



**Auditor of State
Betty Montgomery**

**CITY OF NORTH RIDGEVILLE
LORAIN COUNTY**

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**CITY OF NORTH RIDGEVILLE
LORAIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

Federal Grantor/ Pass Through Grantor/ <u>Program Title</u>	Pass through Entity <u>Number</u>	Federal CFDA <u>Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Ohio Department of Public Safety			
Equipment Purchase and Special Enforcement Program	N/A	20.600	\$ <u>4,915</u>
Total U.S. Department of Transportation			<u>4,915</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Direct Grant			
Assistance to Firefighters	N/A	85.554	45,864
Passed through Ohio Department of Public Safety			
Disaster Assistance	N/A	97.036	<u>4,436</u>
Total Federal Emergency Management Agency			<u>50,300</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Grant			
Public Safety Partnership and Community Policing Grants	N/A	16.710	<u>322</u>
Total U.S. Department of Justice			<u>322</u>
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Western Reserve Area Agency on Aging			
Special Programs for the Aging – Title III, Part B	N/A	93.044	<u>32,282</u>
Total U.S. Department of Health and Human Services			<u>32,282</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Ohio Department of Development			
HOME Investment Partnership Program	A-C-01-157-2	14.239	164,508
Community Development Block Grant:			
Small Cities Formula Allocation	A-F-02-157-1	14.228	64,597
Small Cities Formula Allocation	A-F-03-157-1	14.228	246
Small Cities Community Housing Improvement Program	A-C-01-157-1	14.228	24,448
Small Cities Community Housing Improvement Program	A-C-03-157-1	14.228	<u>2,135</u>
Total Community Development Block Grant			<u>91,426</u>
Total U.S. Department of Housing and Urban Development			<u>255,934</u>
Total Federal Awards Expenditures			<u>\$343,753</u>

The accompanying notes are an integral part of this schedule.

**CITY OF NORTH RIDGEVILLE
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2003**

SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (Schedule) includes the federal grant activity of the City and is presented on the basis of cash receipts and disbursements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CFDA - Catalog of Federal Domestic Assistance Number

N/A - Not Applicable



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of North Ridgeville, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 20, 2004, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 34 and changed its accounting for capital assets. 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's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that we must report under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the 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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the City in a separate letter dated October 20, 2004.

This report is intended for the information and use of management, the City Council and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

October 20, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of North Ridgeville, Lorain County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2003. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses. We noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the City in a separate letter dated October 20, 2004.

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the City as of and for the year ended December 31, 2003, and have issued our report thereon dated October 20, 2004, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 34 and changed its accounting for capital asset. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

October 20, 2004

**CITY OF NORTH RIDGEVILLE
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant (Entitlement Grant) – CFDA 14.228 HOME Investment Partnership Program – CFDA 14.239
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS FOR FEDERAL AWARDS

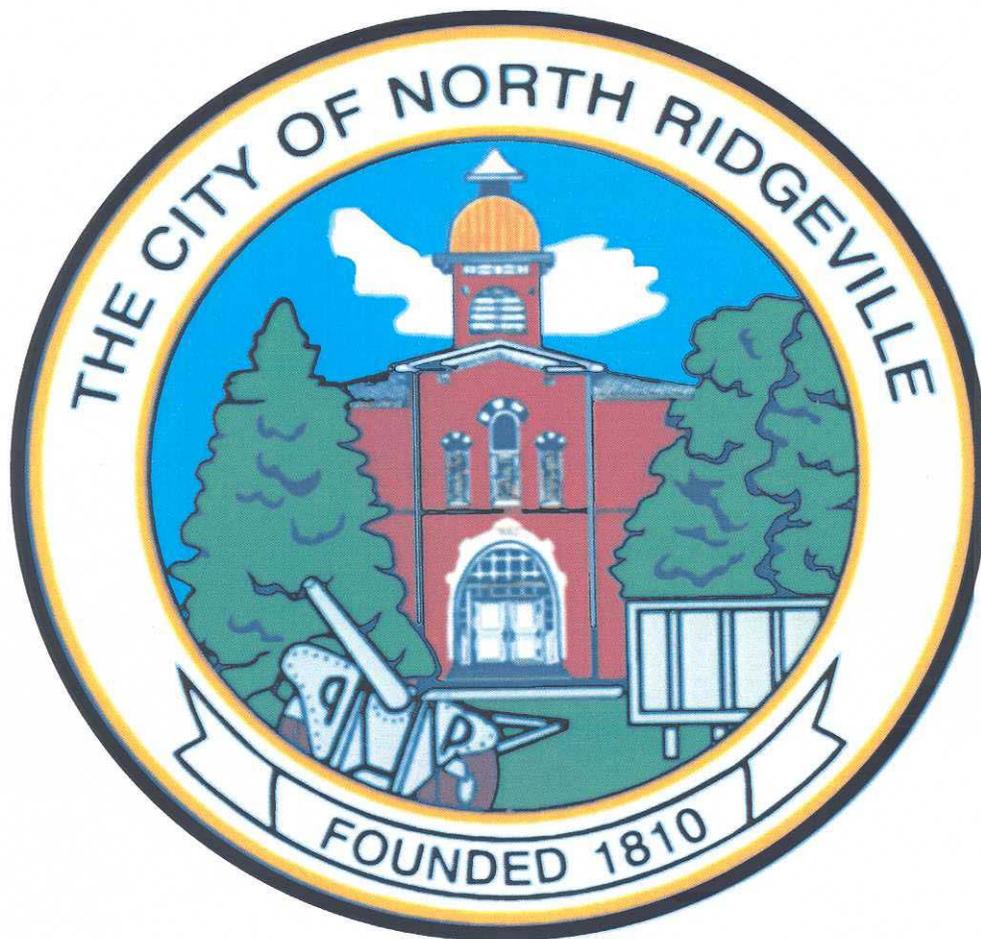
None

**CITY OF NORTH RIDGEVILLE
LORAIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (B)
DECEMBER 31, 2003**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-001	Contractor and subrecipients receiving awards for \$100,000 or more must certify that the organization and its principals are not suspended or debarred.	Yes	Finding is no longer valid – City did not let any contracts of federal awards in excess of \$100,000 to any contractor or subrecipient during the audit period.

City of North Ridgeville, Ohio



**Comprehensive Annual Financial Report
For the Year Ended December 31, 2003**

INTRODUCTORY SECTION

CITY OF NORTH RIDGEVILLE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

Prepared By:
Office of the Auditor

Chris S. Costin, CPA, CGFM
Auditor

Donna L. Kiraly
Deputy Auditor

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CITY OF NORTH RIDGEVILLE

Auditor's Office



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

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of the City of North Ridgeville for its fiscal year ended December 31, 2003. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in three sections as follows:

1. The **Introductory Section** includes the table of contents, letter of transmittal, a list of principal city officials, an organization chart of the City, and a Certificate of Achievement.
2. The **Financial Section** includes the Independent Accountant's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes to the Basic Financial Statements, Combining Statements for Nonmajor Funds and individual fund schedules.
3. The **Statistical Section** includes selected financial and demographic data, generally presented on a multi-year comparative basis.

Reporting Entity

For financial reporting purposes, the City includes all funds that comprise the primary government and all agencies, boards and commissions for which the City is financially accountable and component units. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the organization is fiscally dependent on the City or if the City appoints a majority of the organization's governing board and 1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the City. The ability to impose its will on the organization exists if the City can either remove members of the governing board at will, modify or approve the organization's budget, modify or approve rates or fees, modify or overrule decisions of the organization's governing body, or appoint, hire, reassign or dismiss persons responsible for management of the organization's day-to-day activities. A financial benefit exists if the City is legally entitled to or can otherwise access the organization's assets. A financial burden exists if the City is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization, or if the City is obligated in some manner for the debt of the organization. The City has no component units.

The City

The City of North Ridgeville is located in Lorain County in north central Ohio, approximately twenty miles southwest of the City of Cleveland and approximately ten miles southeast of the City of Lorain. The City's area is approximately 25 square miles. The City's 2000 census population of 22,338 placed it as the third largest in Lorain County. The City is in the Cleveland-Elyria-Lorain Primary Metropolitan Statistical Area (PMSA), comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. It is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area (CMSA).

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

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

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

The City owns and operates four parks covering 110 acres and provides other recreational facilities including basketball, volleyball and tennis courts, baseball fields, soccer fields, picnic areas and a stocked lake. In addition, the City is within the Lorain County Metropolitan Park District, created to preserve natural resources and provide park and recreation facilities within the County.

City Government

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

The City operates under and is governed by its Charter, first adopted by voters in 1961 and which has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable laws. The Charter provides for a Mayor-Council form of government.

Legislative authority is vested in a seven-member Council, of whom three are elected at-large and four are elected from wards, all for two-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by the Council for a two-year term.

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

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

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

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

Economic Condition and Outlook

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

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

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

Four separate industrial parks are under development in the City. The largest of these is Taylor Woods Industrial Park, which is home to the facilities of Invacare Corp. (a manufacturer of wheelchairs), Becket Gas, Inc. (a manufacturer of gas burners) and Becket Air, Inc. (a manufacturer of blower wheels), all constructed since 1990. The newest of these, Root Road Industrial Park consisting of 13 acres, began development in 2002. In 2003, building permits were issued for new commercial buildings with an estimated value of \$4,490,000 and commercial improvements of \$4,530,000.

The City expects significant additions in commercial development to occur as the result of its recent infrastructure improvements.

Residential development has been significant in recent years and is expected to increase with the completion of the sanitary trunk sewer in the western portion of the City. In various stages of planning and construction are two planned community developments in the western half of the City: Waterbury, a 640-acre development representing approximately 1,900 residential units; and Meadow Lakes, a 570-acre development representing approximately 1,700 residential units. Other developments in the western area include Avalon, an 80-acre subdivision representing 175 residential units. Other developments include Windsor Point subdivision to include up to 275 residential units, and Stone Creek subdivision to include up to 170 residential units. Elsewhere in the City, Ridgfield Homes, an approximately 900 home development, which commenced in the mid-1990s is about forty percent complete. These homes have been sold for \$ 225,000 to \$ 980,000, with an average of approximately \$ 300,000. A number of smaller subdivisions also remain under development throughout the City.

