	1997	2017	4.12	1,060,795
OPWC Sanitary Sewer Loan				
	1994	2014	0	272,250

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Changes in long-term obligations during the year ended December 31, 2003, consisted of the following:

	Balance 12/31/02	Increase	Decrease	Balance 12/31/03	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
Municipal Building	\$465,000	\$0	\$155,000	\$310,000	\$155,000
Sanitary Sewer #3	120,000	0	60,000	60,000	60,000
Waste Water Treatment Plant	600,000	0	200,000	400,000	200,000
Various Purpose, Series 1996	19,160,000	0	930,000	18,230,000	1,075,000
Various Purpose, Series 2000	4,915,000	0	445,000	4,470,000	450,000
Library Improvements	10,365,000	0	385,000	9,980,000	400,000
Various Purpose, Series 2001	2,195,000	0	115,000	2,080,000	125,000
Refunding	7,310,000	0	610,000	6,700,000	650,000
<i>Total General Obligation Bonds</i>	45,130,000	0	2,900,000	42,230,000	3,115,000
Special Assessment Bonds					
Industrial Park Road	570,000	0	55,000	515,000	60,000
OWDA Street Loan	172,176	0	172,176	0	0
OPWC Street Loan	149,736	0	13,613	136,123	13,613
Police Pension Liability	113,422	0	2,108	111,314	2,198
Long Term Notes	1,865,000	2,195,000	1,865,000	2,195,000	725,000
Intergovernmental Payable	45,103	0	45,103	0	0
Compensated Absences Payable	3,669,291	313,130	332,144	3,650,277	1,827,539
<i>Total Governmental Activities</i>	\$51,714,728	\$2,508,130	\$5,385,144	\$48,837,714	\$5,743,350
Business-Type Activities					
General Obligation Bonds					
Various Purpose, Series 1996	\$16,765,000	\$0	\$765,000	\$16,000,000	\$800,000
Various Purpose, Series 2000	1,105,000	0	55,000	1,050,000	65,000
Golf Course Improvements	2,420,000	0	85,000	2,335,000	85,000
<i>Total General Obligation Bonds</i>	20,290,000	0	905,000	19,385,000	950,000
OWDA Sanitary Sewer Loan	849,216	0	43,835	805,381	45,660
OPWC Sanitary Sewer Loan	1,694,334	0	130,333	1,564,001	130,333
Compensated Absences Payable	1,009,532	0	82,246	927,286	397,353
Capital Leases Obligation Payable	75,713	0	24,311	51,402	25,226
<i>Total Business-Type Activities</i>	\$23,918,795	\$0	\$1,185,725	\$22,733,070	\$1,548,572

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

Other long-term obligations Compensated absences will be paid from the general fund, recreation special revenue fund, and the NOMBL, Springvale golf course and ballroom and sewer revenue enterprise funds. The Police pension liability is paid from the general fund. The intergovernmental payable is paid from the hotel/motel special revenue fund. The OWDA and OPWC loans liability are payable semiannually from the general obligation bond and sewer bond debt service funds. The OPWC loans are interest free.

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's general purpose financial statements. At December 31, 2003, \$6,470,000 of bonds outstanding are considered to be defeased.

The City's overall legal debt margin was \$48,612,357 at December 31, 2003. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2003, are as follows:

Year	Governmental Activities				
	General Obligation Bonds		Special Assessment Bonds		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2004	\$3,115,000	\$2,267,520	\$60,000	\$37,338	\$13,613
2005	3,480,000	1,977,943	65,000	32,988	13,613
2006	3,415,000	1,795,402	70,000	28,275	13,613
2007	3,130,000	1,646,028	70,000	23,200	13,612
2008	3,205,000	1,499,424	75,000	18,125	13,612
2009-2013	15,015,000	5,012,169	175,000	139,213	68,060
2014-2018	8,905,000	1,653,581	0	0	0
2019-2023	1,965,000	112,757	0	0	0
Total	\$42,230,000	\$15,964,823	\$515,000	\$279,139	\$136,123

Year	Governmental Activities				Total	
	Police Pension		Long Term Notes		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$2,198	\$4,708	\$725,000	\$27,438	\$3,915,811	\$2,337,004
2005	2,292	4,613	0	0	3,560,905	2,015,544
2006	2,390	4,515	0	0	3,501,003	1,828,192
2007	2,493	4,412	0	0	3,216,105	1,673,640
2008	2,600	4,305	0	0	3,296,212	1,521,854
2009-2013	14,776	19,752	0	0	15,272,836	5,171,134
2014-2018	18,234	16,294	0	0	8,923,234	1,669,875
2019-2023	22,500	12,026	0	0	1,987,500	124,783
2024-2029	27,765	6,761	0	0	27,765	6,761
2030-2031	16,066	1,032	0	0	16,066	1,032
Total	\$111,314	\$78,418	\$725,000	\$27,438	\$43,717,437	\$16,349,818

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Year	Business-Type Activities					Total	
	General Obligation Bonds		OWDA Loans		OPWC Loans	Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2004	\$950,000	\$1,013,704	\$45,660	\$32,716	\$130,333	\$1,125,993	\$1,046,420
2005	995,000	968,471	47,560	30,816	130,333	1,172,893	999,287
2006	1,040,000	920,257	49,540	28,836	130,333	1,219,873	949,093
2007	1,090,000	869,970	51,602	26,774	130,333	1,271,935	896,744
2008	1,160,000	815,825	53,750	24,626	130,333	1,344,083	840,451
2009-2013	6,700,000	2,990,778	304,230	87,649	651,668	7,655,898	3,078,427
2014-2018	5,910,000	1,114,552	253,039	21,275	260,668	6,423,707	1,135,827
2019-2023	1,540,000	155,644	0	0	0	1,540,000	155,644
Total	<u>\$19,385,000</u>	<u>\$8,849,201</u>	<u>\$805,381</u>	<u>\$252,692</u>	<u>\$1,564,001</u>	<u>\$21,754,382</u>	<u>\$9,101,893</u>

Note 13 - Operating Leases

The City is obligated under certain leases accounted for as operating leases. The total cost for leases in 2003 was \$47,164. The following is a schedule by year of future minimum lease payments required operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2003.

Year ending December 31,	Amount
2004	\$18,867
2005	11,363
2006	2,694
Total Minimum Payments	<u>\$32,924</u>

Note 14 - Capital Leases

The City entered into lease agreement for several golf course mowers and a protractor. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases". Capital lease payments have been reclassified and are reflected as debt service expenses in the basic financial statements. These expenditures are reflected as capital outlay expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized as machinery and equipment in the amount of \$101,302. Accumulated depreciation as of December 31, 2003 for machinery and equipment was \$39,351, leaving a current book value of \$61,951 for machinery and equipment.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2003.

Fiscal Year Ending December 30,	Springvale Golf Course and Ballroom
2004	\$27,161
2005	27,161
Total	54,322
Less: Amount Representing Interest	(2,920)
Present Value of Net Minimum Lease Payments	\$51,402

Note 15 - Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employee has acquired at least on year of service to the City.

Sick leave is earned at the rate of 10 hours for each month worked. Each employee upon retirement is paid for one-half of the employee's earned unused sick leave balances from 600 hours to 1,000 hours depending upon union contract upon termination with the City.

Note 16 - Construction and Other Significant Commitments

At December 31, 2003, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Street and Storm Improvements	\$3,974,749	\$3,562,644	\$412,105
Street Lighting	84,842	0	84,842
Recreation Park Improvements	109,490	69,207	40,283
Library	8,161,858	5,389,270	2,772,588
Springvale Parking Lot	7,306	930	6,376
Finance Computerization	5,544	0	5,544
Total	\$12,343,789	\$9,022,051	\$3,321,738

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

Note 17 – Interfund Transfers and Balances

	Transfer To				Total
	Governmental Activities			Business Type	
Transfer From	General	Obligation Bond Retirement	Permanent Improvement Street and Storm	Springvale Golf Course and Ballroom	
Governmental Activities					
General Fund	\$0	\$0	\$0	\$73,205	\$73,205
Economic Development	4,917	0	0	0	4,917
Motor Vehicle License	0	0	50,000	0	50,000
Recreation	0	80,910	0	0	80,910
Hotel/Motel Tax	0	20,823	0	0	20,823
State Highway	0	0	19,000	0	19,000
Street Maintenance	0	0	158,000	0	158,000
Permanent Improvement Storm and Sewer	0	1,664,947	0	0	1,664,947
Business-Type Activities					
NOMBL	26,949	0	0	0	26,949
Total	\$31,866	\$1,766,680	\$227,000	\$73,205	\$2,098,751

The transfer from the various special revenue and capital projects funds to the general obligation bond retirement fund was made for the payment of debt.

Various special revenue funds transferred monies to the permanent improvement street and sewer special revenue fund to pay for their portion of project costs.

The NOMBL enterprise fund transferred funds for inventory purchases made by the general fund.

The Springvale golf course and ballroom enterprise fund was unable to accumulate enough resources to pay their debt. The General fund transferred a portion of the debt payment to the Springvale golf course and ballroom enterprise fund so it could meet its obligations.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

As of December 31, 2003, interfund balances were as follows:

Interfund From	Interfund To				Total
	Governmental Activities		Business-Type Activities		
	Permanent Improvement Street and Storm	Law Enforcement	Springvale Golf Course and Ballroom	Sewer Revenue	
Governmental Activities					
General Fund	\$0	\$0	\$103,508	\$98,010	\$201,518
General Obligation Bond Retirement	397,071	0	582,422	0	979,493
Endowment and Grant	0	231	0	0	231
<i>Totals</i>	<u>\$397,071</u>	<u>\$231</u>	<u>\$685,930</u>	<u>\$98,010</u>	<u>\$1,181,242</u>

The general obligation bond retirement debt service fund loaned the permanent improvement street and storm special revenue fund and Springvale golf course and ballroom enterprise fund additional resources to meet the debt service requirements for the year.

The general fund loaned the sewer revenue enterprise fund operating monies that will be paid back in future years.

The endowment grant special revenue fund provided the law enforcement special revenue fund with resources to help pay for K-9 costs.

Note 18 - Jointly Governed Organizations

A. West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each city's degree of control is limited to its representation on the Board. In 2003, the City contributed \$59,641. Complete financial information can be obtained from the City of Bay Village 350 Dover Center Road, Bay Village, Ohio 44140.

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

B. Northeast Ohio Public Energy Council (NOPEC)

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 100 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.

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of North Olmsted did not contribute to NOPEC during 2003. Financial information can be obtained by contacting the Board Chairman, 1615 Clark Avenue, Cleveland, Ohio, 44109.

Note 19 - Contingent Liabilities

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

Note 20 - Subsequent Events

On May 4, 2004, the City retired \$2,195,000, in general obligation bond anticipation notes and issued \$3,675,000 in new notes with a maturity date of May 4, 2005, and an interest rate of 1.55 percent. The following table summarizes the activity.

Note Issuance	Retired	Issued
Fire Improvement Notes	\$200,000	\$100,000
Capital Improvement Notes	1,995,000	1,370,000
Street Improvement Notes	0	1,165,000
Equipment Acquisition Notes	0	90,000
Fire Equipment Notes	0	550,000
Computer Acquisition Notes	0	400,000
<i>Total Notes</i>	<u>\$2,195,000</u>	<u>\$3,675,000</u>

Note 21 - Component Unit

A. Summary of Significant Accounting Policies

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

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

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

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

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

Permanently restricted net assets comprise those assets contributed to the N.O.C.O.P. by donors who have indicated an intention that the assets are to remain in perpetuity as permanent endowments of the N.O.C.O.P. Investment income generated by these assets is reported as unrestricted or temporarily restricted, depending upon whether the donors have limited the expenditure of income to a particular purpose or purposes or have indicated that such income is to be available for the general purposes of the N.O.C.O.P. At December 31, 2003, all of the assets of the N.O.C.O.P. are unrestricted.