The estimated value of building permits issued by the City in recent years amounted to: 2003 - \$65,906,345, 2002 - \$ 65,506,373, 2001 - \$ 41,807,000, 2000 - \$ 46,430,275, 1999 - \$ 41,203,243.

Major Initiatives

Police Department

The Police department is currently staffed by thirty-five sworn officers and eight dispatchers and support staff. The department is engaged in a number of ongoing community related activities, ranging from the popular Safetyville program for its youngest citizens to providing home safety and security checks for its most senior citizens. The department completed an upgrade of its Mobile Data Terminal system linking in-car computers with the department's Computer Aided Dispatch system. The department's system can now access the Ohio Law Enforcement Network (OLEN) allowing police officers to connect with databases of numerous other law enforcement agencies, significantly enhancing information gathering capabilities. The department is an active part of the Lorain County Drug Task Force, the county bomb squad and the Homeland Security Task Force. The police department continues to maintain its commitment to community policing through a variety of enforcement and educational programs.

Fire Department

The City's fire department maintains emergency rescue services in addition to fire operations. The Fire department employs thirty fire suppression personnel, including twenty-six State certified paramedics and four State certified emergency medical technicians, and one civilian secretary/dispatcher. In 2003, the department responded to 2,200 requests for emergency medical assistance and fire emergencies. The fire department maintains a dive rescue team and is member of the Lorain County Hazardous Materials Response Team. During the year, the department presented nearly 2,500 fire safety classes to elementary students grades K through 5, as well as fire safety talks to over 200 pre-schoolers.

Building Department

In 2003, the City's Building department consisted of four full-time building inspectors and two secretaries under the direction of the Chief Building Official. The City continues to maintain an ISO (Insurance Service Office) rating of #4 for residential and commercial property owners. During 2003, building permits were issued for 396 residential dwellings and 14 commercial buildings, compared to 362 and 13 respectively, in 2002, and 258 and 3 respectively, in 2001.

Utilities Department

The Utility department services approximately 9,100 water, sewer and sanitation accounts with five full-time employees and three part-time water meter readers. The department continues its program of installing new computerized water meters throughout the City. Currently, eighty-five percent of the City is being read by portable interrogators. The meters are extremely accurate and allow the meter readers to obtain readings remotely and electronically by radio signal.

French Creek Wastewater Treatment Plant

Substantially completed during 2003 was the City's planned expansion and upgrade of its French Creek Wastewater Treatment Plant, an estimated \$ 6.7 million dollar project that has increased the plant's capacity by fifty percent. The land and facilities were originally designed to accommodate a 30 MGD treatment facility to be constructed in four phases. The initial plant configuration of 7.5 MGD was phase 1 of the original design plans, which has now been increased to 11.25 MGD. The plant services the City, the City of Avon and the Village of Sheffield.

Office for Older Adults

The North Ridgeville Senior Center (Office for Older Adults) provides transportation and supportive services for the City's seniors and nutritional meals to homebound seniors through its Meals-on-Wheels program for the City and the townships of Eaton, Carlisle, Columbia, Grafton and LaGrange. In 2003, seniors were transported over 18,000 miles to medical appointments, shopping, activities at the Senior Center and other destinations. Senior activities are funded by the City, outside grants and volunteers.

Financial Information

Internal Control

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

Basis of Accounting

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

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

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

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

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

Budgetary Controls

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

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

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

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

Debt Administration

The City issues various types of debt for the purpose of carrying out its capital financing activities. The City's bonded debt and bond anticipation notes are general obligation debt for which the full faith and credit of the City are pledged for the timely payment of principal and interest thereon. Of the combined amount of \$20,655,000 of bonded debt and bond anticipation notes outstanding at December 31, 2003, it is expected that \$11,205,900 will be paid from tap-in fees or other sanitary sewer or water system revenues, \$4,472,100 from special assessments, \$1,420,000 from voted property tax collections and the remaining \$3,557,000 from general operating revenues including income taxes, property taxes and intergovernmental shared tax revenues.

Cash Management

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

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

The City plans for short and long term cash flow needs and attempts to match investment maturities accordingly. This is accomplished primarily with Certificates of Deposit, Repurchase Agreements, Government Securities, State Treasurer's Investment Pool (STAR Ohio) and Sweep Checking Accounts.

Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. The City maintains a commercial insurance policy through Selective Insurance Co., which covers property, boiler and machinery, inland marine, crime, automobile, general liability and EMS liability in the amount of \$ 2,000,000. An additional umbrella policy is also provided in the amount of \$ 10,000,000. The City maintains a law enforcement liability policy and public officials liability policy each in the amount of \$ 1,000,000, with Scottsdale Indemnity Company.

Independent Audit

The City's financial statements for the year ended December 31, 2003 were examined by independent auditor Betty Montgomery, Auditor of State of Ohio. The Independent Accountants' Report on the basic financial statements is included in the Financial Section of this report.

GFOA Certificate of Achievement

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

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

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Auditor's Office and the Treasurer. Preparation of the Comprehensive Annual Financial Report requires a major effort and special appreciation is extended to everyone who assisted and contributed to the preparation of this report.

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

Respectfully submitted,



Chris S. Costin, CPA, CGFM
City Auditor
October 20, 2004

City of North Ridgeville, Ohio
Principal City Officials
December 31, 2003

Elected Officials

Mayor (term began 12-1-2003)	G. David Gillock
Mayor (term expired 11-30-2003)	Deanna L. Hill
Council member, At Large (appointed 12-1-2003) (1)	Ronald F. Arndt
Council member, At Large	Bernadine R. Butkowski
Council member, At Large (appointed 12-1-2003) (2)	Andy Young
Council member, Ward 1	Nancy J. Buescher
Council member, Ward 2	Allen C. Swindig
Council member, Ward 3	Josanne K. Pagel
Council member, Ward 4	Robert W. Olesen

(1) Replaced G. David Gillock, elected Mayor
(2) Replaced Dennis L. Johnson, appointed Safety-Service Director

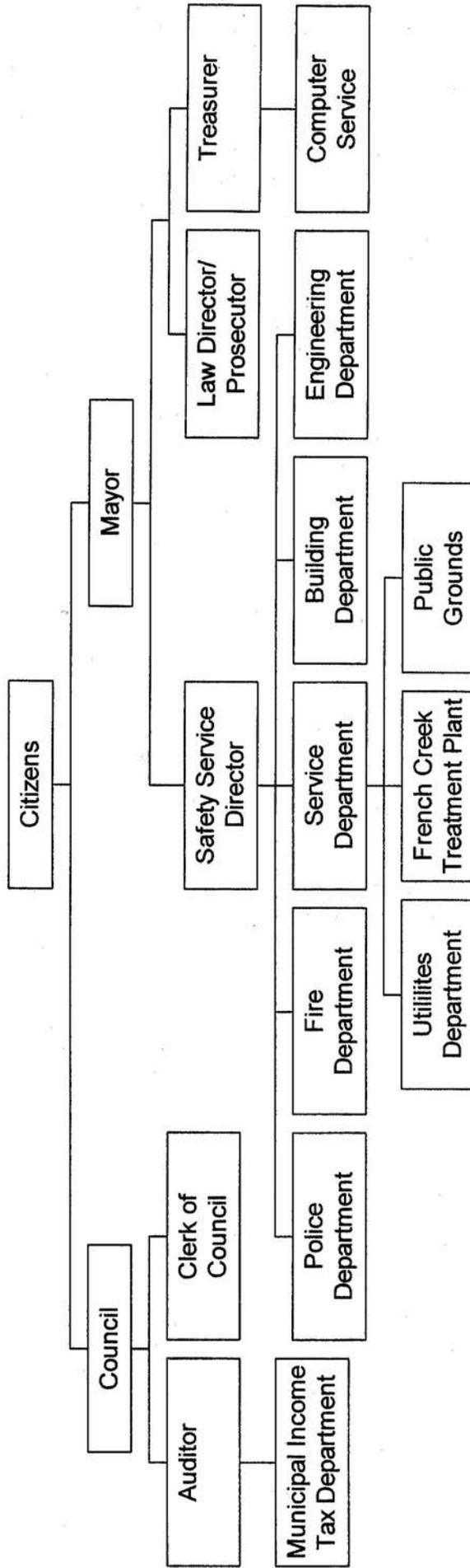
Appointed Officials and Department Heads

Safety-Service Director (appointed 12-1-2003)	Dennis L. Johnson
Safety-Service Director (through 11-30-2003)	James L. Johnson
Law Director/ Prosecutor	Eric Zagrans, L.P.A.
Engineer	Larry Griffith, P.E.
Treasurer	James R. McVeigh
Auditor	Chris S. Costin, CPA, CGFM
Deputy Auditor	Donna L. Kiraly
Income Tax Administrator	Laverne Porowski
Police Chief	Richard D. Thomas
Fire Chief	Richard Miller
Service Department Superintendent	Gerald W. Krueger
Chief Building Official	Guy M. Fursdon, C.B.O.
Parks and Recreation Director	James D. Spaulding
Older Adult Services Director	Rita M. Price
Computer Service Supervisor	Rita Taylor
Utilities Department Director	James E. Whitlock
French Creek Plant Superintendent	Donald D. Daley
Maintenance and Grounds Supervisor	Gary M. Teel
Mayor's Court Magistrate	Gerald E. Strait, L.P.A.
Clerk of Mayor's Court	Diana G. Graham
Clerk of Council	Charles A. Norris
Assistant Clerk of Council	Paula D. Cope, CMC

Chairmen, Boards and Commissions

Civil Service Commission	James P. Yost
Parks and Recreation Commission	Larry D. Overby
Planning Commission	Ronald Schwachenwald
Fair Housing Board	James R. McVeigh
Income Tax Board of Reviews	Margaret Knight
Zoning Board of Appeals	John A. Gasior, L.P.A.

CITY OF NORTH RIDGEVILLE, OHIO ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Ridgeville,
Ohio

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

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Ridgeville, Lorain County, Ohio (the City), as of and for the year ended December 31, 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 opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Ridgeville, Lorain 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 and the Income Tax 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 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* and changed its accounting for capital assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Betty Montgomery
Auditor of State

October 20, 2004

CITY OF NORTH RIDGEVILLE, 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 Ridgeville's financial performance presents a narrative overview and analysis of the City's financial activities for the year ended December 31, 2003. The intent of the discussion and analysis is to present the City's financial performance as a whole. Readers are encouraged to consider this information in conjunction with the letter of transmittal, the basic financial statements and notes to financial statements for an enhanced understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2003 were as follows.

Total net assets increased by 10.2% to \$ 100,476,784 at December 31, 2003.

Total invested in capital assets, net of related debt, increased by 17.4% to \$ 82,013,401.

Total assets increased by 6.9% to \$ 133,273,494 at December 31, 2003.

Total liabilities decreased by 2.1% to \$ 32,796,710 at December 31, 2003.

Equity in pooled cash decreased by 7.9% to \$ 16,010,157, primarily due to the City's interceptor trunk sewer project, expansion and upgrade of its wastewater treatment plant, and other capital expenditures.

Overview of Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

Governmental fund financial statements focus on the City's most significant, or major funds. The City's major governmental funds are the general fund, income tax fund, and general obligation bond retirement fund. The remaining non-major funds are combined and reflected in one single column. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources that are available at year end. This information can be useful in determining what financial resources are available to finance the City's activities. A reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities for the year ended December 31, 2003 is presented. The City, similar to other local governments, uses fund accounting to ensure and demonstrate finance related legal requirements.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED

Fund Categories

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

Governmental funds

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

Proprietary funds

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

Fiduciary funds

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

Notes to the Basic Financial Statements

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

Other Information

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

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED

The City of North Ridgeville as a Whole

Analysis of Net Assets

The *Statement of Net Assets* presents the City as a whole. Following is a summary of the City's net assets for 2003 compared to 2002.

Net Assets

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Assets						
Current and other assets	\$ 14,758,216	\$ 15,684,730	\$ 12,362,856	\$ 13,049,936	\$ 27,121,072	\$ 28,734,666
Capital assets, net	51,298,691	47,113,926	54,853,731	48,848,301	106,152,422	95,962,227
Total assets	66,056,907	62,798,656	67,216,587	61,898,237	133,273,494	124,696,893
Liabilities						
Current liabilities	5,542,469	5,299,028	505,120	833,959	6,047,589	6,132,987
Long-term liabilities	8,061,548	8,914,138	18,687,573	18,446,212	26,749,121	27,360,350
Total liabilities	13,604,017	14,213,166	19,192,693	19,280,171	32,796,710	33,493,337
Net assets						
Invested in capital assets, net of related debt	45,395,143	40,285,488	36,618,258	29,576,471	82,013,401	69,861,959
Restricted	3,721,616	4,334,989	-	-	3,721,616	4,334,989
Unrestricted	3,336,131	3,965,013	11,405,636	13,041,595	14,741,767	17,006,608
Total net assets	\$ 52,452,890	\$ 48,585,490	\$ 48,023,894	\$ 42,618,066	\$ 100,476,784	\$ 91,203,556

Investment in capital assets (land, construction in progress, buildings and improvements, machinery and equipment and infrastructure) less any related debt to acquire those assets still outstanding, represents the largest portion of net assets. Capital assets are used to provide services to the City's citizens, however, are not available for future spending. Total assets increased by \$ 8,575,601 to \$ 133,273,494. Current assets decreased by \$ 1,613,594 to \$ 27,121,072, which included a decrease in equity in pooled cash of \$ 1,270,201 due primarily to the City's infrastructure and other capital projects (see "Capital Assets" which follows). Total liabilities decreased by \$ 696,627 to \$ 32,796,710 primarily due to bonded debt repayments. Total net assets increased by \$ 9,273,228 to \$ 100,476,784, with governmental net assets comprising \$ 3,867,400 and business-type net assets comprising \$ 5,405,828 of that increase.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED

Analysis of Changes in Net Assets

To understand what makes up changes in net assets, following are results of activities for the current year. However, since this is the first year that the City has prepared its financial statements under the new reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34), revenue and expense comparisons to 2002 are not available. A comparative analysis of government-wide data will be presented in future years.

Change in Net Assets

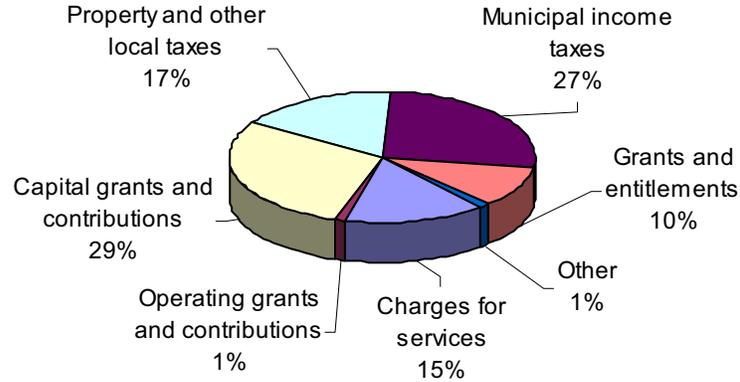
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues			
Charges for services	\$ 3,214,107	\$ 5,690,312	\$ 8,904,419
Operating grants and contributions	344,822	-	344,822
Capital grants and contributions	6,477,132	6,846,291	13,323,423
Total program revenues	<u>10,036,061</u>	<u>12,536,603</u>	<u>22,572,664</u>
General revenues			
Property and other local taxes	3,661,533	-	3,661,533
Municipal income taxes	6,055,356	-	6,055,356
Grants and entitlements	2,135,898	-	2,135,898
Other	175,509	149,702	325,211
Total general revenues	<u>12,028,296</u>	<u>149,702</u>	<u>12,177,998</u>
Total revenues	<u>22,064,357</u>	<u>12,686,305</u>	<u>34,750,662</u>
Program expenses			
Security of persons and property	7,582,912	-	7,582,912
Public health and welfare	322,691	-	322,691
Leisure time activities	361,321	-	361,321
Community environment	1,162,529	-	1,162,529
Transportation	4,566,035	-	4,566,035
General government	3,780,449	-	3,780,449
Interest	421,020	-	421,020
Water	-	2,674,856	2,674,856
Sewer	-	4,605,621	4,605,621
Total program expenses	<u>18,196,957</u>	<u>7,280,477</u>	<u>25,477,434</u>
Increase in net assets	3,867,400	5,405,828	9,273,228
Net assets, beginning of year	<u>48,585,490</u>	<u>42,618,066</u>	<u>91,203,556</u>
Net assets, end of year	<u>\$ 52,452,890</u>	<u>\$ 48,023,894</u>	<u>\$ 100,476,784</u>

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED

Governmental activities

Revenues by source of governmental activities for 2003 were comprised of:

Revenues by Source, Governmental Activities



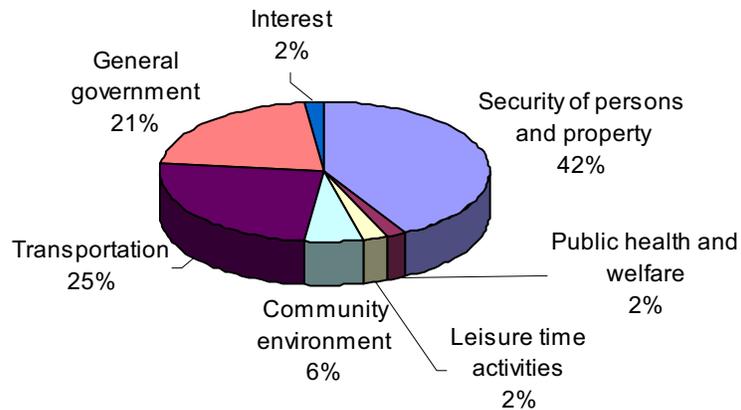
Revenues

Capital grants and contributions represented the largest portion of program revenue and 29% of total revenues in 2003, primarily consisting of contributions of infrastructure from developers related to residential development on the City's westside. Municipal income taxes comprised the largest single source of general revenues and 27% of total revenues, followed by property and other local taxes.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
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Program expenses of governmental activities for 2003 were comprised of:

Program Expenses, Governmental Activities



Program expenses

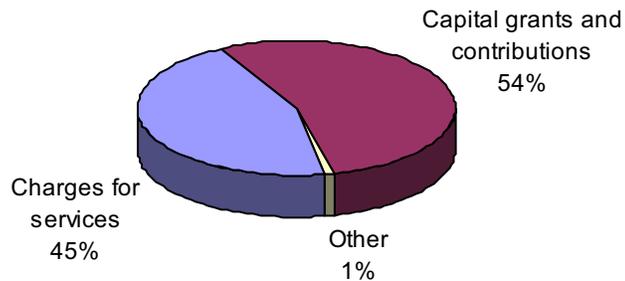
Program expenses amounted to \$ 18,196,957 in 2003, of which \$ 10,036,061 was provided by program revenue. Security of persons and property, which includes police, fire and paramedic services, represented \$ 7,582,912 or 42% of total program expenses. Transportation, which includes street maintenance, snow removal and storm channel maintenance, represented \$ 4,566,035 or 25% of program expenses. General government represented \$ 3,780,449 or 21% of program expenses. General government expenses include legislative and administrative services such as council, mayor, finance, law and computer services departments, utilities and maintenance of buildings. Community environment represented \$ 1,162,529 or 6%, and includes refuse collection and community development. Leisure time activities represented \$ 361,321 or 2% of program expenses and include recreation activities and maintenance of the City's park system. Public health and welfare represented \$ 322,691 or 2% of program expenses and include senior citizen programs, payments to the County health department and cemetery maintenance.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED

Business-type activities

Revenues by source for business-type activities for 2003 were comprised of:

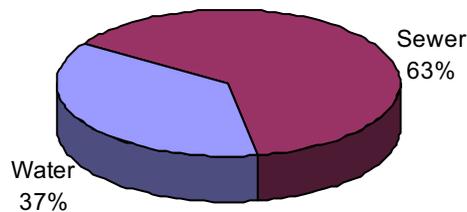
Revenue by Source, Business-type Activities



Revenues

Program revenues represented 99% of total revenues for business-type activities in 2003. Capital grants and contributions, which were primarily developer contributions, represented 54% and charges for services represented 45%. Other general revenues represented the remaining 1% of total revenues, consisting primarily of interest income.