Accounts and Intergovernmental Receivables - Accounts and intergovernmental receivables are derived from fares and services within the three communities. At December 31, 2003, accounts receivable were reported at \$3,115 and intergovernmental receivables were reported at \$16,285.

Vehicles - It is the N.O.C.O.P.'s policy to capitalize expenditures in excess of \$1,000 with an estimated life of more than one year. Vehicles accounts are stated at cost or donated value and are being depreciated using the straight-line method over their estimated useful lives of four years. When sold, retired, or otherwise disposed of, the related cost and accumulated depreciation are removed from the applicable accounts and any gain or loss resulting there from is included in the statement of activities. Routine maintenance, repairs and renewals are charged to operating cost and expenses as incurred. Vehicle additions and expenditures which materially increase values or extend useful lives are capitalized.

During the year ended December 31, 2003, depreciation expense was \$22,453. A summary of the component unit's capital assets at December 31, 2003, follows:

Capital Assets being depreciated:	
Vehicles	\$89,811
Less: Accumulated Depreciation	<u>(56,132)</u>
Total	<u><u>\$33,679</u></u>

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

City of North Olmsted, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2003

B. Cash Equivalents and Cash on Hand

At year end the carrying amount of the N.O.C.O.P.'s deposits were \$46,221 and the bank balance was \$46,221, all of which was covered by the Federal Deposit Insurance Coverage (FDIC).

At year end, the N.O.C.O.P. had \$100 in undeposited cash on hand which is included on the statement of net assets of the City as part of "Equity in Pooled Cash and Cash Equivalents".

Combining Statements and Individual Fund Schedules

Fund Descriptions - Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Fund Descriptions - Nonmajor Funds (continued)

Solid Waste Management Fund - Accounts for 15% of the municipal income tax receipts and expenditures associated with tax collection, solid waste removal, and costs of recycling services provided to residents.

Community Diversion Fund - Accounts for the federal grant receipts, County and local program fees and expenditures related to the youth community diversion program contracted with the County juvenile court system.

Drug Enforcement Fund - Accounts for fines and forfeitures from drug court cases and expenditures for use in drug enforcement.

Endowment and Grant Fund - Accounts for donations restricted for a specific purpose and expenditures for those specific restricted uses.

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

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

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

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

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

Title III Fund - Accounts for the hot lunch program which provides lunch to senior citizens on a cost reimbursement basis.

Nonmajor Debt Service Funds

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

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

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

(continued)

Fund Descriptions - Nonmajor Funds (continued)

Nonmajor Capital Projects Funds

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

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

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

City of North Olmsted, Ohio

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,318,415	\$996,897	\$1,128,007	\$3,443,319
Accounts Receivable	111,911	0	0	111,911
Interfund Receivable	231	0	0	231
Intergovernmental Receivable	724,515	68,146	564,752	1,357,413
Materials and Supplies Inventory	67,172	0	0	67,172
Prepaid Items	26,900	0	0	26,900
Municipal Income Taxes Receivable	384,226	0	384,226	768,452
Property Taxes Receivable	1,464,582	1,301,851	0	2,766,433
Special Assessments Receivable	0	515,000	0	515,000
<i>Total Assets</i>	<u>\$4,097,952</u>	<u>\$2,881,894</u>	<u>\$2,076,985</u>	<u>\$9,056,831</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$169,433	\$0	\$6,849	\$176,282
Accrued Wages and Benefits	28,762	0	0	28,762
Contracts Payable	29,678	0	132,224	161,902
Intergovernmental Payable	25,395	0	1,440	26,835
Deferred Revenue	2,157,601	1,884,997	163,981	4,206,579
Interfund Payable	231	0	397,071	397,302
Retainage Payable	72	0	217,176	217,248
<i>Total Liabilities</i>	<u>2,411,172</u>	<u>1,884,997</u>	<u>918,741</u>	<u>5,214,910</u>
Fund Balances				
Reserved for Encumbrances	53,467	0	482,540	536,007
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,633,313	0	0	1,633,313
Debt Service Funds	0	996,897	0	996,897
Capital Projects Funds	0	0	675,704	675,704
<i>Total Fund Balances</i>	<u>1,686,780</u>	<u>996,897</u>	<u>1,158,244</u>	<u>3,841,921</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,097,952</u>	<u>\$2,881,894</u>	<u>\$2,076,985</u>	<u>\$9,056,831</u>

City of North Olmsted, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$1,292,402	\$1,287,745	\$0	\$2,580,147
Municipal Income Taxes	1,746,655	0	1,746,655	3,493,310
Charges for Services	1,225,021	16,931	0	1,241,952
Fines and Forfeitures	301,683	0	0	301,683
Intergovernmental	1,399,680	170,946	1,925,733	3,496,359
Special Assessments	0	55,000	0	55,000
Interest	335	40,306	0	40,641
Donations	96,529	0	0	96,529
Rentals	23,016	0	0	23,016
Miscellaneous	4,893	0	1,075	5,968
<i>Total Revenues</i>	<u>6,090,214</u>	<u>1,570,928</u>	<u>3,673,463</u>	<u>11,334,605</u>
Expenditures				
Current:				
General Government	201,904	0	48,255	250,159
Security of Persons and Property	1,053,156	0	0	1,053,156
Transportation	965,679	0	1,653,816	2,619,495
Basic Utility Services	1,681,386	0	0	1,681,386
Leisure Time Activities	2,212,675	0	0	2,212,675
Capital Outlay	0	0	1,285,169	1,285,169
Debt Service:				
Principal Retirement	200,000	872,176	0	1,072,176
Interest and Fiscal Charges	2,322	625,077	500	627,899
<i>Total Expenditures</i>	<u>6,317,122</u>	<u>1,497,253</u>	<u>2,987,740</u>	<u>10,802,115</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(226,908)</u>	<u>73,675</u>	<u>685,723</u>	<u>532,490</u>
Other Financing Sources (Uses)				
Notes Issued	200,000	0	500,000	700,000
Transfers In	0	0	227,000	227,000
Transfers Out	(333,650)	0	(1,664,947)	(1,998,597)
<i>Total Other Financing Sources (Uses)</i>	<u>(133,650)</u>	<u>0</u>	<u>(937,947)</u>	<u>(1,071,597)</u>
<i>Net Change in Fund Balances</i>	(360,558)	73,675	(252,224)	(539,107)
<i>Fund Balances Beginning of Year</i>	<u>2,047,338</u>	<u>923,222</u>	<u>1,410,468</u>	<u>4,381,028</u>
<i>Fund Balances End of Year</i>	<u>\$1,686,780</u>	<u>\$996,897</u>	<u>\$1,158,244</u>	<u>\$3,841,921</u>

City of North Olmsted, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003

	Casualty Loss	Alcohol Education	Economic Development	FEMA Grant	Motor Vehicle License
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$80,522	\$10,676	\$58,443	\$1,414	\$74,570
Accounts Receivable	4,893	0	0	0	0
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	0	396	0	48,186	116,317
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$85,415</u>	<u>\$11,072</u>	<u>\$58,443</u>	<u>\$49,600</u>	<u>\$190,887</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$1,074	\$0	\$0	\$0	\$28,372
Accrued Wages and Benefits	0	0	0	0	0
Contracts Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	0	48,186	84,495
Interfund Payable	0	0	0	0	0
Retainage Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>1,074</u>	<u>0</u>	<u>0</u>	<u>48,186</u>	<u>112,867</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	628
Unreserved, Undesignated	84,341	11,072	58,443	1,414	77,392
<i>Total Fund Balances</i>	<u>84,341</u>	<u>11,072</u>	<u>58,443</u>	<u>1,414</u>	<u>78,020</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$85,415</u>	<u>\$11,072</u>	<u>\$58,443</u>	<u>\$49,600</u>	<u>\$190,887</u>

<u>Recreation</u>	<u>Clague Park</u>	<u>Hotel/ Motel Tax</u>	<u>Emergency Medical Services</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Solid Waste Management</u>
\$326,000	\$21,265	\$55,366	\$12,275	\$69,286	\$161,931	\$118,116
0	0	106,212	0	0	0	0
0	0	0	0	0	0	0
51,137	0	0	0	33,584	414,207	0
67,172	0	0	0	0	0	0
26,900	0	0	0	0	0	0
0	0	0	0	0	0	384,226
976,388	0	0	0	0	0	0
<u>\$1,447,597</u>	<u>\$21,265</u>	<u>\$161,578</u>	<u>\$12,275</u>	<u>\$102,870</u>	<u>\$576,138</u>	<u>\$502,342</u>
\$90,162	\$0	\$7,817	\$0	\$0	\$30,290	\$150
28,762	0	0	0	0	0	0
29,678	0	0	0	0	0	0
24,799	0	0	0	0	0	0
1,027,525	0	77,399	0	21,871	269,744	114,619
0	0	0	0	0	0	0
0	0	0	0	0	72	0
<u>1,200,926</u>	<u>0</u>	<u>85,216</u>	<u>0</u>	<u>21,871</u>	<u>300,106</u>	<u>114,769</u>
43,049	0	903	0	0	710	0
203,622	21,265	75,459	12,275	80,999	275,322	387,573
<u>246,671</u>	<u>21,265</u>	<u>76,362</u>	<u>12,275</u>	<u>80,999</u>	<u>276,032</u>	<u>387,573</u>
<u>\$1,447,597</u>	<u>\$21,265</u>	<u>\$161,578</u>	<u>\$12,275</u>	<u>\$102,870</u>	<u>\$576,138</u>	<u>\$502,342</u>

(continued)

City of North Olmsted, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2003

	Community Diversion	Drug Enforcement	Endowment and Grant	Fire Pension	Law Enforcement
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$15,150	\$9,169	\$91,238	\$23,835	\$21,124
Accounts Receivable	0	0	806	0	0
Interfund Receivable	0	0	231	0	0
Intergovernmental Receivable	0	0	298	12,784	2,683
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	244,097	0
<i>Total Assets</i>	<u>\$15,150</u>	<u>\$9,169</u>	<u>\$92,573</u>	<u>\$280,716</u>	<u>\$23,807</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$70	\$5,124	\$109	\$0	\$0
Accrued Wages and Benefits	0	0	0	0	0
Contracts Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	596
Deferred Revenue	0	0	0	256,881	0
Interfund Payable	0	0	0	0	231
Retainage Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>70</u>	<u>5,124</u>	<u>109</u>	<u>256,881</u>	<u>827</u>
Fund Balances					
Reserved for Encumbrances	0	0	133	0	0
Unreserved, Undesignated	15,080	4,045	92,331	23,835	22,980
<i>Total Fund Balances</i>	<u>15,080</u>	<u>4,045</u>	<u>92,464</u>	<u>23,835</u>	<u>22,980</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$15,150</u>	<u>\$9,169</u>	<u>\$92,573</u>	<u>\$280,716</u>	<u>\$23,807</u>

Stop Program	Police Pension	Senior Center	Title III	Total Nonmajor Special Revenue Funds
\$66,291	\$23,835	\$62,098	\$15,811	\$1,318,415
0	0	0	0	111,911
0	0	0	0	231
32,057	12,784	0	82	724,515
0	0	0	0	67,172
0	0	0	0	26,900
0	0	0	0	384,226
0	244,097	0	0	1,464,582
<u>\$98,348</u>	<u>\$280,716</u>	<u>\$62,098</u>	<u>\$15,893</u>	<u>\$4,097,952</u>
\$3,000	\$0	\$2,161	\$1,104	\$169,433
0	0	0	0	28,762
0	0	0	0	29,678
0	0	0	0	25,395
0	256,881	0	0	2,157,601
0	0	0	0	231
0	0	0	0	72
<u>3,000</u>	<u>256,881</u>	<u>2,161</u>	<u>1,104</u>	<u>2,411,172</u>
0	0	549	7,495	53,467
<u>95,348</u>	<u>23,835</u>	<u>59,388</u>	<u>7,294</u>	<u>1,633,313</u>
<u>95,348</u>	<u>23,835</u>	<u>59,937</u>	<u>14,789</u>	<u>1,686,780</u>
<u>\$98,348</u>	<u>\$280,716</u>	<u>\$62,098</u>	<u>\$15,893</u>	<u>\$4,097,952</u>

City of North Olmsted, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003

	Casualty Loss	Alcohol Education	Economic Development	FEMA Grant	Motor Vehicle License
Revenues					
Property and Other Local Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Charges for Services	0	0	9,500	0	0
Fines and Forfeitures	0	3,942	0	0	0
Intergovernmental	0	0	0	26,087	225,217
Interest	0	0	0	0	0
Donations	0	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	4,893	0	0	0	0
<i>Total Revenues</i>	<u>4,893</u>	<u>3,942</u>	<u>9,500</u>	<u>26,087</u>	<u>225,217</u>
Expenditures					
Current:					
General Government	16,243	0	0	0	0
Security of Persons and Property	8,497	3,433	0	24,673	0
Transportation	35,267	0	0	0	192,971
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	1,548	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>61,555</u>	<u>3,433</u>	<u>0</u>	<u>24,673</u>	<u>192,971</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(56,662)</u>	<u>509</u>	<u>9,500</u>	<u>1,414</u>	<u>32,246</u>
Other Financing Sources (Uses)					
Notes Issued	0	0	0	0	0
Transfers Out	0	0	(4,917)	0	(50,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(4,917)</u>	<u>0</u>	<u>(50,000)</u>
<i>Net Change in Fund Balances</i>	<u>(56,662)</u>	<u>509</u>	<u>4,583</u>	<u>1,414</u>	<u>(17,754)</u>
Fund Balances					
<i>Beginning of Year</i>	<u>141,003</u>	<u>10,563</u>	<u>53,860</u>	<u>0</u>	<u>95,774</u>
<i>Fund Balances End of Year</i>	<u>\$84,341</u>	<u>\$11,072</u>	<u>\$58,443</u>	<u>\$1,414</u>	<u>\$78,020</u>

Recreation	Clague Park	Hotel/ Motel Tax	Emergency Medical Services	State Highway	Street Maintenance	Solid Waste Management
\$861,604	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	1,746,655
1,069,346	0	98,721	0	0	0	0
0	0	0	0	0	0	0
107,966	0	0	0	70,626	871,056	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
23,016	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>2,061,932</u>	<u>0</u>	<u>98,721</u>	<u>0</u>	<u>70,626</u>	<u>871,056</u>	<u>1,746,655</u>
0	0	45,103	0	0	0	48,405
0	0	169,267	200	0	0	0
0	0	0	0	0	737,441	0
0	0	0	0	0	0	1,681,386
2,146,245	0	0	0	0	0	0
0	0	200,000	0	0	0	0
0	0	2,322	0	0	0	0
<u>2,146,245</u>	<u>0</u>	<u>416,692</u>	<u>200</u>	<u>0</u>	<u>737,441</u>	<u>1,729,791</u>
<u>(84,313)</u>	<u>0</u>	<u>(317,971)</u>	<u>(200)</u>	<u>70,626</u>	<u>133,615</u>	<u>16,864</u>
0	0	200,000	0	0	0	0
<u>(80,910)</u>	<u>0</u>	<u>(20,823)</u>	<u>0</u>	<u>(19,000)</u>	<u>(158,000)</u>	<u>0</u>
<u>(80,910)</u>	<u>0</u>	<u>179,177</u>	<u>0</u>	<u>(19,000)</u>	<u>(158,000)</u>	<u>0</u>
<u>(165,223)</u>	<u>0</u>	<u>(138,794)</u>	<u>(200)</u>	<u>51,626</u>	<u>(24,385)</u>	<u>16,864</u>
<u>411,894</u>	<u>21,265</u>	<u>215,156</u>	<u>12,475</u>	<u>29,373</u>	<u>300,417</u>	<u>370,709</u>
<u>\$246,671</u>	<u>\$21,265</u>	<u>\$76,362</u>	<u>\$12,275</u>	<u>\$80,999</u>	<u>\$276,032</u>	<u>\$387,573</u>

(continued)

City of North Olmsted, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2003

	Community Diversion	Drug Enforcement	Endowment and Grant	Fire Pension	Law Enforcement
Revenues					
Property and Other Local Taxes	\$0	\$0	\$0	\$215,399	\$0
Municipal Income Taxes	0	0	0	0	0
Charges for Services	15,164	0	0	0	0
Fines and Forfeitures	0	270	0	0	4,683
Intergovernmental	0	0	23,474	26,992	0
Interest	0	0	0	0	0
Donations	0	0	89,220	0	0
Rentals	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>15,164</u>	<u>270</u>	<u>112,694</u>	<u>242,391</u>	<u>4,683</u>
Expenditures					
Current:					
General Government	21,846	0	21,906	0	0
Security of Persons and Property	0	5,204	26,994	271,148	14,604
Transportation	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	0	0	64,882	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>21,846</u>	<u>5,204</u>	<u>113,782</u>	<u>271,148</u>	<u>14,604</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,682)</u>	<u>(4,934)</u>	<u>(1,088)</u>	<u>(28,757)</u>	<u>(9,921)</u>
Other Financing Sources (Uses)					
Notes Issued	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(6,682)</u>	<u>(4,934)</u>	<u>(1,088)</u>	<u>(28,757)</u>	<u>(9,921)</u>
<i>Fund Balances</i>					
<i>Beginning of Year</i>	<u>21,762</u>	<u>8,979</u>	<u>93,552</u>	<u>52,592</u>	<u>32,901</u>
<i>Fund Balances End of Year</i>	<u>\$15,080</u>	<u>\$4,045</u>	<u>\$92,464</u>	<u>\$23,835</u>	<u>\$22,980</u>

Stop Program	Police Pension	Senior Center	Title III	Total Nonmajor Special Revenue Funds
\$0	\$215,399	\$0	\$0	\$1,292,402
0	0	0	0	1,746,655
0	0	32,290	0	1,225,021
292,788	0	0	0	301,683
0	26,992	0	21,270	1,399,680
0	0	335	0	335
0	0	7,309	0	96,529
0	0	0	0	23,016
0	0	0	0	4,893
<u>292,788</u>	<u>242,391</u>	<u>39,934</u>	<u>21,270</u>	<u>6,090,214</u>
0	0	41,920	6,481	201,904
272,676	256,460	0	0	1,053,156
0	0	0	0	965,679
0	0	0	0	1,681,386
0	0	0	0	2,212,675
0	0	0	0	200,000
0	0	0	0	2,322
<u>272,676</u>	<u>256,460</u>	<u>41,920</u>	<u>6,481</u>	<u>6,317,122</u>
<u>20,112</u>	<u>(14,069)</u>	<u>(1,986)</u>	<u>14,789</u>	<u>(226,908)</u>
0	0	0	0	200,000
0	0	0	0	(333,650)
0	0	0	0	(133,650)
20,112	(14,069)	(1,986)	14,789	(360,558)
75,236	37,904	61,923	0	2,047,338
<u>\$95,348</u>	<u>\$23,835</u>	<u>\$59,937</u>	<u>\$14,789</u>	<u>\$1,686,780</u>

City of North Olmsted, Ohio
Combining Balance Sheet
Nonmajor Debt Services Funds
December 31, 2003

	Library Bond Retirement	Sewer Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$312,571	\$605,964	\$78,362	\$996,897
Intergovernmental Receivable	46,858	21,288	0	68,146
Property Taxes Receivable	895,023	406,828	0	1,301,851
Special Assessments Receivable	0	0	515,000	515,000
<i>Total Assets</i>	<u>\$1,254,452</u>	<u>\$1,034,080</u>	<u>\$593,362</u>	<u>\$2,881,894</u>
Liabilities and Fund Balances				
Liabilities				
Deferred Revenue	\$941,881	\$428,116	\$515,000	\$1,884,997
Fund Balances				
Unreserved, Undesignated	312,571	605,964	78,362	996,897
<i>Total Liabilities and Fund Balances</i>	<u>\$1,254,452</u>	<u>\$1,034,080</u>	<u>\$593,362</u>	<u>\$2,881,894</u>

City of North Olmsted, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2003

	Library Bond Retirement	Sewer Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues				
Property and Other Local Taxes	\$784,106	\$503,639	\$0	\$1,287,745
Charges for Services	0	16,931	0	16,931
Intergovernmental	98,969	71,977	0	170,946
Special Assessments	0	0	55,000	55,000
Interest	0	0	40,306	40,306
<i>Total Revenues</i>	<u>883,075</u>	<u>592,547</u>	<u>95,306</u>	<u>1,570,928</u>
Expenditures				
Debt Service:				
Principal Retirement	385,000	432,176	55,000	872,176
Interest and Fiscal Charges	505,911	74,814	44,352	625,077
<i>Total Expenditures</i>	<u>890,911</u>	<u>506,990</u>	<u>99,352</u>	<u>1,497,253</u>
<i>Net Change in Fund Balances</i>	(7,836)	85,557	(4,046)	73,675
<i>Fund Balances Beginning of Year</i>	<u>320,407</u>	<u>520,407</u>	<u>82,408</u>	<u>923,222</u>
<i>Fund Balances End of Year</i>	<u><u>\$312,571</u></u>	<u><u>\$605,964</u></u>	<u><u>\$78,362</u></u>	<u><u>\$996,897</u></u>

City of North Olmsted, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003

	Permanent Improvement Street and Storm	Capital Improvement Project	Issue II	Total Nonmajor Capital Projects Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$496,947	\$631,060	\$0	\$1,128,007
Intergovernmental Receivable	494,724	0	70,028	564,752
Municipal Income Taxes Receivable	384,226	0	0	384,226
<i>Total Assets</i>	<u>\$1,375,897</u>	<u>\$631,060</u>	<u>\$70,028</u>	<u>\$2,076,985</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$2,100	\$4,749	\$0	\$6,849
Contracts Payable	62,196	0	70,028	132,224
Intergovernmental Payable	1,440	0	0	1,440
Deferred Revenue	163,981	0	0	163,981
Interfund Payable	397,071	0	0	397,071
Retainage Payable	217,176	0	0	217,176
<i>Total Liabilities</i>	<u>843,964</u>	<u>4,749</u>	<u>70,028</u>	<u>918,741</u>
Fund Balances				
Reserved for Encumbrances	434,751	47,789	0	482,540
Unreserved, Undesignated	97,182	578,522	0	675,704
<i>Total Fund Balances</i>	<u>531,933</u>	<u>626,311</u>	<u>0</u>	<u>1,158,244</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,375,897</u>	<u>\$631,060</u>	<u>\$70,028</u>	<u>\$2,076,985</u>