Expenses, Business-type Activities



Expenses

Water operations expenses amounted to \$ 2,674,856 or 37% and sanitary sewer operations expenses amounted to \$ 4,605,621 or 63% of total program expenses for business-type activities. Both the water operations and sanitary sewer operations have historically been self-supporting through user fees and charges.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED

Budgetary Highlights

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

The general fund is the City's most significant budgeted fund. Original budgeted receipts (excluding other sources) for the general fund were \$ 2,426,969 and final budgeted receipts were \$ 2,784,770. The City actually received \$ 2,821,257. Receipts were greater than anticipated primarily due to increased state shared inheritance taxes (intergovernmental revenue) of \$ 174,400 and increased building fees, licenses, and permits of \$ 219,300. Original appropriations were \$ 8,939,824. The City actually expended \$ 8,421,560, which was \$ 518,264, less than originally appropriated. The City historically spends less than appropriated. For 2003, actual expenditures were 93.9% of final appropriations. Other financing sources (uses) included unanticipated advances-out of \$ 282,324 comprised of \$ 117,804 to the federal grants (special revenue) fund and \$ 164,520 to the self insurance (internal service) fund.

The City reports its municipal income tax in the income tax (special revenue) fund. Income tax proceeds, after payment of collection expenses are allocable to the City's general fund and capital projects fund as determined by City Council. City tax collections for 2003 were \$ 175,256 greater than budgeted. Expenditures were \$ 29,049 less than original appropriations. Transfers-out included \$ 5,415,000 to the general fund and \$ 285,000 to the capital projects fund, totalling \$ 5,700,000, as originally appropriated.

Capital Assets

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

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 339,232	\$ 339,232	\$ 363,048	\$ 363,048	\$ 702,280	\$ 702,280
Construction in progress	366,100	155,615	6,551,200	6,272,755	6,917,300	6,428,370
Buildings and improvements	3,070,499	2,975,026	215,995	225,455	3,286,494	3,200,481
Equipment and vehicles	1,554,613	1,878,441	6,164,401	4,427,443	7,719,014	6,305,884
Infrastructure	45,968,247	41,765,612	40,412,276	36,360,082	86,380,523	78,125,694
	<u>\$ 51,298,691</u>	<u>\$ 47,113,926</u>	<u>\$ 53,706,920</u>	<u>\$ 47,648,783</u>	<u>\$ 105,005,611</u>	<u>\$ 94,762,709</u>

Capital assets are major assets that benefit more than one fiscal year. Concurrent with implementation of GASB 34 in 2003, the City adopted three significant changes related to capital assets. First, the City increased its capitalization threshold to \$ 2,500 from \$ 500, by which asset cost must equal \$ 2,500 or more to be capitalized. Second, capital assets under governmental activities are now depreciated. Previously, only capital assets under business-type activities (enterprise funds) were depreciated. Third, infrastructure is a new reporting category under governmental activities. Infrastructure assets are long-lived capital assets that are normally stationary in nature with a useful life significantly greater than most capital assets. The City's governmental infrastructure includes streets, bridges, culverts, sidewalks and storm drainage systems. Previously, infrastructure consisting of water distribution systems, sanitary sewer collection systems and the wastewater treatment plant, were only reported under business-type activities.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED

The City's total capital assets, net of depreciation, under governmental activities were \$ 51,298,691 at December 31, 2003, which was \$ 4,184,765 higher than the previous year. The most significant increase was an increase in infrastructure resulting primarily from developers' contributions on the City's westside. Business-type capital assets, net of depreciation, increased by \$ 6,058,137 to \$ 53,706,920, primarily from developers' contributions, construction of an interceptor trunk sewer and upgrade and expansion of the City's wastewater treatment plant. For more information regarding capital assets see also Notes to the Basic Financial Statements.

Debt

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

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
General obligation bonds	\$ 4,077,000	\$ 4,590,000	\$ 8,870,000	\$ 9,170,000	\$ 12,947,000	\$ 13,760,000
Special assessment bonds	313,000	520,000	-	-	313,000	520,000
Long-term notes	900,000	925,000	6,495,000	5,920,000	7,395,000	6,845,000
OWDA loan	-	-	2,731,034	2,834,422	2,731,034	2,834,422
OPWC loans	544,561	577,662	139,439	147,890	684,000	725,552
Capital lease	68,987	215,776	-	-	68,987	215,776
Leave benefits	2,158,000	2,085,700	452,100	373,900	2,610,100	2,459,600
	<u>\$ 8,061,548</u>	<u>\$ 8,914,138</u>	<u>\$ 18,687,573</u>	<u>\$ 18,446,212</u>	<u>\$ 26,749,121</u>	<u>\$ 27,360,350</u>

As of December 31, 2003, the City had \$ 26,749,121 of total debt outstanding with \$ 2,312,256 due within one year.

The general obligation bonds include various purposes including street improvements, city hall expansion, service garage addition, waterlines and sanitary sewer improvements. Sources for debt service payments include property tax collections and transfers from various funds. The special assessment bonds were for infrastructure improvements, which debt service is repaid by collections from property owners. The City's general obligation bonds and special assessments bonds under governmental activities will be fully paid by 2015. Of the \$ 7,395,000 of bond anticipation notes (BAN's) outstanding at December 31, 2003, \$ 5,995,000 was for an interceptor trunk sewer for which debt charges are expected to be paid from special assessments and tap-in fees. Debt charges on \$ 800,000 of BAN's used for infrastructure improvements under a Tax Incremental Financing (TIF) program, will be paid from property tax revenues generated from that project. The OWDA loan was used to finance an elevated water storage tank, which will be repaid from water system revenues. The OPWC loans consist of several no interest loans with twenty-year terms, used primarily for street reconstruction, which are repaid from the City's capital projects and street funds, and a sanitary sewer line reconstruction, which is repaid from sanitary sewer system revenues.

The State of Ohio statute limits the amount of general obligation debt, including both voted and unvoted debt, but excluding certain exempt debt, that may be issued to 10½ % of the total tax valuation of all property within the City. The City's overall debt limitation at December 31, 2003 was \$ 54,464,263, against which \$ 4,689,219 has been issued, leaving significant additional debt capacity within the debt limitation, after reduction of outstanding debt by \$ 801,478 in the City's debt service fund, of \$ 50,576,522.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED

During 2003, the City advance refunded two general obligation bond issues by issuing \$ 5,290,000 of general obligation improvement refunding bonds. Those bond proceeds were used to purchase U.S. government securities that were placed in an irrevocable trust to meet future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased and the liability has been removed from the financial statements. This advance refunding was undertaken to reduce total debt service payments over the next twelve years by \$ 562,636 and to obtain an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$ 243,941.

In October 2003, Moody's Investor Service affirmed its underlying "A2" rating on the City's outstanding unvoted general obligations bonds and "A1" rating on the City's outstanding uninsured voted general obligation bonds. In assigning its underlying rating to the bonds, Moody's announced that it had changed its "credit outlook" for the City's general obligation bonds from "stable" to "negative". A change in "outlook" is not a rating change, but does, according to Moody's, convey its assessment that there are developing trends or events that could result in a more intensive examination or rating review.

For more information on the City's debt, see Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budget

In reaction to current economic conditions, the City reduced budget appropriations over controllable expenses for 2003 and 2004 including a wage freeze for 2004. In preparing its 2004 budget, the City utilized a conservative economic forecast for revenue growth and a zero-based approach to expenditure appropriations. According to the Ohio Department of Jobs and Family Services and Bureau of Labor Statistics, average unemployment in 2003 for the Cleveland, Ohio PMSA, which includes the City, was 6.7%, compared to 6.1% for Ohio and 6.0% for the United States, reflecting that the local area is lagging behind the national economic recovery. The City continues to monitor revenue receipts closely for 2004 and will adjust the budget as deemed necessary. City services have not been significantly affected.

As the result of recent infrastructure improvements including upgrade and expansion of the City's waste water treatment plant and construction of an interceptor trunk sewer to serve the western portion of the City, new housing construction remains strong. For the current year the City's total assessed valuation increased by \$ 51,296,220 or 11%, to \$ 518,707,270 at December 31, 2003.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF NET ASSETS

DECEMBER 31, 2003

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash	\$ 4,508,689	\$ 11,501,468	\$ 16,010,157
Accounts receivable	318,951	858,649	1,177,600
Due from other governments	1,202,715	84,900	1,287,615
Internal balances	228,661	(228,661)	-
Inventories and supplies	-	130,000	130,000
Prepaid and deferred expenses	90,500	16,500	107,000
Income taxes receivable	4,165,600	-	4,165,600
Taxes receivable - property and other	3,615,400	-	3,615,400
Special assessments receivable	385,500	-	385,500
Claims advance deposit	242,200	-	242,200
Capital assets			
Nondepreciable capital assets	705,332	6,914,248	7,619,580
Depreciable capital assets, net	50,593,359	46,792,672	97,386,031
Intangible assets, net	-	1,146,811	1,146,811
Total assets	66,056,907	67,216,587	133,273,494
Liabilities			
Accounts and contracts payable	170,560	244,916	415,476
Accrued salaries, wages and benefits	359,370	88,189	447,559
Accrued interest payable	32,100	85,700	117,800
Claims payable	674,000	-	674,000
Due to other governments	658,887	86,315	745,202
Deferred revenue	3,647,552	-	3,647,552
Long term liabilities			
Due within one year	1,616,388	695,868	2,312,256
Due in more than one year	6,445,160	17,991,705	24,436,865
Total liabilities	13,604,017	19,192,693	32,796,710
Net assets			
Invested in capital assets, net of related debt	45,395,143	36,618,258	82,013,401
Restricted for:			
Debt service	1,236,011	-	1,236,011
Capital projects	63,868	-	63,868
Other purposes	2,421,737	-	2,421,737
Unrestricted	3,336,131	11,405,636	14,741,767
Total net assets	\$ 52,452,890	\$ 48,023,894	\$ 100,476,784

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants Interest and Contributions	Capital Grants and Contributions
Governmental activities				
Security of persons and property	\$ 7,582,912	\$ 368,446	\$ -	\$ -
Public health and welfare	322,691	28,965	32,503	-
Leisure time activities	361,321	193,242	-	-
Community environment	1,162,529	669,590	-	-
Transportation	4,566,035	228,378	-	6,387,132
General government	3,780,449	1,725,486	312,319	90,000
Interest	421,020	-	-	-
Total governmental activities	18,196,957	3,214,107	344,822	6,477,132
Business-type activities:				
Water	2,674,856	2,242,054	-	1,722,119
Sewer	4,605,621	3,448,258	-	5,124,172
Total business-type activities	7,280,477	5,690,312	-	6,846,291
Total	\$ 25,477,434	\$ 8,904,419	\$ 344,822	\$ 13,323,423

General revenues

Property taxes levied for:

General purpose

Debt service

Other

Municipal income taxes levied for:

General purpose

Grants and entitlements not restricted to specific purposes

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets at beginning of year, restated

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (7,214,466)	\$ -	\$ (7,214,466)
(261,223)	-	(261,223)
(168,079)	-	(168,079)
(492,939)	-	(492,939)
2,049,475	-	2,049,475
(1,652,644)	-	(1,652,644)
(421,020)	-	(421,020)
<u>(8,160,896)</u>	<u>-</u>	<u>(8,160,896)</u>
-	1,289,317	1,289,317
-	3,966,809	3,966,809
-	<u>5,256,126</u>	<u>5,256,126</u>
<u>(8,160,896)</u>	<u>5,256,126</u>	<u>(2,904,770)</u>
733,019	-	733,019
290,299	-	290,299
2,638,215	-	2,638,215
6,055,356	-	6,055,356
2,135,898	-	2,135,898
158,160	149,702	307,862
17,349	-	17,349
<u>12,028,296</u>	<u>149,702</u>	<u>12,177,998</u>
3,867,400	5,405,828	9,273,228
48,585,490	42,618,066	91,203,556
<u>\$ 52,452,890</u>	<u>\$ 48,023,894</u>	<u>\$ 100,476,784</u>

CITY OF NORTH RIDGEVILLE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2003

	General	Income Tax	General Obligation Bond Retirement
Assets			
Equity in pooled cash	\$ 689,083	\$ 803,044	\$ 801,478
Income taxes receivable	-	4,165,600	-
Taxes receivable - property and other	826,300	-	316,800
Special assessments receivable	-	-	-
Due from other governments	411,600	-	16,000
Accounts receivable and other	116,705	246	-
Interfund receivables	219,801	-	-
Prepaid items	90,500	-	-
Total assets	\$ 2,353,989	\$ 4,968,890	\$ 1,134,278
Liabilities and fund balances			
Liabilities			
Accounts and contracts payable	\$ 25,275	\$ 155	\$ -
Accrued wages and benefits	228,630	6,971	-
Due to other governments	292,173	5,739	-
Interfund payables	-	-	-
Deferred revenue	1,346,505	3,629,093	332,800
Total liabilities	1,892,583	3,641,958	332,800
Fund balances			
Reserved for encumbrances	50,177	24,493	-
Reserved for prepaid items	90,500	-	-
Unreserved, reported in			
General Fund	320,729	-	-
Special Revenue Funds	-	1,302,439	-
Debt Service Fund	-	-	801,478
Capital Projects Funds	-	-	-
Total fund balances	461,406	1,326,932	801,478
Total liabilities and fund balances	\$ 2,353,989	\$ 4,968,890	\$ 1,134,278

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds
\$ 2,211,897	\$ 4,505,502
-	4,165,600
2,472,300	3,615,400
385,500	385,500
775,115	1,202,715
202,000	318,951
-	219,801
-	90,500
<u>\$ 6,046,812</u>	<u>\$ 14,503,969</u>

\$ 144,784	\$ 170,214
123,769	359,370
117,766	415,678
55,281	55,281
<u>3,533,450</u>	<u>8,841,848</u>
<u>3,975,050</u>	<u>9,842,391</u>

210,684	285,354
-	90,500
-	320,729
1,709,824	3,012,263
93,886	895,364
57,368	57,368
<u>2,071,762</u>	<u>4,661,578</u>
<u>\$ 6,046,812</u>	<u>\$ 14,503,969</u>

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

DECEMBER 31, 2003

Total governmental funds balances		\$	4,661,578
Amount reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.			51,298,691
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds:			
Property and other local taxes	139,348		
Municipal income tax	3,628,847		
Intergovernmental	985,150		
Special assessments	313,000		
Miscellaneous	127,951		
Total	5,194,296		5,194,296
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available resources and therefore not reported in the funds.			(243,209)
In the statement of activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.			(32,100)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Notes payable	(900,000)		
Loans payable	(544,561)		
General obligation bonds	(4,077,000)		
Special assessment bonds	(313,000)		
Capital leases	(68,987)		
Compensated absences	(2,158,000)		
	(8,061,548)		(8,061,548)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.			
Net assets			(593,479)
Internal balances			228,661
			(364,818)
Net assets of governmental activities		\$	52,452,890

See accompanying notes to the basic financial statements.

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CITY OF NORTH RIDGEVILLE, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2003

	General	Income Tax	General Obligation Bond Retirement
Revenues			
Property and other local taxes	\$ 737,341	\$ -	\$ 292,079
Municipal income taxes	-	5,910,909	-
Intergovernmental	1,043,159	-	41,428
Special assessments	-	-	-
Charges for services	-	-	-
Fines, licenses and permits	755,658	-	-
Interest	5,564	14,133	607
Miscellaneous	619,178	602	-
Total revenues	3,160,900	5,925,644	334,114
Expenditures			
Current			
Security of persons and property	4,683,871	-	-
Public health and welfare	252,719	-	-
Leisure time activities	197,702	-	-
Community environment	1,103,637	-	-
Transportation	-	-	-
General government	2,028,959	301,674	4,631
Capital outlay	-	-	-
Debt service			
Principal	-	-	615,000
Capital lease	-	-	-
Interest and fiscal charges	-	-	334,329
Total expenditures	8,266,888	301,674	953,960
Excess (deficiency) of revenues over expenditures	(5,105,988)	5,623,970	(619,846)
Other financing sources (uses)			
Transfers in	5,415,000	-	864,605
Transfers out	(331,000)	(5,700,000)	-
Note proceeds	-	-	-
Bond proceeds, refunding bonds	-	-	1,532,000
Payment to refund bonds escrow	-	-	(1,430,000)
Total other financing sources (uses)	5,084,000	(5,700,000)	966,605
Excess (deficiency) of revenues over expenditures and other sources (uses)	(21,988)	(76,030)	346,759
Fund balances, beginning of year, as restated	483,394	1,402,962	454,719
Fund balances, end of year	\$ 461,406	\$ 1,326,932	\$ 801,478

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 2,638,365	\$ 3,667,785
-	5,910,909
1,710,015	2,794,602
235,000	235,000
1,407,022	1,407,022
133,288	888,946
110,493	130,797
316,308	936,088
<u>6,550,491</u>	<u>15,971,149</u>
2,228,609	6,912,480
34,903	287,622
132,657	330,359
-	1,103,637
2,119,863	2,119,863
1,668,991	4,004,255
394,446	394,446
945,000	1,560,000
146,789	146,789
96,791	431,120
<u>7,768,049</u>	<u>17,290,571</u>
<u>(1,217,558)</u>	<u>(1,319,422)</u>
616,000	6,895,605
(864,605)	(6,895,605)
900,000	900,000
333,000	1,865,000
(520,000)	(1,950,000)
<u>464,395</u>	<u>815,000</u>
(753,163)	(504,422)
<u>2,824,925</u>	<u>5,166,000</u>
<u>\$ 2,071,762</u>	<u>\$ 4,661,578</u>

CITY OF NORTH RIDGEVILLE, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2003