City of North Olmsted, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003

	Permanent Improvement Street and Storm	Capital Improvement Project	Issue II	Total Nonmajor Capital Projects Funds
Revenues				
Municipal Income Taxes	\$1,746,655	\$0	\$0	\$1,746,655
Intergovernmental	983,682	0	942,051	1,925,733
Miscellaneous	0	1,075	0	1,075
<i>Total Revenues</i>	<u>2,730,337</u>	<u>1,075</u>	<u>942,051</u>	<u>3,673,463</u>
Expenditures				
Current:				
General Government	48,255	0	0	48,255
Transportation	1,653,816	0	0	1,653,816
Capital Outlay	279,466	17,697	988,006	1,285,169
Debt Service:				
Interest and Fiscal Charges	500	0	0	500
<i>Total Expenditures</i>	<u>1,982,037</u>	<u>17,697</u>	<u>988,006</u>	<u>2,987,740</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>748,300</u>	<u>(16,622)</u>	<u>(45,955)</u>	<u>685,723</u>
Other Financing Sources (Uses)				
Notes Issued	0	500,000	0	500,000
Transfers In	227,000	0	0	227,000
Transfers Out	(1,664,947)	0	0	(1,664,947)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,437,947)</u>	<u>500,000</u>	<u>0</u>	<u>(937,947)</u>
<i>Net Change in Fund Balances</i>	(689,647)	483,378	(45,955)	(252,224)
<i>Fund Balances Beginning of Year</i>	<u>1,221,580</u>	<u>142,933</u>	<u>45,955</u>	<u>1,410,468</u>
<i>Fund Balances End of Year</i>	<u>\$531,933</u>	<u>\$626,311</u>	<u>\$0</u>	<u>\$1,158,244</u>

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

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

Agency Fund

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

City of North Olmsted, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2003

	Balance 12/31/02	Additions	Reductions	Balance 12/31/03
Deposits Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$112,211	\$238,408	\$148,593	\$202,026
Liabilities				
Intergovernmental Payable	\$4,300	\$0	\$0	\$4,300
Deposits Held and Due to Others	107,911	238,408	148,593	197,726
<i>Total Liabilities</i>	\$112,211	\$238,408	\$148,593	\$202,026

*Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances/Fund Equity
Budget (Non-GAAP Basis) and Actual*

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$5,305,505	\$5,297,429	\$5,266,715	(\$30,714)
Municipal Income Taxes	7,806,883	7,795,000	8,087,898	292,898
Charges for Services	681,029	679,951	742,125	62,174
Fees, Licenses and Permits	1,093,913	1,092,700	1,217,689	124,989
Fines and Forfeitures	201,957	201,650	272,675	71,025
Intergovernmental	2,255,499	2,251,614	2,369,331	117,717
Interest	100,152	100,000	119,467	19,467
Rental	19,530	19,500	17,870	(1,630)
Miscellaneous	26,565	26,525	54,843	28,318
<i>Total Revenues</i>	<u>17,491,033</u>	<u>17,464,369</u>	<u>18,148,613</u>	<u>684,244</u>
Expenditures				
Current:				
General Government				
Council				
Personal Services	173,127	173,127	173,098	29
Materials and Supplies	9,875	13,875	10,644	3,231
Total Council	<u>183,002</u>	<u>187,002</u>	<u>183,742</u>	<u>3,260</u>
Mayor				
Personal Services	201,899	201,899	201,226	673
Other	7,037	7,037	6,110	927
Total Mayor	<u>208,936</u>	<u>208,936</u>	<u>207,336</u>	<u>1,600</u>
Law Department				
Personal Services	348,446	348,446	344,459	3,987
Materials and Supplies	11,020	9,805	5,961	3,844
Contractual Services	18,380	19,595	18,698	897
Total Law Department	<u>377,846</u>	<u>377,846</u>	<u>369,118</u>	<u>8,728</u>
Finance Department				
Personal Services	415,527	415,527	414,438	1,089
Materials and Supplies	100,151	70,151	69,399	752
Contractual Services	28,345	28,345	28,137	208
Capital Outlay	1,200	1,200	1,099	101
Total Finance Department	<u>\$545,223</u>	<u>\$515,223</u>	<u>\$513,073</u>	<u>\$2,150</u>

(continued)

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Personal and Administrative Services				
Personal Services	\$188,351	\$188,351	\$187,918	\$433
Materials and Supplies	1,000	1,000	811	189
Total Personal and Administrative Services	189,351	189,351	188,729	622
Data Processing				
Personal Services	122,124	122,124	122,124	0
Material and Supplies	23,554	24,854	19,498	5,356
Contractual Services	3,000	3,700	3,352	348
Other	4,000	2,000	912	1,088
Total Data Processing	152,678	152,678	145,886	6,792
Civil Service				
Personal Services	94,681	94,681	93,690	991
Material and Supplies	100	100	9	91
Contractual Services	48,317	14,317	11,801	2,516
Other	1,300	300	86	214
Total Civil Service	144,398	109,398	105,586	3,812
Service Director				
Personal Services	136,549	118,549	117,798	751
Other	300	300	0	300
Total Service Director	136,849	118,849	117,798	1,051
Planning Department				
Personal Services	4,284	15,284	13,168	2,116
Material and Supplies	0	1,500	1,459	41
Capital Outlay	0	4,500	3,960	540
Total Planning Department	4,284	21,284	18,587	2,697
Building Department				
Personal Services	686,691	709,806	695,345	14,461
Material and Supplies	10,835	18,660	15,054	3,606
Contractual Services	27,303	62,803	44,180	18,623
Capital Outlay	5,600	6,200	5,888	312
Total Building Department	\$730,429	\$797,469	\$760,467	\$37,002

(continued)

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General Government				
Personal Services	\$750,311	\$421,457	\$40,204	\$381,253
Material and Supplies	52,081	47,497	36,324	11,173
Contractual Services	843,715	867,799	823,836	43,963
Capital Outlay	38,000	37,500	35,386	2,114
Total General Government	1,684,107	1,374,253	935,750	438,503
Engineering Department				
Personal Services	414,563	420,363	413,420	6,943
Material and Supplies	3,000	2,350	1,713	637
Contractual Services	75,904	107,754	81,235	26,519
Capital Outlay	2,700	2,700	1,109	1,591
Total Engineering Department	496,167	533,167	497,477	35,690
<i>Total General Government</i>	<i>4,853,270</i>	<i>4,585,456</i>	<i>4,043,549</i>	<i>541,907</i>
Security of Persons and Property				
Police Department				
Personal Services	5,052,012	5,050,012	4,966,338	83,674
Materials and Supplies	110,120	110,620	108,406	2,214
Contractual Services	205,116	205,216	173,480	31,736
Capital Outlay	104,018	104,822	104,822	0
Other	5,500	4,096	1,740	2,356
Total Police Department	5,476,766	5,474,766	5,354,786	119,980
Safety Director				
Personal Services	152,622	152,676	152,641	35
Contractual Services	500	500	399	101
Total Safety Director	153,122	153,176	153,040	136
Fire Department				
Personal Services	4,234,100	4,319,100	4,174,694	144,406
Materials and Supplies	80,612	80,905	74,033	6,872
Contractual Services	144,020	149,020	121,317	27,703
Capital Outlay	79,661	79,661	73,211	6,450
Other	1,000	707	668	39
Total Fire Department	\$4,539,393	\$4,629,393	\$4,443,923	\$185,470

(continued)

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Central Dispatch				
Personal Services	\$557,899	\$559,899	\$551,457	\$8,442
Materials and Supplies	5,400	6,020	5,943	77
Contractual Services	8,000	7,380	7,369	11
Total Central Dispatch	571,299	573,299	564,769	8,530
<i>Total Security of Persons and Property</i>	<i>10,740,580</i>	<i>10,830,634</i>	<i>10,516,518</i>	<i>314,116</i>
Public Health and Welfare				
Human Resources				
Personal Services	340,614	340,935	339,609	1,326
Materials and Supplies	2,750	2,129	1,725	404
Contractual Services	106,522	108,155	106,383	1,772
Capital Outlay	2,000	2,867	2,636	231
Total Public Health and Welfare	451,886	454,086	450,353	3,733
Transportation				
Service Department				
Personal Services	1,147,195	1,172,195	1,162,090	10,105
Materials and Supplies	71,977	66,367	54,414	11,953
Contractual Services	784,313	798,436	720,491	77,945
Capital Outlay	12,500	13,987	8,986	5,001
Total Service Department	2,015,985	2,050,985	1,945,981	105,004
Fleet Maintenance Department				
Personal Services	490,578	494,578	488,525	6,053
Materials and Supplies	254,998	283,598	283,598	0
Capital Outlay	133,105	124,505	104,501	20,004
Total Fleet Maintenance Department	878,681	902,681	876,624	26,057
Total Transportation	2,894,666	2,953,666	2,822,605	131,061
Debt Service:				
Principal Retirement	2,108	2,108	2,108	0
Interest and Fiscal Charges	4,798	4,798	4,798	0
Total Debt Service	\$6,906	\$6,906	\$6,906	\$0

(continued)

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Total Expenditures</i>	<u>\$18,947,308</u>	<u>\$18,830,748</u>	<u>\$17,839,931</u>	<u>\$990,817</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,456,275)</u>	<u>(1,366,379)</u>	<u>308,682</u>	<u>1,675,061</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	10,000	11,446	1,446
Transfers In	31,866	31,866	31,866	0
Transfers Out	<u>0</u>	<u>(90,000)</u>	<u>(73,205)</u>	<u>16,795</u>
<i>Total Other Financing Sources (Uses)</i>	<u>41,866</u>	<u>(48,134)</u>	<u>(29,893)</u>	<u>18,241</u>
<i>Net Change in Fund Balance</i>	(1,414,409)	(1,414,513)	278,789	1,693,302
<i>Fund Balance Beginning of Year</i>	1,328,529	1,328,529	1,328,529	0
Prior Year Encumbrances Appropriated	<u>121,445</u>	<u>121,445</u>	<u>121,445</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$35,565</u></u>	<u><u>\$35,461</u></u>	<u><u>\$1,728,763</u></u>	<u><u>\$1,693,302</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$2,167,492	\$2,167,492	\$2,153,841	(\$13,651)
Intergovernmental	266,798	266,798	269,914	3,116
Interest	0	0	47,145	47,145
<i>Total Revenues</i>	<u>2,434,290</u>	<u>2,434,290</u>	<u>2,470,900</u>	<u>36,610</u>
Expenditures				
Current:				
General Government				
General Government				
Contractual Services	17,000	17,000	7,500	9,500
Debt Service:				
Principal Retirement	5,012,781	5,012,781	5,012,781	0
Interest and Fiscal Charges	2,836,278	2,836,278	2,836,077	201
<i>Total Debt Service</i>	<u>7,849,059</u>	<u>7,849,059</u>	<u>7,848,858</u>	<u>201</u>
<i>Total Expenditures</i>	<u>7,866,059</u>	<u>7,866,059</u>	<u>7,856,358</u>	<u>9,701</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,431,769)</u>	<u>(5,431,769)</u>	<u>(5,385,458)</u>	<u>46,311</u>
Other Financing Sources				
Notes Issued	1,495,000	1,495,000	1,495,000	0
Transfers In	3,949,470	3,949,470	3,496,215	(453,255)
<i>Total Other Financing Sources</i>	<u>5,444,470</u>	<u>5,444,470</u>	<u>4,991,215</u>	<u>(453,255)</u>
<i>Net Change in Fund Balance</i>	12,701	12,701	(394,243)	(406,944)
<i>Fund Balance Beginning of Year</i>	<u>784,588</u>	<u>784,588</u>	<u>784,588</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$797,289</u>	<u>\$797,289</u>	<u>\$390,345</u>	<u>(\$406,944)</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Library Construction Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$81,331	\$81,331
Expenditures				
Current:				
General Government				
Engineering Department				
Capital Outlay	<u>8,128,528</u>	<u>8,128,528</u>	<u>6,848,155</u>	<u>1,280,373</u>
<i>Net Change in Fund Balance</i>	(8,128,528)	(8,128,528)	(6,766,824)	1,361,704
<i>Fund Balance Beginning of Year</i>	7,557,973	7,557,973	7,557,973	0
Prior Year Encumbrances Appropriated	<u>602,845</u>	<u>602,845</u>	<u>602,845</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$32,290</u></u>	<u><u>\$32,290</u></u>	<u><u>\$1,393,994</u></u>	<u><u>\$1,361,704</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
NOMBL Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,799,857	\$4,799,857	\$4,504,910	(\$294,947)
Intergovernmental	68,000	68,000	58,715	(9,285)
Miscellaneous	1,000	1,000	1,481	481
<i>Total Revenues</i>	4,868,857	4,868,857	4,565,106	(303,751)
Expenses				
Bus Line				
Personal Services	4,438,350	4,409,350	4,055,721	353,629
Materials and Supplies	165,340	172,240	120,508	51,732
Contractual Services	544,282	542,282	436,546	105,736
Other	15,500	13,600	6,780	6,820
<i>Total Expenses</i>	5,163,472	5,137,472	4,619,555	517,917
<i>Excess of Revenues Under Expenses</i>	(294,615)	(268,615)	(54,449)	214,166
Transfers Out	(1,000)	(27,000)	(26,949)	51
<i>Net Change in Fund Equity</i>	(295,615)	(295,615)	(81,398)	214,217
<i>Fund Equity Beginning of Year</i>	881,135	881,135	881,135	0
Prior Year Encumbrances Appropriated	38,794	38,794	38,794	0
<i>Fund Equity End of Year</i>	\$624,314	\$624,314	\$838,531	\$214,217

City of North Olmsted, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Springvale Golf Course and Ballroom Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,560,000	\$1,347,350	\$1,356,442	\$9,092
Expenses				
Golf Course				
Personal Services	536,326	454,903	452,846	2,057
Materials and Supplies	321,237	233,662	230,383	3,279
Contractual Services	283,214	282,133	279,766	2,367
Capital Outlay	76,186	76,185	71,552	4,633
<i>Total Expenses</i>	1,216,963	1,046,883	1,034,547	12,336
<i>Excess of Revenues Over Expenses</i>	343,037	300,467	321,895	21,428
Transfers In	90,000	90,000	73,205	(16,795)
Transfers Out	(540,900)	(498,329)	(498,329)	0
<i>Net Change in Fund Equity</i>	(107,863)	(107,862)	(103,229)	4,633
<i>Fund Equity Beginning of Year</i>	28,666	28,666	28,666	0
Prior Year Encumbrances Appropriated	79,197	79,197	79,197	0
<i>Fund Equity End of Year</i>	\$0	\$1	\$4,634	\$4,633

City of North Olmsted, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Revenue Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$6,458,000	\$6,458,000	\$6,482,381	\$24,381
Miscellaneous	0	0	135,336	135,336
<i>Total Revenues</i>	<u>6,458,000</u>	<u>6,458,000</u>	<u>6,617,717</u>	<u>159,717</u>
Expenses				
Sewer				
Personal Services	2,731,849	2,778,429	2,778,429	0
Materials and Supplies	498,805	483,951	437,819	46,132
Contractual Services	1,309,085	1,208,859	876,267	332,592
Capital Outlay	157,226	157,226	157,226	0
Other	551,600	620,100	471,118	148,982
<i>Total Expenses</i>	<u>5,248,565</u>	<u>5,248,565</u>	<u>4,720,859</u>	<u>527,706</u>
<i>Excess of Revenues Over Expenses</i>	1,209,435	1,209,435	1,896,858	687,423
Transfers Out	<u>(1,628,277)</u>	<u>(1,628,277)</u>	<u>(1,628,277)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(418,842)	(418,842)	268,581	687,423
<i>Fund Equity Beginning of Year</i>	1,159,015	1,159,015	1,159,015	0
Prior Year Encumbrances Appropriated	<u>114,142</u>	<u>114,142</u>	<u>114,142</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$854,315</u></u>	<u><u>\$854,315</u></u>	<u><u>\$1,541,738</u></u>	<u><u>\$687,423</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Casualty Loss Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
General Government				
Law Department				
Other	<u>10,000</u>	<u>10,000</u>	<u>3,097</u>	<u>6,903</u>
General Government				
Capital Outlay	<u>28,796</u>	<u>13,696</u>	<u>12,072</u>	<u>1,624</u>
Other	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Government	<u>29,796</u>	<u>13,696</u>	<u>12,072</u>	<u>1,624</u>
Total General Government	<u>39,796</u>	<u>23,696</u>	<u>15,169</u>	<u>8,527</u>
Security of Persons and Property				
Police Department				
Capital Outlay	<u>33,819</u>	<u>31,819</u>	<u>11,252</u>	<u>20,567</u>
Transportation				
Engineering Department				
Capital Outlay	<u>23,541</u>	<u>41,641</u>	<u>35,267</u>	<u>6,374</u>
Leisure Time Activities				
Recreation Department				
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>1,548</u>	<u>3,452</u>
<i>Total Expenditures</i>	<u>102,156</u>	<u>102,156</u>	<u>63,236</u>	<u>38,920</u>
<i>Net Change in Fund Balance</i>	<u>(102,156)</u>	<u>(102,156)</u>	<u>(63,236)</u>	<u>38,920</u>
<i>Fund Balance Beginning of Year</i>	<u>119,602</u>	<u>119,602</u>	<u>119,602</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>24,156</u>	<u>24,156</u>	<u>24,156</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$41,602</u>	<u>\$41,602</u>	<u>\$80,522</u>	<u>\$38,920</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alcohol Education Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$3,000	\$3,000	\$3,902	\$902
Expenditures				
Current:				
Security of Persons and Property				
Police Department				
Materials and Supplies	<u>10,317</u>	<u>10,317</u>	<u>3,543</u>	<u>6,774</u>
<i>Net Change in Fund Balance</i>	(7,317)	(7,317)	359	7,676
<i>Fund Balance Beginning of Year</i>	10,207	10,207	10,207	0
Prior Year Encumbrances Appropriated	<u>110</u>	<u>110</u>	<u>110</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,000</u></u>	<u><u>\$3,000</u></u>	<u><u>\$10,676</u></u>	<u><u>\$7,676</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$10,000	\$10,000	\$9,500	(\$500)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	10,000	10,000	9,500	(500)
Other Financing Uses				
Transfers Out	(4,917)	(4,917)	(4,917)	0
<i>Net Change in Fund Balance</i>	5,083	5,083	4,583	(500)
<i>Fund Balance Beginning of Year</i>	<u>53,860</u>	<u>53,860</u>	<u>53,860</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$58,943</u></u>	<u><u>\$58,943</u></u>	<u><u>\$58,443</u></u>	<u><u>(\$500)</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$25,000	\$25,000	\$26,087	\$1,087
Expenditures				
Current:				
Security of Persons and Property				
Materials and Supplies	25,000	25,000	24,673	327
<i>Net Change in Fund Balance</i>	0	0	1,414	1,414
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,414</u>	<u>\$1,414</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$229,000	\$229,000	\$227,089	(\$1,911)
Expenditures				
Current:				
Transportation				
Service Department				
Personal Services	12,000	12,000	0	12,000
Materials and Supplies	184,000	258,000	222,661	35,339
Contractual Services	124,000	0	0	0
<i>Total Expenditures</i>	<u>320,000</u>	<u>270,000</u>	<u>222,661</u>	<u>47,339</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(91,000)	(41,000)	4,428	45,428
Other Financing Uses				
Transfers Out	0	(50,000)	(50,000)	0
<i>Net Change in Fund Balance</i>	(91,000)	(91,000)	(45,572)	45,428
<i>Fund Balance Beginning of Year</i>	62,142	62,142	62,142	0
Prior Year Encumbrances Appropriated	29,000	29,000	29,000	0
<i>Fund Balance End of Year</i>	<u>\$142</u>	<u>\$142</u>	<u>\$45,570</u>	<u>\$45,428</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$866,998	\$866,998	\$861,604	(\$5,394)
Charges for Services	1,202,000	1,202,000	1,071,530	(130,470)
Intergovernmental	110,719	110,719	107,966	(2,753)
Rental	15,600	15,600	23,016	7,416
<i>Total Revenues</i>	<u>2,195,317</u>	<u>2,195,317</u>	<u>2,064,116</u>	<u>(131,201)</u>
Expenditures				
Current:				
Leisure Time Activities				
Recreation Department				
Personal Services	1,242,753	1,250,353	1,194,589	55,764
Materials and Supplies	274,101	272,501	183,409	89,092
Contractual Services	649,537	647,137	625,125	22,012
Capital Outlay	238,380	234,780	220,779	14,001
<i>Total Expenditures</i>	<u>2,404,771</u>	<u>2,404,771</u>	<u>2,223,902</u>	<u>180,869</u>
<i>Excess of Revenues Under Expenditures</i>	(209,454)	(209,454)	(159,786)	49,668
Other Financing Uses				
Transfers Out	(80,910)	(80,910)	(80,910)	0
<i>Net Change in Fund Balance</i>	(290,364)	(290,364)	(240,696)	49,668
<i>Fund Balance Beginning of Year</i>	391,100	391,100	391,100	0
Prior Year Encumbrances Appropriated	72,241	72,241	72,241	0
<i>Fund Balance End of Year</i>	<u>\$172,977</u>	<u>\$172,977</u>	<u>\$222,645</u>	<u>\$49,668</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Clague Park Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Leisure Time Activities				
Capital Outlay	21,265	21,265	0	21,265
<i>Net Change in Fund Balance</i>	(21,265)	(21,265)	0	21,265
<i>Fund Balance Beginning of Year</i>	21,265	21,265	21,265	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$21,265</u>	<u>\$21,265</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Hotel/Motel Tax Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$14,738	\$14,738	\$14,738	\$0
Charges for Services	90,262	90,262	111,533	21,271
<i>Total Revenues</i>	<u>105,000</u>	<u>105,000</u>	<u>126,271</u>	<u>21,271</u>
Expenditures				
Current:				
General Government				
Finance Department				
Capital Outlay	45,103	45,103	45,103	0
Security of Persons and Property				
Police Department				
Capital Outlay	94,600	94,600	90,727	3,873
Fire Department				
Capital Outlay	82,085	82,085	81,995	90
Total Security of Persons and Property	<u>176,685</u>	<u>176,685</u>	<u>172,722</u>	<u>3,963</u>
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	4,323	4,323	2,322	2,001
Total Debt Service	<u>204,323</u>	<u>204,323</u>	<u>202,322</u>	<u>2,001</u>
<i>Total Expenditures</i>	<u>426,111</u>	<u>426,111</u>	<u>420,147</u>	<u>5,964</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(321,111)</u>	<u>(321,111)</u>	<u>(293,876)</u>	<u>27,235</u>
Other Financing Sources (Uses)				
Notes Issued	200,000	200,000	200,000	0
Transfers Out	(20,823)	(20,823)	(20,823)	0
<i>Total Other Financing Sources (Uses)</i>	<u>179,177</u>	<u>179,177</u>	<u>179,177</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(141,934)	(141,934)	(114,699)	27,235
<i>Fund Balance Beginning of Year</i>	154,660	154,660	154,660	0
Prior Year Encumbrances Appropriated	6,686	6,686	6,686	0
<i>Fund Balance End of Year</i>	<u>\$19,412</u>	<u>\$19,412</u>	<u>\$46,647</u>	<u>\$27,235</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Services Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property				
Fire Department				
Personal Services	200	200	200	0
<i>Net Change in Fund Balance</i>	(200)	(200)	(200)	0
<i>Fund Balance Beginning of Year</i>	12,275	12,275	12,275	0
Prior Year Encumbrances Appropriated	200	200	200	0
<i>Fund Balance End of Year</i>	<u>\$12,275</u>	<u>\$12,275</u>	<u>\$12,275</u>	<u>\$0</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$63,000	\$63,000	\$68,854	\$5,854
Expenditures				
Current:				
Transportation				
Service Department				
Materials and Supplies	<u>63,000</u>	<u>63,000</u>	<u>0</u>	<u>63,000</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	68,854	68,854
Other Financing Uses				
Transfers Out	<u>(19,000)</u>	<u>(19,000)</u>	<u>(19,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(19,000)	(19,000)	49,854	68,854
<i>Fund Balance Beginning of Year</i>	<u>19,432</u>	<u>19,432</u>	<u>19,432</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$432</u></u>	<u><u>\$432</u></u>	<u><u>\$69,286</u></u>	<u><u>\$68,854</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$787,000	\$787,000	\$849,196	\$62,196
Expenditures				
Current:				
Transportation				
Service Department				
Personal Services	390,000	390,000	384,000	6,000
Materials and Supplies	301,850	314,850	276,887	37,963
Capital Outlay	222,000	51,000	44,208	6,792
Total Service Department	913,850	755,850	705,095	50,755
Fleet Maintenance Department				
Materials and Supplies	15,000	15,000	13,473	1,527
Capital Outlay	59,000	59,000	43,018	15,982
Total Fleet Maintenance Department	74,000	74,000	56,491	17,509
<i>Total Expenditures</i>	987,850	829,850	761,586	68,264
<i>Excess of Revenues Over (Under) Expenditures</i>	(200,850)	(42,850)	87,610	130,460
Other Financing Uses				
Transfers Out	0	(158,000)	(158,000)	0
<i>Net Change in Fund Balance</i>	(200,850)	(200,850)	(70,390)	130,460
<i>Fund Balance Beginning of Year</i>	178,471	178,471	178,471	0
Prior Year Encumbrances Appropriated	22,850	22,850	22,850	0
<i>Fund Balance End of Year</i>	\$471	\$471	\$130,931	\$130,460