Net change in fund balances - total governmental funds		\$ (504,422)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
	Capital outlay	6,788,255
	Depreciation expense	<u>(2,570,389)</u>
		4,217,866
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
	Municipal income tax	144,447
	Property and other local taxes	(6,252)
	Miscellaneous	(2,449)
	Special assessments	(207,000)
	Intergovernmental	<u>(12,050)</u>
		(83,304)
Bond and note proceeds are another financing source in the funds, but increase long-term liabilities in the Statement of Net Assets		
		(2,765,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
	Note principal paid	925,000
	Bond principal paid	2,585,000
	Capital lease principal paid	<u>146,789</u>
		3,656,789
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		
		10,100
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Compensated absences	(72,300)
	Intergovernmental	<u>(8,104)</u>
		(80,404)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.		
	Change in net assets	(739,566)
	Internal balances	<u>155,341</u>
		(584,225)
Change in net assets of governmental activities		<u>\$ 3,867,400</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 724,391	\$ 739,516	\$ 737,341	\$ (2,175)
Intergovernmental revenue	895,690	1,103,455	1,128,334	24,879
Fines, licenses, and permits	476,300	586,010	593,258	7,248
Interest	10,000	6,000	5,564	(436)
Miscellaneous	320,588	349,789	356,760	6,971
Total revenues	<u>2,426,969</u>	<u>2,784,770</u>	<u>2,821,257</u>	<u>36,487</u>
Expenditures				
Current				
Security of persons and property	4,988,771	5,062,821	4,705,000	357,821
Public health and welfare	266,923	267,923	252,742	15,181
Leisure time activities	212,568	207,568	198,105	9,463
Community development	1,130,643	1,162,543	1,106,142	56,401
General government	2,340,919	2,285,106	2,159,571	125,535
Total expenditures	<u>8,939,824</u>	<u>8,985,961</u>	<u>8,421,560</u>	<u>564,401</u>
Excess (deficiency) of revenues over expenditures	<u>(6,512,855)</u>	<u>(6,201,191)</u>	<u>(5,600,303)</u>	<u>600,888</u>
Other financing sources (uses)				
Transfers in	5,874,500	5,834,500	5,837,418	2,918
Advances in	119,012	119,012	119,012	-
Advances out	-	(282,324)	(282,324)	-
Transfers out	(345,100)	(340,000)	(331,000)	9,000
Total other financing sources (uses)	<u>5,648,412</u>	<u>5,331,188</u>	<u>5,343,106</u>	<u>11,918</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(864,443)</u>	<u>(870,003)</u>	<u>(257,197)</u>	<u>612,806</u>
Prior year encumbrances	234,124	234,124	234,124	-
Fund balances, beginning of year	<u>635,928</u>	<u>635,928</u>	<u>635,928</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,609</u>	<u>\$ 49</u>	<u>\$ 612,855</u>	<u>\$ 612,806</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2003

	Income Tax Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 5,775,000	\$ 5,775,000	\$ 5,950,256	\$ 175,256
Interest	24,000	24,000	14,133	(9,867)
Miscellaneous	1,000	1,000	602	(398)
Total revenues	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,964,991</u>	<u>164,991</u>
Expenditures				
Current				
General government				
Personal services	147,334	147,334	146,073	1,261
Materials and supplies	44,528	44,628	40,577	4,051
Contractual services	20,862	36,262	35,741	521
Capital outlay	1,000	1,000	-	1,000
Other	139,169	138,669	101,453	37,216
Total expenditures	<u>352,893</u>	<u>367,893</u>	<u>323,844</u>	<u>44,049</u>
Excess (deficiency) of revenues over expenditures	<u>5,447,107</u>	<u>5,432,107</u>	<u>5,641,147</u>	<u>209,040</u>
Other financing sources (uses)				
Transfers out	(5,700,000)	(5,700,000)	(5,700,000)	-
Total other financing sources (uses)	<u>(5,700,000)</u>	<u>(5,700,000)</u>	<u>(5,700,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(252,893)</u>	<u>(267,893)</u>	<u>(58,853)</u>	<u>209,040</u>
Prior year encumbrances	17,893	17,893	17,893	-
Fund balances, beginning of year	<u>819,156</u>	<u>819,156</u>	<u>819,156</u>	<u>-</u>
Fund balances, end of year	<u>\$ 584,156</u>	<u>\$ 569,156</u>	<u>\$ 778,196</u>	<u>\$ 209,040</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS

DECEMBER 31, 2003

	Business-Type Activities - Enterprise Funds			Activities
	Water	Sewer	Total	Internal Service Fund
Assets				
Equity in pooled cash and equivalents	\$ 2,434,199	\$ 9,067,269	\$ 11,501,468	\$ 3,187
Accounts receivable and other	359,600	495,400	855,000	-
Accrued interest receivable	779	2,870	3,649	-
Due from other governments	-	84,900	84,900	-
Inventories and supplies	115,000	15,000	130,000	-
Prepaid and deferred expenses	-	16,500	16,500	-
Nondepreciable capital assets	127,751	6,786,497	6,914,248	-
Depreciable capital assets	12,255,133	34,537,539	46,792,672	-
Intangible assets	1,146,811	-	1,146,811	-
Claims advance deposit	-	-	-	242,200
Total assets and other debits	16,439,273	51,005,975	67,445,248	245,387
Liabilities				
Current				
Accounts and contracts payable	86,752	158,164	244,916	346
Accrued salaries, wages, and benefits	27,877	60,312	88,189	-
Claims payable	-	-	-	674,000
Accrued interest payable	2,800	82,900	85,700	-
Due to other governments	25,239	61,076	86,315	-
Due to other funds	-	-	-	164,520
Loans payable	104,717	8,451	113,168	-
General obligation bonds payable	105,000	405,000	510,000	-
Accrued leave benefits	20,800	51,900	72,700	-
Total current liabilities	373,185	827,803	1,200,988	838,866
Long-term liabilities				
Notes payable	-	6,495,000	6,495,000	-
Loans payable	2,626,317	130,988	2,757,305	-
General obligation bonds payable	1,050,000	7,310,000	8,360,000	-
Accrued leave benefits	120,600	258,800	379,400	-
Total long-term liabilities	3,796,917	14,194,788	17,991,705	-
Total liabilities	4,170,102	15,022,591	19,192,693	838,866
Net assets				
Invested in capital assets, net of related debt	2,611,472	1,067,942	3,679,414	-
Unrestricted	9,657,699	34,915,442	44,573,141	(593,479)
Total net assets	\$ 12,269,171	\$ 35,983,384	48,252,555	\$ (593,479)
Net assets reported for business-type activities in the statement of net assets are different because they include accumulated underpayments to the internal service fund:			(228,661)	
Net assets business type activities			<u>\$ 48,023,894</u>	

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 2,117,057	\$ 5,227,034	\$ 7,344,091	\$ 1,220,968
Miscellaneous	141,597	6,624	148,221	-
Total operating revenues	<u>2,258,654</u>	<u>5,233,658</u>	<u>7,492,312</u>	<u>1,220,968</u>
Operating expenses				
Personal services	687,778	1,664,349	2,352,127	-
Contractual services	87,052	2,396,956	2,484,008	-
Supplies and materials	1,090,806	140,798	1,231,604	-
Other operating	140,721	556,612	697,333	1,961,746
Depreciation	352,995	982,691	1,335,686	-
Amortization	52,707	-	52,707	-
Total operating expenses	<u>2,412,059</u>	<u>5,741,406</u>	<u>8,153,465</u>	<u>1,961,746</u>
Operating (loss)	<u>(153,405)</u>	<u>(507,748)</u>	<u>(661,153)</u>	<u>(740,778)</u>
Nonoperating revenues (expenses)				
Interest income	31,761	117,941	149,702	1,212
Loss on disposal of fixed assets	-	(519)	(519)	-
Interest and fiscal charges	(221,536)	(551,616)	(773,152)	-
Total nonoperating revenues (expenses)	<u>(189,775)</u>	<u>(434,194)</u>	<u>(623,969)</u>	<u>1,212</u>
Income before contributions and transfers	<u>(343,180)</u>	<u>(941,942)</u>	<u>(1,285,122)</u>	<u>(739,566)</u>
Capital contributions	<u>1,722,119</u>	<u>5,124,172</u>	<u>6,846,291</u>	<u>-</u>
Change in net assets	<u>1,378,939</u>	<u>4,182,230</u>	<u>5,561,169</u>	<u>(739,566)</u>
Net assets, beginning of year, as restated	<u>10,890,232</u>	<u>31,801,154</u>		<u>146,087</u>
Net assets, end of year	<u>\$ 12,269,171</u>	<u>\$ 35,983,384</u>		<u>\$ (593,479)</u>
Some amounts reported for business-type activities in the statement of activities are different because a portion of the net expense of the internal service fund is reported with business-type activities:			(155,341)	
Change in net assets business type activities			<u>\$ 5,405,828</u>	

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,084,457	\$ 5,234,934	\$ 7,319,391	\$ 1,220,968
Cash payments to suppliers for materials and supplies	(1,083,659)	(319,230)	(1,402,889)	-
Cash payments for employee services and benefits	(639,832)	(1,589,572)	(2,229,404)	-
Cash payments for contractual services	(82,697)	(2,744,236)	(2,826,933)	(1,565,590)
Other operating revenues	141,597	6,624	148,221	-
Other operating expenses	(63,921)	(427,564)	(491,485)	-
Net cash provided by (used for) operating activities	<u>355,945</u>	<u>160,956</u>	<u>516,901</u>	<u>(344,622)</u>
Cash flows from noncapital financing activities:				
Tap-in fees	319,097	1,444,230	1,763,327	-
Advances in	-	-	-	164,520
Net cash provided by (used for) noncapital financing activities	<u>319,097</u>	<u>1,444,230</u>	<u>1,763,327</u>	<u>164,520</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(107,800)	(2,203,578)	(2,311,378)	-
Note proceeds	-	6,495,000	6,495,000	-
Bond proceeds	1,260,000	2,165,000	3,425,000	-
Note principal paid	-	(5,920,000)	(5,920,000)	-
Loan principal paid - OPWC	-	(8,451)	(8,451)	-
Loan principal paid - OWDA	(103,388)	-	(103,388)	-
Bond principal paid	(1,290,000)	(2,435,000)	(3,725,000)	-
Interest paid	(223,736)	(585,316)	(809,052)	-
Net cash provided by (used for) capital and related financing activities	<u>(464,924)</u>	<u>(2,492,345)</u>	<u>(2,957,269)</u>	<u>-</u>
Cash flows from investing activities:				
Interest	32,882	123,471	156,353	1,212
Net cash provided by (used in) investing activities	<u>32,882</u>	<u>123,471</u>	<u>156,353</u>	<u>1,212</u>
Net increase (decrease) in cash and cash equivalents	243,000	(763,688)	(520,688)	(178,890)
Cash and cash equivalents, beginning of year	2,191,199	9,830,957	12,022,156	182,077
Cash and cash equivalents, end of year	<u>\$ 2,434,199</u>	<u>\$ 9,067,269</u>	<u>\$ 11,501,468</u>	<u>\$ 3,187</u>
Noncash transactions:				
Contributions of capital assets from contractors	<u>\$ 1,403,022</u>	<u>\$ 3,679,942</u>	<u>\$ 5,082,964</u>	<u>\$ -</u>