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Solid Waste Management Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	<u>\$1,670,300</u>	<u>\$1,670,300</u>	<u>\$1,730,111</u>	<u>\$59,811</u>
Expenditures				
Current:				
General Government				
Other	50,109	50,109	48,255	1,854
Basic Utility Services				
Service Department				
Contractual Services	<u>1,994,586</u>	<u>1,994,586</u>	<u>1,952,763</u>	<u>41,823</u>
<i>Total Expenditures</i>	<u>2,044,695</u>	<u>2,044,695</u>	<u>2,001,018</u>	<u>43,677</u>
<i>Net Change in Fund Balance</i>	(374,395)	(374,395)	(270,907)	103,488
<i>Fund Balance Beginning of Year</i>	108,330	108,330	108,330	0
Prior Year Encumbrances Appropriated	<u>280,693</u>	<u>280,693</u>	<u>280,693</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,628</u></u>	<u><u>\$14,628</u></u>	<u><u>\$118,116</u></u>	<u><u>\$103,488</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Diversion Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$15,500	\$15,500	\$15,164	(\$336)
Expenditures				
Current:				
General Government				
Human Resources Department				
Personal Services	23,875	23,875	15,056	8,819
Materials and Supplies	975	975	552	423
Capital Outlay	2,728	2,728	2,053	675
Other	7,800	7,800	4,115	3,685
<i>Total Expenditures</i>	<u>35,378</u>	<u>35,378</u>	<u>21,776</u>	<u>13,602</u>
<i>Net Change in Fund Balance</i>	(19,878)	(19,878)	(6,612)	13,266
<i>Fund Balance Beginning of Year</i>	21,534	21,534	21,534	0
Prior Year Encumbrances Appropriated	<u>229</u>	<u>229</u>	<u>229</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,885</u></u>	<u><u>\$1,885</u></u>	<u><u>\$15,151</u></u>	<u><u>\$13,266</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Enforcement Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$0	\$0	\$270	\$270
Expenditures				
Current:				
Security of Persons and Property				
Police Department				
Materials and Supplies	<u>8,979</u>	<u>8,978</u>	<u>5,204</u>	<u>3,774</u>
<i>Net Change in Fund Balance</i>	(8,979)	(8,978)	(4,934)	4,044
<i>Fund Balance Beginning of Year</i>	<u>8,979</u>	<u>8,979</u>	<u>8,979</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$1</u></u>	<u><u>\$4,045</u></u>	<u><u>\$4,044</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Endowment and Grant Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$20,000	\$20,000	\$23,176	\$3,176
Contributions and Donations	69,000	69,000	89,338	20,338
<i>Total Revenues</i>	<u>89,000</u>	<u>89,000</u>	<u>112,514</u>	<u>23,514</u>
Expenditures				
Current:				
General Government				
Human Resources Department				
Contractual Services	15,576	20,287	19,833	454
Other	3,000	3,289	2,306	983
Total General Government	18,576	23,576	22,139	1,437
Security of Persons and Property				
Police Department				
Other	27,858	30,538	26,994	3,544
Leisure Time Activities				
Recreation Department				
Other	50,231	68,751	65,696	3,055
<i>Total Expenditures</i>	<u>96,665</u>	<u>122,865</u>	<u>114,829</u>	<u>8,036</u>
<i>Net Change in Fund Balance</i>	(7,665)	(33,865)	(2,315)	31,550
<i>Fund Balance Beginning of Year</i>	92,465	92,465	92,465	0
Prior Year Encumbrances Appropriated	808	808	808	0
<i>Fund Balance End of Year</i>	<u><u>\$85,608</u></u>	<u><u>\$59,408</u></u>	<u><u>\$90,958</u></u>	<u><u>\$31,550</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$216,749	\$216,749	\$215,399	(\$1,350)
Intergovernmental	26,680	26,680	26,992	312
<i>Total Revenues</i>	243,429	243,429	242,391	(1,038)
Expenditures				
Current:				
Security of Persons and Property				
Fire Department				
Personal Services	296,021	296,020	271,148	24,872
<i>Net Change in Fund Balance</i>	(52,592)	(52,591)	(28,757)	23,834
<i>Fund Balance Beginning of Year</i>	52,592	52,592	52,592	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$1</u>	<u>\$23,835</u>	<u>\$23,834</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$2,000	(\$3,000)
Expenditures				
Current:				
Security of Persons and Property				
Police Department				
Materials and Supplies	34,112	34,112	14,988	19,124
<i>Net Change in Fund Balance</i>	(29,112)	(29,112)	(12,988)	16,124
<i>Fund Balance Beginning of Year</i>	33,132	33,132	33,132	0
Prior Year Encumbrances Appropriated	980	980	980	0
<i>Fund Balance End of Year</i>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$21,124</u>	<u>\$16,124</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stop Program Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$225,000	\$225,000	\$284,504	\$59,504
Expenditures				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	239,613	265,262	264,821	441
Materials and Supplies	35,599	13,177	13,177	0
Capital Outlay	16,480	13,253	11,370	1,883
<i>Total Expenditures</i>	<u>291,692</u>	<u>291,692</u>	<u>289,368</u>	<u>2,324</u>
<i>Net Change in Fund Balance</i>	(66,692)	(66,692)	(4,864)	61,828
<i>Fund Balance Beginning of Year</i>	51,462	51,462	51,462	0
Prior Year Encumbrances Appropriated	<u>16,693</u>	<u>16,693</u>	<u>16,693</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,463</u></u>	<u><u>\$1,463</u></u>	<u><u>\$63,291</u></u>	<u><u>\$61,828</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$216,749	\$216,749	\$215,399	(\$1,350)
Intergovernmental	26,680	26,680	26,992	312
<i>Total Revenues</i>	243,429	243,429	242,391	(1,038)
Expenditures				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	281,333	281,332	256,460	24,872
<i>Net Change in Fund Balance</i>	(37,904)	(37,903)	(14,069)	23,834
<i>Fund Balance Beginning of Year</i>	37,904	37,904	37,904	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$1</u>	<u>\$23,835</u>	<u>\$23,834</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior Center Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$0	\$0	\$335	\$335
Interest	39,400	39,400	32,290	(7,110)
Contributions and Donations	6,600	6,600	7,309	709
<i>Total Revenues</i>	<u>46,000</u>	<u>46,000</u>	<u>39,934</u>	<u>(6,066)</u>
Expenditures				
Current:				
General Government				
Human Resources Department				
Materials and Supplies	36,508	39,008	34,526	4,482
Other	18,000	15,500	13,246	2,254
<i>Total Expenditures</i>	<u>54,508</u>	<u>54,508</u>	<u>47,772</u>	<u>6,736</u>
<i>Net Change in Fund Balance</i>	(8,508)	(8,508)	(7,838)	670
<i>Fund Balance Beginning of Year</i>	59,062	59,062	59,062	0
Prior Year Encumbrances Appropriated	8,508	8,508	8,508	0
<i>Fund Balance End of Year</i>	<u>\$59,062</u>	<u>\$59,062</u>	<u>\$59,732</u>	<u>\$670</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$14,105	\$14,105	\$21,188	\$7,083
Expenditures				
Current:				
General Government				
Human Resources Department				
Contractual Services	<u>14,105</u>	<u>14,105</u>	<u>13,975</u>	<u>130</u>
<i>Net Change in Fund Balance</i>	0	0	7,213	7,213
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$7,213</u></u>	<u><u>\$7,213</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Library Bond Retirement Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$794,746	\$794,746	\$784,106	(\$10,640)
Intergovernmental	97,826	97,826	98,969	1,143
<i>Total Revenues</i>	<u>892,572</u>	<u>892,572</u>	<u>883,075</u>	<u>(9,497)</u>
Expenditures				
Debt Service:				
Principal Retirement	385,000	385,000	385,000	0
Interest and Fiscal Charges	510,911	510,911	505,911	5,000
<i>Total Expenditures</i>	<u>895,911</u>	<u>895,911</u>	<u>890,911</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	(3,339)	(3,339)	(7,836)	(4,497)
<i>Fund Balance Beginning of Year</i>	<u>320,407</u>	<u>320,407</u>	<u>320,407</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$317,068</u>	<u>\$317,068</u>	<u>\$312,571</u>	<u>(\$4,497)</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Bond Retirement Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$505,748	\$505,748	\$503,639	(\$2,109)
Charges for Services	40,000	40,000	16,931	(23,069)
Intergovernmental	62,253	62,253	71,977	9,724
<i>Total Revenues</i>	<u>608,001</u>	<u>608,001</u>	<u>592,547</u>	<u>(15,454)</u>
Expenditures				
Debt Service:				
Principal Retirement	432,176	432,176	432,176	0
Interest and Fiscal Charges	75,787	75,787	74,814	973
<i>Total Expenditures</i>	<u>507,963</u>	<u>507,963</u>	<u>506,990</u>	<u>973</u>
<i>Net Change in Fund Balance</i>	100,038	100,038	85,557	(14,481)
<i>Fund Balance Beginning of Year</i>	<u>520,407</u>	<u>520,407</u>	<u>520,407</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$620,445</u></u>	<u><u>\$620,445</u></u>	<u><u>\$605,964</u></u>	<u><u>(\$14,481)</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$99,750	\$99,750	\$95,306	(\$4,444)
Expenditures				
Debt Service:				
Principal Retirement	55,000	55,000	55,000	0
Interest and Fiscal Charges	44,750	44,750	44,352	398
<i>Total Expenditures</i>	<u>99,750</u>	<u>99,750</u>	<u>99,352</u>	<u>398</u>
<i>Net Change in Fund Balance</i>	0	0	(4,046)	(4,046)
<i>Fund Balance Beginning of Year</i>	<u>82,408</u>	<u>82,408</u>	<u>82,408</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$82,408</u></u>	<u><u>\$82,408</u></u>	<u><u>\$78,362</u></u>	<u><u>(\$4,046)</u></u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Street and Storm Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$1,670,300	\$1,670,300	\$1,730,111	\$59,811
Intergovernmental	0	1,024,000	538,320	(485,680)
<i>Total Revenues</i>	<u>1,670,300</u>	<u>2,694,300</u>	<u>2,268,431</u>	<u>(425,869)</u>
Expenditures				
Current:				
General Government				
General Government				
Other	50,109	50,109	48,255	1,854
Transportation				
Service Department				
Capital Outlay	1,091,135	2,342,135	2,316,691	25,444
Debt Service:				
Interest and Fiscal Charges	2,000	2,000	500	1,500
<i>Total Expenditures</i>	<u>1,143,244</u>	<u>2,394,244</u>	<u>2,365,446</u>	<u>28,798</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>527,056</u>	<u>300,056</u>	<u>(97,015)</u>	<u>(397,071)</u>
Other Financing Sources (Uses)				
Transfers In	0	227,000	227,000	0
Transfers Out	(1,664,947)	(1,664,947)	(1,267,876)	397,071
<i>Total Other Financing Sources (Uses)</i>	<u>(1,664,947)</u>	<u>(1,437,947)</u>	<u>(1,040,876)</u>	<u>397,071</u>
<i>Net Change in Fund Balance</i>	(1,137,891)	(1,137,891)	(1,137,891)	0
<i>Fund Balance Beginning of Year</i>	512,911	512,911	512,911	0
Prior Year Encumbrances Appropriated	624,980	624,980	624,980	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Project Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$0	\$0	\$1,075	\$1,075
Expenditures				
Capital Outlay	153,566	153,566	75,794	77,772
<i>Excess of Revenues Under Expenditures</i>	(153,566)	(153,566)	(74,719)	78,847
Other Financing Sources				
Notes Issued	0	500,000	500,000	0
<i>Net Change in Fund Balance</i>	(153,566)	346,434	425,281	78,847
<i>Fund Balance Beginning of Year</i>	53,091	53,091	53,091	0
Prior Year Encumbrances Appropriated	100,475	100,475	100,475	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$500,000</u>	<u>\$578,847</u>	<u>\$78,847</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,955,590	\$1,955,590	\$1,130,625	(\$824,965)
Expenditures				
Capital Outlay	1,955,590	1,955,590	1,130,625	824,965
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of North Olmsted, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,931,086	\$2,931,086	\$2,706,200	(\$224,886)
Expenses				
Current:				
Claims	<u>3,072,626</u>	<u>3,072,626</u>	<u>2,651,620</u>	<u>421,006</u>
<i>Net Change in Fund Equity</i>	(141,540)	(141,540)	54,580	196,120
<i>Fund Equity Beginning of Year</i>	<u>415,031</u>	<u>415,031</u>	<u>415,031</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$273,491</u></u>	<u><u>\$273,491</u></u>	<u><u>\$469,611</u></u>	<u><u>\$196,120</u></u>

STATISTICAL SECTION

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.

City of North Olmsted, Ohio
*Governmental Revenues by Source
and Expenditures by Function (1)*
Last Ten Years

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Revenues				
Property and Other Local Taxes	\$11,658,413	\$10,154,593	\$10,114,983	\$8,607,246
Municipal Income Taxes	10,000,703	11,328,050	11,121,341	10,858,123
Charges for Services	2,002,103	2,073,941	2,075,553	2,110,397
Licenses and Permits	1,222,457	941,757	737,875	668,900
Fines and Forfeitures	564,276	472,068	557,799	417,260
Intergovernmental	6,310,281	5,676,442	5,003,181	5,439,266
Special Assessments	55,000	116,813	102,808	91,734
Interest	295,832	363,807	937,639	684,382
Miscellaneous	180,826	359,093	318,536	611,619
Total	<u>\$32,289,891</u>	<u>\$31,486,564</u>	<u>\$30,969,715</u>	<u>\$29,488,927</u>
Expenditures				
Current:				
General Government	\$4,263,938	\$4,367,055	\$4,100,839	\$4,991,317
Security of Persons and Property	11,604,760	11,685,896	11,046,278	9,776,330
Public Health and Welfare	442,111	453,113	471,538	103,558
Transportation	5,311,916	5,213,922	6,473,806	5,970,202
Community Environment	0	0	0	0
Basic Utility Services	1,681,386	1,607,984	1,603,503	1,591,668
Leisure Time Activities	2,212,675	2,161,359	2,087,516	2,063,492
Economic Development and Assistance	0	218,058	180,354	100,606
Other	0	0	0	3,256
Capital Outlay	6,348,743	1,453,736	3,421,177	1,064,788
Debt Service:				
Principal Retirement	5,007,897	3,342,539	2,982,456	2,219,605
Interest and Fiscal Charges	2,378,765	2,552,217	2,757,715	2,317,332
Total	<u>\$39,252,191</u>	<u>\$33,055,879</u>	<u>\$35,125,182</u>	<u>\$30,202,154</u>

Source: City financial records

(1) Information is based on modified accrual.

Information for governmental activities on a full accrual basis will be provided when enough years are available for comparison.

1999	1998	1997	1996	1995	1994
\$8,553,667	\$8,387,454	\$7,401,978	\$7,141,571	\$7,498,764	\$6,756,338
10,257,028	9,727,638	9,873,472	8,901,309	8,321,754	7,585,398
2,181,071	1,446,834	1,433,967	1,699,465	1,655,933	1,285,078
809,925	801,678	775,907	709,908	523,177	432,453
177,487	199,990	268,285	156,726	197,989	219,052
5,894,652	4,069,646	4,123,610	4,180,347	5,453,075	3,747,668
114,918	89,072	94,145	97,682	97,794	98,252
531,677	449,501	492,611	560,489	523,334	408,804
276,078	1,438,229	1,227,410	1,091,904	1,107,199	1,051,290
<u>\$28,796,503</u>	<u>\$26,610,042</u>	<u>\$25,691,385</u>	<u>\$24,539,401</u>	<u>\$25,379,019</u>	<u>\$21,584,333</u>
\$6,440,737	\$5,834,093	\$5,250,428	\$5,081,750	\$4,862,426	\$4,381,931
7,788,275	7,779,038	6,888,008	6,812,790	6,776,438	6,067,176
111,916	107,449	109,212	108,130	99,759	177,550
4,288,298	5,006,208	6,741,225	6,711,400	8,049,732	6,685,809
0	0	0	89,725	0	91,683
1,609,739	1,338,580	1,354,865	1,253,643	1,505,430	979,961
1,961,903	1,907,376	1,816,349	1,657,952	1,557,414	1,507,203
5,257	326,925	10,028	15,935	81,013	2,824
45,103	0	0	0	0	7,350
878,425	1,682,255	415,840	5,224,128	4,450,551	2,354,288
2,009,107	1,896,763	1,389,891	1,434,489	1,271,247	1,218,592
2,334,693	2,263,476	2,952,518	2,030,087	1,904,764	1,597,686
<u>\$27,473,453</u>	<u>\$28,142,163</u>	<u>\$26,928,364</u>	<u>\$30,420,029</u>	<u>\$30,558,774</u>	<u>\$25,072,053</u>

City of North Olmsted, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2003	\$10,460,345	\$10,098,354	96.54 %	\$235,467	\$10,333,821
2002	10,454,645	10,057,703	96.20	331,751	10,389,454
2001	10,477,350	10,135,765	96.74	256,101	10,391,866
2000	8,767,921	8,462,625	96.52	211,462	8,674,087
1999	8,679,306	8,446,005	97.31	226,139	8,672,144
1998	8,508,575	8,293,734	97.48	180,357	8,474,091
1997	7,886,005	7,767,759	98.50	121,655	7,889,414
1996	7,665,505	7,594,056	99.07	108,957	7,703,013
1995	7,493,476	7,364,070	98.27	76,488	7,440,558
1994	6,876,219	6,656,838	96.81	128,573	6,785,411

Source: Cuyahoga County, Ohio; County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
98.79 %	\$537,927	5.1 %
99.38	463,462	4.4
99.18	534,176	5.1
98.93	468,359	5.3
99.92	457,866	5.3
99.59	445,126	5.2
100.04	417,893	5.3
100.49	283,731	3.7
99.29	240,284	3.2
98.68	363,029	5.3

City of North Olmsted, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

<u>Year</u>	<u>Real Property</u>	<u>Public Utility Property</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Values of Taxable Property</u>	<u>Ratio</u>
2003	\$751,348,000	\$16,129,090	\$46,312,966	\$813,790,056	\$2,366,397,805	34.39 %
2002	748,692,910	17,173,070	50,671,362	816,537,342	2,361,322,900	34.58
2001	745,461,810	20,789,070	48,393,017	814,643,897	2,347,086,896	34.71
2000	668,471,450	22,399,090	45,819,672	736,690,212	2,118,650,627	34.77
1999	659,211,490	24,629,710	46,864,374	730,705,574	2,098,907,203	34.81
1998	649,920,820	23,804,710	45,200,585	718,926,115	2,064,769,776	34.82
1997	591,673,740	24,522,540	42,771,806	658,968,086	1,889,450,147	34.88
1996	573,675,650	25,111,460	39,343,895	638,131,005	1,824,984,616	34.97
1995	568,907,430	27,468,570	35,731,767	632,107,767	1,799,591,152	35.13
1994	498,206,300	25,778,330	32,182,540	556,167,170	1,581,470,288	35.17

Source: Cuyahoga County, Ohio; County Auditor

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

City of North Olmsted										
Year	General Operating	Debt Retirement		Recreation	Police and Fire Pension	Total	School District	Cuyahoga County (1)	Polaris Vocational School	Total
		General	Sewer							
2003	\$7.00	\$4.10	\$0.70	\$1.20	\$0.60	\$13.60	\$77.00	\$17.60	\$2.40	\$110.60
2002	7.00	4.10	0.70	1.20	0.60	13.60	77.00	17.60	2.40	110.60
2001	7.00	4.10	0.80	1.20	0.60	13.70	69.10	17.60	2.40	102.80
2000	7.00	3.00	0.90	1.20	0.60	12.70	69.10	16.70	2.40	100.90
1999	7.00	3.00	0.90	1.20	0.60	12.70	69.10	16.70	2.40	100.90
1998	7.05	2.95	0.90	1.20	0.60	12.70	69.10	18.00	2.40	102.20
1997	7.50	2.50	1.00	1.20	0.60	12.80	69.10	18.00	2.40	102.30
1996	7.35	2.65	1.00	1.20	0.60	12.80	69.10	18.00	2.50	102.40
1995	8.10	1.90	0.80	1.20	0.60	12.60	63.20	18.20	2.50	96.50
1994	7.42	2.58	1.30	1.20	0.60	13.10	61.30	17.80	2.50	94.70

(1) Cleveland Metroparks Park District, Cuyahoga Community College, and Cleveland-Port Authority

Source: Cuyahoga County Auditor

City of North Olmsted, Ohio
Special Assessment Billings and Collections (1)
Last Ten Years

Year	Current Assessments Levied	Current Assessments Collected (2)	Percentage of Current Assessments Collected to Levy	Total Outstanding Delinquent
2003	\$103,456	\$55,000	53.16 %	\$14,449
2002	98,567	91,987	93.32	16,062
2001	102,672	86,502	84.25	33,390
2000	109,122	86,778	79.52	31,325
1999	123,051	115,454	93.83	9,866
1998	112,984	92,852	82.18	22,113
1997	105,545	95,083	90.09	10,464
1996	111,097	99,027	89.14	6,563
1995	110,136	99,016	89.90	11,381
1994	105,855	99,522	94.02	6,252

Source: Cuyahoga County, Ohio; County Auditor

(1) These figures represent only amounts certified to and collected by the Cuyahoga County Auditor and does not include prepayments paid directly to the City.