(Continued)

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Internal
				Service Fund
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating loss	\$ (153,405)	\$ (507,748)	\$ (661,153)	\$ (740,778)
Adjustments:				
Depreciation	352,995	982,691	1,335,686	-
Amortization	52,707	-	52,707	-
Changes in net assets (increase) decrease and liabilities increase (decrease)				
Accounts receivable and other	(32,600)	(41,500)	(74,100)	-
Due from other governments	-	49,400	49,400	-
Inventories and supplies	33,200	900	34,100	-
Prepaid and deferred expenses	4,800	(9,800)	(5,000)	-
Claims advance deposit	-	-	-	(18,000)
Accounts and contracts payable	50,302	(387,764)	(337,462)	156
Accrued salaries, wages, and benefits	2,619	1,379	3,998	-
Claims payable	-	-	-	414,000
Due to other governments	12,127	28,398	40,525	-
Accrued leave benefits	33,200	45,000	78,200	-
Net cash provided by (used in) operating activities	\$ 355,945	\$ 160,956	\$ 516,901	\$ (344,622)

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

	Agency Funds
Assets	
Equity in pooled cash and equivalents	\$ 738,784
Liabilities	
Accounts and contracts payable	\$ 413
Accrued salaries, wages and benefits	4,783
Due to other governments	4,949
Due to others	728,639
Total liabilities	\$ 738,784

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

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

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

The City is associated with the Lorain County General Health District, a jointly governed organization, which provides health services to the members of the Health District. The City does not have any financial interest in or responsibility for the Health District. The County Auditor serves as fiscal agent. See Note 20.

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed with an aggregation program for the purchase of electricity. See Note 20.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. FUND ACCOUNTING

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

Governmental Funds

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUND ACCOUNTING (continued)

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

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

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.

Proprietary Funds

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

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

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

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

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

Fiduciary Funds

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

C. MEASUREMENT FOCUS

Government-wide Financial Statements

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS (continued)

Fund Financial Statements

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

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

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

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

D. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

Revenues - Exchange and Non-exchange Transactions (continued)

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 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 PROCESS

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETARY PROCESS (continued)

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

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

F. CASH AND CASH EQUIVALENTS

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

G. INVESTMENTS

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

During the year, the City invested funds in the State Treasury Assets Reserve (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within Ohio to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2003.

H. INVENTORIES AND PREPAIDS

Inventories are valued at the lower of cost (first-in, first-out) or market. The costs of inventory items are recognized as expenses when used in the enterprise funds. Inventories consist of parts and supplies. Prepaid expenses, consisting of insurance premiums paid in advance, are expensed similar to the consumption method.

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. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. CAPITAL ASSETS (continued)

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

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

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

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. UNPAID COMPENSATED ABSENCES

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

L. ACCRUED LIABILITIES AND LONG-TERM LIABILITIES

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

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

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. As a result, encumbrances and prepaids are recorded as a reservation of fund balance.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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 primarily for water and sanitary sewer services and self insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

P. CONTRIBUTIONS OF CAPITAL

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

Q. INTERFUND ACTIVITY

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

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

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. Neither type of transaction occurred during the current year.

S. USE OF ESTIMATES

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 3 CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY

A. CHANGES IN ACCOUNTING PRINCIPLES

For 2003, the City 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 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 separate 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 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's 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.

B. RESTATEMENT OF FUND BALANCE

The implementation of these statements had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General Fund	Income Tax Fund	General Bond Retirement	Nonmajor	Total Governmental Activities
Fund balances,					
December 31, 2002	\$ 483,394	\$ 995,362	\$ 454,719	\$ 2,748,924	\$ 4,682,399
Deferred revenue	-	407,600	-	76,001	483,601
Restated fund balances,					
December 31, 2002	\$ 483,394	\$ 1,402,962	\$ 454,719	\$ 2,824,925	5,166,000
GASB 34 adjustments:					
Capital assets					47,113,926
Internal Service Fund					146,087
Internal balances					73,320
Long-term assets					5,277,600
Long-term liabilities					(9,191,443)
Governmental activities net assets, December 31, 2002					\$ 48,585,490

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2003

NOTE 3 CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY
 (continued)

B. RESTATEMENT OF FUND BALANCE (continued)

The implementation of these changes, along with an adjustment to accrued interest payable, and an adjustment to reflect certain infrastructure not previously reported, had the following effect on net assets for business-type activities and on fund net assets at December 31, 2002.

	Water	Sewer	Total Business-type Activities
Fund equity, December 31, 2002	\$ 7,912,851	\$ 21,614,844	\$ 29,527,695
Capital assets	2,982,381	10,215,910	13,198,291
Accrued interest payable	(5,000)	(29,600)	(34,600)
Business-type activities net assets, December 31, 2002	<u>\$ 10,890,232</u>	<u>\$ 31,801,154</u>	<u>\$ 42,691,386</u>

NOTE 4 COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statements are deficit fund balances in the Special Revenue Funds of \$ 6,176 in the Police Levy Fund, \$ 95,273 in the Fire Levy Fund, and \$ 593,479 in the Internal Service Self Insurance Fund. These deficits result from reflecting expenditures/expenses in accordance with the modified and accrual bases of accounting, which are larger than amounts recognized on the budget basis. The City, in accordance with its budget basis, will appropriate such expenditures from resources of the subsequent year.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

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" is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

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

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

	Net Change in Fund Balance	
	General Fund	Income Tax Fund
Budget basis	\$ (257,197)	\$ (58,853)
Adjustments, increase (decrease)		
Revenue accruals	(201,787)	(39,347)
Expenditure accruals	436,996	22,170
GAAP basis, as reported	\$ (21,988)	\$ (76,030)

NOTE 6 POOLED CASH AND EQUIVALENTS, DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

State statutes classify monies held by the City into three categories, active, inactive and interim deposits.

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

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 6 POOLED CASH AND EQUIVALENTS, DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but 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. Interim monies may be invested in the following:

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

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 of debt of the City, and must be purchased with the expectation that it will be held until maturity.

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.

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

The City maintains a cash and investment pool used by various funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in pooled cash and equivalents."

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 6 POOLED CASH AND EQUIVALENTS, DEPOSITS AND INVESTMENTS (continued)

B. DEPOSITS AND CASH ON HAND

At year-end, the carrying amount of the City's deposits was \$ 5,189,963 and the bank balance was \$ 5,600,380. Of the bank balance, \$ 100,000 is covered by federal depository insurance and \$ 5,500,380 by collateral held by third party trustees in accordance with the Ohio Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions, which amount is considered uncollateralized as defined by the Government Accounting Standards Board.

Cash on hand at December 31, 2003 amounted to \$ 1,425.

C. INVESTMENTS

Investments are categorized to give an indication of the level of risk assumed by the entity 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 for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name. Investment in STAR Ohio, the State Treasurer's Investment Pool, is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form. The City's interest in STAR Ohio has a carrying value and fair value of \$ 11,557,553 at December 31, 2003.

NOTE 7 RECEIVABLES

Receivables at December 31, 2003, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

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

Special assessments expected to be collected in more than one year amounted to \$ 350,800, in the Special Assessment Bond Retirement Fund. At December 31, 2003 the amount of delinquent special assessments was \$ 16,100.

A. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. In Lorain County, real estate taxes are billed semi-annually, one year in arrears. Property tax revenue received during 2003 for real and public utility property taxes represents collections of the 2002 taxes. Tax payments received during 2003 for tangible personal property (other than public utility property) are 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.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 7 RECEIVABLES (continued)

A. PROPERTY TAXES (continued)

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 value 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.

The full tax rate for all City operations for the year ended December 31, 2003 was \$ 10.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property at December 31, 2003 (collection year 2004) were as follows:

Property valuation consisted of:	
Real property	\$ 479,530,600
Public utility property	13,468,230
Tangible personal property	25,708,440
Total valuation	<u>\$ 518,707,270</u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of North Ridgeville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. In the General Fund; Street Levy, Police Levy, Police Pension, Fire Levy, Fire Pension, and Paramedic Levy special revenue funds; and General Obligation Bond Retirement debt service fund; the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 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.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 7 RECEIVABLES (continued)

B. INCOME TAXES

The City levies an income tax of 1% on substantially all income earned within the City. In addition, residents are required to pay City income tax on income earned outside the City with a certain credit for income taxes paid to other municipalities. This tax is collected and administered by the City. Employers within the City are required to withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and file a final return annually. At December 31, 2003 the Income Tax fund balance amounted to \$ 1,326,932.