(2) Current special assessments collected after 2002 do not include interest, only principal.

City of North Olmsted, Ohio
Computation of Legal Debt Margin
December 31, 2003

Total Assessed Property Value		\$813,790,056
Overall Debt Limitation (10 ½ % of Assessed Valuation)		85,447,956
Gross Indebtedness		
General Obligation Bonds	48,320,000	
General Obligation Bonds - Sewer Revenue	13,295,000	
Special Assessment Bonds	515,000	
OWDA Loans - Enterprise	805,381	
OPWC Loan	136,123	
OPWC Loan - Enterprise	1,564,001	
Police Pension Liability	111,314	
Bond Anticipation Notes	2,195,000	
		66,941,819
Less:		
General Obligation Bonds - Sewer Revenue		(13,295,000)
Special Assessment Bonds		(515,000)
OWDA Loans - Enterprise		(805,381)
OPWC Loan - Enterprise		(1,564,001)
Securities issued to pay final judgments and settlements		(124,000)
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes		(12,433,000)
General Obligation Bond Retirement Fund Balance		(1,369,838)
Net Debt Within 10 1/2% Limitations		36,835,599
Overall Legal Debt Margin Within 10 1/2% Limitations		\$48,612,357
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)		\$44,758,453
Net Unvoted Indebtedness Authorized by Council		56,961,819
Less:		
General Obligation Bonds - Sewer Revenue		(13,295,000)
Special Assessment Bonds		(515,000)
OWDA Loans - Enterprise		(805,381)
OPWC Loan - Enterprise		(1,564,001)
Securities issued to pay final judgments and settlements		(124,000)
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes		(12,433,000)
General Obligation Bond Retirement Fund Balance		(1,369,838)
Net Debt Within 5 1/2% Limitations		26,855,599
Unvoted Legal Debt Margin Within 5 1/2% Limitations		\$17,902,854

Source: City Financial Records

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

Year	Population		Assessed (2) Value	Gross (3) Bonded Debt	Debt Service Monies Available
2003	34,113	b	\$813,790,056	\$61,615,000	\$1,369,838
2002	34,113	b	816,537,342	65,420,000	1,625,402
2001	34,113	b	814,643,897	69,230,000	1,876,456
2000	34,113	b	736,690,212	56,345,000	1,199,962
1999	34,204	a	730,705,574	52,030,000	648,329
1998	34,204	a	718,926,115	54,450,000	306,178
1997	34,204	a	658,968,086	56,715,000	147,003
1996	34,204	a	638,131,005	58,745,000	873,138
1995	34,204	a	632,107,767	16,885,000	350,826
1994	34,204	a	556,167,170	18,050,000	357,653

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Source: Cuyahoga County Auditor

(3) Includes all general obligation bonded debt

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
\$60,245,162	7.40 %	\$1,766.05
63,794,598	7.81	1,870.10
67,353,544	8.27	1,974.42
55,145,038	7.49	1,616.54
51,381,671	7.03	1,502.21
54,143,822	7.53	1,582.97
56,567,997	8.58	1,653.84
57,871,862	9.07	1,691.96
16,534,174	2.62	483.40
17,692,347	3.18	517.26

City of North Olmsted, Ohio
*Ratio of Annual Debt Principal Expenditures For
 General Bonded Debt to Total Governmental Expenditures
 Last Ten Years*

Year	Debt (1) Principal	Total Governmental Expenditures	Ratio of Debt Service To Total Governmental Expenditures
2003	\$2,900,000	\$39,252,191	\$7.39
2002	3,810,000	33,055,879	11.53
2001	10,295,000	35,125,182	29.31
2000	2,530,000	30,202,154	8.38
1999	2,420,000	27,473,453	8.81
1998	2,265,000	28,142,163	8.05
1997	2,030,000	26,928,364	7.54
1996	1,160,000	30,420,029	3.81
1995	1,165,000	30,558,774	3.81
1994	1,135,000	25,072,053	4.53

Source: City financial records

(1) 2001 includes \$7,420,000 in advance refunding debt payment.

City of North Olmsted, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2003

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of North Olmsted
Direct			
City of North Olmsted (1)	\$61,615,000	100.00%	\$61,615,000
Overlapping			
North Olmsted School District	89,000	100.00	89,000
Cuyahoga County	183,239,636	2.84	5,204,006
Greater Cleveland Regional Transit Authority	136,310,000	2.84	3,871,204
<i>Total Overlapping Debt</i>	319,638,636		9,164,210
Total	\$381,253,636		\$70,779,210

Source: Cuyahoga County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.
The debt outstanding includes general obligation bonds and note debt.

City of North Olmsted, Ohio

Demographic Statistics

Last Ten Years

Year	Population (1)		Employed in County (2)	Employed in Primary Metropolitan Statistical Area (2)	Unemployment Rate (2)			
					County	Primary Metropolitan Statistical Area	State	US
2003	34,113	b	629,600	1,051,600	6.8 %	6.7 %	6.1 %	6.0 %
2002	34,113	b	624,900	1,040,300	6.7	6.5	5.7	5.8
2001	34,113	b	648,300	1,073,900	4.6	4.6	4.3	4.8
2000	34,113	b	649,500	1,075,900	4.6	4.4	4.1	4.0
1999	34,204	a	670,000	1,100,000	4.5	4.4	4.3	4.5
1998	34,204	a	670,000	1,100,000	4.5	4.4	4.3	4.5
1997	34,204	a	660,800	1,061,600	4.8	4.8	4.6	5.0
1996	34,204	a	655,700	1,046,900	5.1	5.2	4.9	5.4
1995	34,204	a	644,100	1,036,600	4.9	5.1	4.8	5.6
1994	34,204	a	636,300	1,022,800	5.8	5.8	5.5	6.1

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

(a) 1990 Federal Census

(b) 2000 Federal Census

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

(3) Source: North Olmsted Board of Education

(4) Cuyahoga County, Ohio; County Auditor

Average Residential Sale Price

<u>School (2)</u> <u>Enrollment</u>	<u>City (4)</u>	<u>County (4)</u>
4,468	\$188,169	\$148,104
4,663	181,896	230,581
4,714	135,726	197,800
4,863	132,600	128,848
4,983	135,100	125,570
4,985	126,300	127,304
4,951	120,900	113,100
5,056	119,700	108,152
5,021	116,300	105,300
5,020	112,000	102,900

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

Year	Total Assessed Valuation (1)	Value of Building Permits Issued (2)			Domestic Bank Deposits in the County (3) (in thousands)
		Agriculture Residential	Commercial Industrial	Total	
2003	\$813,790,056	\$11,488,253	\$20,052,718	\$31,540,971	\$97,238,973
2002	816,537,342	10,773,613	40,522,225	51,295,838	95,761,917
2001	814,643,897	10,960,168	9,675,166	20,635,334	63,893,769
2000	736,690,212	12,898,254	11,922,857	24,821,111	61,942,764
1999	730,705,574	17,868,981	17,090,778	34,959,759	57,816,942
1998	718,926,115	18,811,709	31,876,717	50,688,426	58,904,596
1997	658,968,086	14,482,863	21,582,756	36,065,619	53,941,971 (4)
1996	538,131,005	11,680,825	10,380,000	22,060,825	27,068,211
1995	632,107,767	9,545,000	10,800,000	20,345,000	22,458,573
1994	556,167,170	6,747,000	26,000,000	32,747,000	20,885,453

(1) Cuyahoga County, Ohio; County Auditor

(2) Source: City of North Olmsted Building Department Annual Reports

(3) Source: Federal Reserve Bank of Cleveland

(4) Large increase in deposits due to KeyBank becoming a single charter in 1997.

City of North Olmsted, Ohio

Principal Taxpayers

Real Estate Tax

December 31, 2003

<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
DDRC Great Northern LTD	\$21,805,960	2.90%
Great Northern Partnership	20,445,640	2.72
Great Northern Properties	6,967,390	0.93
Butternut Ridge Apt. LLC	5,642,880	0.75
Higbee Company	5,117,880	0.68
B & G Properties LTD Partnership	5,012,880	0.67
May Stores 74 Corp	4,967,310	0.66
Water Tower Square LTD Partnership	4,790,670	0.64
Wal Mart	4,305,810	0.57
Country Club Hotel Assoc LLC	3,694,360	0.49
	<u>\$82,750,780</u>	<u>11.01%</u>
Total Assessed Valuation	<u>\$751,348,000</u>	

(1) Assessed valuation based on the valuation of property for taxes collected in 2002 and a review of the 10 largest parcels for the City. Total valuation listed for each taxpayer does not include all parcels owned by that taxpayer in the County.

Source: Cuyahoga County Auditor

City of North Olmsted, Ohio
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2003

Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
Riser Foods	\$1,891,580	4.08%
May Department Stores	1,883,680	4.07
Wal Mart	1,443,720	3.12
Home Depot	1,440,830	3.11
Sears, Roebuck and Company	1,304,520	2.82
Great Northern Dodge, Inc.	1,269,570	2.74
J. C. Penney Company	1,106,280	2.39
Tops Market LLC	858,480	1.85
Sunnyside Cars, Inc.	794,100	1.71
Nissan of North Olmsted LLC	785,840	1.70
	\$12,778,600	27.59%
	\$46,312,966	
Total Assessed Valuation	\$46,312,966	

(1) Assessed valuation based on the valuation of property for taxes collected in 2002 and a review of the 10 largest parcels for the City. Total valuation listed for each taxpayer does not include all parcels owned by that taxpayer in the County.

Source: Cuyahoga County Auditor

City of North Olmsted, Ohio

Principal Taxpayers

Municipal Income Tax

December 31, 2003

Taxpayer

Factory Mutual Insurance Co.

GMAC - GM Payroll Services

Heartland Employment Services, Inc.

May Department Stores

Moen Incorporated

City of North Olmsted

North Olmsted School District

Riser Foods

Sunnyside Cars, Inc.

Wal Mart

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

City of North Olmsted

Miscellaneous Statistics

December 31, 2003

Date of Incorporation as a Village	1908
Date of Incorporation as a City	1951
Form of Government	Charter: Mayor/Council
Area square miles	11.9
Number of Housing Units (2000 Census)	16,163
Fire Protection:	
Number of Stations	2
Number of Sworn Fireman and Officers	46
Number of Emergency Responses	3,354
Police Protection:	
Number of Stations	1
Number of Sworn Policeman and Officers	57
Number of Criminal Arrests	2,063
Number of Traffic Violations	17,682
Number of Parking Violations	2,702
Number of Full Time Employees	316
Number of Part Time and Temporary Employees	168
Streets:	
Miles of Streets	145
Number of Street Lights	2,362
Municipal Water Utilities	City of Cleveland Services
Sewers:	
Miles of Sanitary Sewers	175
Miles of Storm Sewers	151
Building Permits Issued	1,482
Estimated Valuation of Permits Issued	\$31,540,971
Parks and Recreation:	
Acreage Owned by City for Recreation	104
Recreation Center Facility	1
Senior Center Facility	1
Number of Parks	4



**Auditor of State
Betty Montgomery**

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CITY OF NORTH OLMSTED

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 12, 2004**