C. INTERGOVERNMENTAL RECEIVABLES

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local government assistance	\$ 294,800
Gasoline tax	271,950
Permissive tax	263,150
Homestead and rollback	177,550
Estate tax	66,800
CDBG Grant	65,481
OPWC Grant	51,011
Miscellaneous	8,100
CHIP Grant	2,135
HOME Investment Partnership Grant	1,028
Title III Grant	710
Total governmental activities	1,202,715
Business-type Activities	
Sanitary sewer charges	84,900
Total business-type activities	84,900
Total	\$ 1,287,615

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 8 CAPITAL ASSETS

A summary of changes in capital assets during 2003 follows:

	As Restated, Balance January 1	Additions	Disposals	Balance December 31
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 339,232	\$ -	\$ -	\$ 339,232
Construction in progress	155,615	210,485	-	366,100
Total capital assets, not being depreciated	<u>494,847</u>	<u>210,485</u>	<u>-</u>	<u>705,332</u>
Capital assets, being depreciated				
Buildings and improvements	4,166,617	186,495	8,050	4,345,062
Equipment and vehicles	5,321,449	178,152	203,038	5,296,563
Infrastructure	43,349,442	6,413,876	22,766	49,740,552
Total capital assets, being depreciated	<u>52,837,508</u>	<u>6,778,523</u>	<u>233,854</u>	<u>59,382,177</u>
Less accumulated depreciation				
Buildings and improvements	1,191,591	85,199	2,227	1,274,563
Equipment and vehicles	3,443,008	446,423	147,481	3,741,950
Infrastructure	1,583,830	2,189,022	547	3,772,305
Total accumulated depreciation	<u>6,218,429</u>	<u>2,720,644</u>	<u>150,255</u>	<u>8,788,818</u>
Total capital assets, being depreciated, net	<u>46,619,079</u>	<u>4,057,879</u>	<u>83,599</u>	<u>50,593,359</u>
Total governmental capital assets, net	<u>\$ 47,113,926</u>	<u>\$ 4,268,364</u>	<u>\$ 83,599</u>	<u>\$ 51,298,691</u>
<u>Business-type activities</u>				
Capital assets, not being depreciated				
Land	\$ 363,048	\$ -	\$ -	\$ 363,048
Construction in progress	6,272,755	278,445	-	6,551,200
Total capital assets, not being depreciated	<u>6,635,803</u>	<u>278,445</u>	<u>-</u>	<u>6,914,248</u>
Capital assets, being depreciated				
Buildings and improvements	339,331	-	-	339,331
Equipment and vehicles	5,823,672	1,981,245	3,116	7,801,801
Infrastructure	49,161,812	5,134,652	-	54,296,464
Total capital assets, being depreciated	<u>55,324,815</u>	<u>7,115,897</u>	<u>3,116</u>	<u>62,437,596</u>
Less accumulated depreciation				
Buildings and improvements	113,876	9,460	-	123,336
Equipment and vehicles	1,396,229	243,768	2,597	1,637,400
Infrastructure	12,801,730	1,082,458	-	13,884,188
Total accumulated depreciation	<u>14,311,835</u>	<u>1,335,686</u>	<u>2,597</u>	<u>15,644,924</u>
Total capital assets, being depreciated, net	<u>41,012,980</u>	<u>5,780,211</u>	<u>519</u>	<u>46,792,672</u>
Total business-type capital assets, net	<u>\$ 47,648,783</u>	<u>\$ 6,058,656</u>	<u>\$ 519</u>	<u>\$ 53,706,920</u>

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2003

NOTE 8 CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$ 258,279
Public health and welfare	20,624
Leisure time activities	29,751
Transportation	2,348,574
General government	63,416
	\$ 2,720,644

NOTE 9 INTANGIBLE ASSETS

The City entered into an agreement in 1993 with the Rural Lorain County Water Authority (RLCWA) and the cities of Avon Lake and Avon, Ohio for the construction of a transmission water main and pump station. Under terms of the agreement, the water main and appurtenances will be owned by Avon Lake. The continued operation, maintenance and repair of the line and pump station shall be performed by RLCWA. The City's participation entitles it to purchase a specified amount of water. The cost of intangible assets is amortized ratably on a straight-line basis over thirty years. Intangible assets at December 31, 2003 consisted of:

Enterprise	Amortization Period	Balance
Waterway rights, at cost		\$ 1,581,209
Accumulated amortization	30 years	(434,398)
Intangible assets, net of accumulated amortization		\$ 1,146,811

NOTE 10 NOTES PAYABLE

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

	Balance 12/31/02	Additions	Repayments	Balance 12/31/03
Governmental activities				
Capital Improvements Fund				
2002, 1.86% various purpose	\$ 925,000	\$ -	\$ 925,000	\$ -
2003, 1.62% various purpose	-	900,000	-	900,000
Business-type activities				
Sanitary sewer fund				
2002, 2.28% Westerlies project	5,920,000	-	5,920,000	-
2003, 1.43% Westerlies project	-	5,995,000	-	5,995,000
2003, 1.55% sewerlines	-	500,000	-	500,000
	\$ 6,845,000	\$ 7,395,000	\$ 6,845,000	\$ 7,395,000

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 11 LONG-TERM DEBT

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

Debt Issue	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Governmental activities</u>				
General obligation bonds				
French Creek acquisition	1986	2008	8.13%	\$ 6,180,000
Various purpose	2001	2011	3.15 - 4.10%	1,620,000
Refunding	2003	2013	1.50 - 3.75%	1,532,000
Special assessment bonds				
Refunding	2003	2015	1.50 - 4.00%	333,000
Bond anticipation note	2002	2003	1.86%	925,000
Bond anticipation note	2003	2004	1.62%	900,000
Ohio Public Works loan	1999	2019	0.00%	143,604
Ohio Public Works loan	2000	2020	0.00%	160,029
Ohio Public Works loan	2000	2020	0.00%	176,121
Ohio Public Works loan	2001	2021	0.00%	69,587
Ohio Public Works loan	2003	2023	0.00%	112,684
 <u>Business-type activities</u>				
General obligation bonds				
Sanitary sewer	2001	2021	3.15 - 4.90%	6,180,000
Refunding - sewer	2003	2013	1.50 - 3.65%	2,165,000
Refunding - water	2003	2013	1.50 - 3.65%	1,260,000
Bond anticipation note	2002	2003	2.28%	5,920,000
Bond anticipation note	2003	2004	1.43%	5,995,000
Bond anticipation note	2003	2004	1.55%	500,000
Ohio Public Works loan	2000	2020	0.00%	169,017
Ohio Water Development Authority loan	2002	2022	4.14%	2,831,547

During 2003, the City advance refunded two general obligation bond issues with a new general obligation bond issue. The City issued \$ 5,290,000 of general obligation capital improvement refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. The defeased bonds consisted of \$ 1,950,000 of general obligation bonds under governmental activities and \$ 3,215,000 of general obligation bonds under business-type activities. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$ 562,636 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$ 243,941.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 11 LONG-TERM DEBT (continued)

Changes in the City's long term obligations during 2003 were as follows:

	Outstanding 12/31/02	Additions	Reductions	Outstanding 12/31/03	Due In One Year
<u>Governmental activities</u>					
General obligation bonds					
Sewage system acquisition (1986)					
8.125% through 2008	\$ 1,700,000	\$ -	\$ 280,000	\$ 1,420,000	\$ 280,000
Various purpose (1993)					
Varying % through 2013	855,000	-	855,000	-	-
Various purpose (1995)					
Varying % through 2010	575,000	-	575,000	-	-
Various purpose (2001)					
Varying % through 2021	1,460,000	-	175,000	1,285,000	180,000
Various purpose (2003)					
Varying % through 2013	-	1,532,000	160,000	1,372,000	170,000
Total general obligation bonds	<u>4,590,000</u>	<u>1,532,000</u>	<u>2,045,000</u>	<u>4,077,000</u>	<u>630,000</u>
Special assessment bonds					
Improvements (1995)					
Varying % through 2010	520,000	-	520,000	-	-
Improvements (2003)					
Varying % through 2015	-	333,000	20,000	313,000	25,000
	<u>520,000</u>	<u>333,000</u>	<u>540,000</u>	<u>313,000</u>	<u>25,000</u>
Long-term notes payable	925,000	900,000	925,000	900,000	504,000
OPWC loans	577,662	-	33,101	544,561	33,101
Capital lease	215,776	-	146,789	68,987	68,987
Accrued leave benefits	2,085,700	435,900	363,600	2,158,000	355,300
Total governmental activities	<u>\$ 8,914,138</u>	<u>\$ 3,200,900</u>	<u>\$ 4,053,490</u>	<u>\$ 8,061,548</u>	<u>\$ 1,616,388</u>
<u>Business-type activities</u>					
General obligation bonds					
Waterline construction (1993)					
Varying % through 2013	\$ 1,185,000	\$ -	\$ 1,185,000	\$ -	\$ -
Waterline refunding (2003)					
Varying % through 2013	-	1,260,000	105,000	1,155,000	105,000
Sewer improvements (1993)					
Varying % through 2013	2,030,000	-	2,030,000	-	-
Sewer improvements (2001)					
Varying % through 2021	5,955,000	-	225,000	5,730,000	230,000
Sewer refunding (2003)					
Varying % through 2013	-	2,165,000	180,000	1,985,000	175,000
	<u>\$ 9,170,000</u>	<u>\$ 3,425,000</u>	<u>\$ 3,725,000</u>	<u>\$ 8,870,000</u>	<u>\$ 510,000</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 11 LONG-TERM DEBT (continued)

	Outstanding 12/31/02	Additions	Reductions	Outstanding 12/31/03	Due In One Year
Long-term notes payable	\$ 5,920,000	\$ 6,495,000	\$ 5,920,000	\$ 6,495,000	\$ -
OPWC loans	147,890	-	8,451	139,439	8,451
OWDA loan	2,834,422	-	103,388	2,731,034	104,717
Accrued leave benefits	373,900	136,600	58,400	452,100	72,700
Total business-type activities	<u>\$ 18,446,212</u>	<u>\$ 10,056,600</u>	<u>\$ 9,815,239</u>	<u>\$ 18,687,573</u>	<u>\$ 695,868</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for payment. The general obligation bonds are paid from the general bond retirement debt service fund. The special assessment bonds are paid from proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The water and sewer bonds are paid from respective water and sanitary sewer revenues. Long-term notes payable are paid from the Park and Recreation Improvement Fund and the Sewer Fund. OPWC loan payments are paid from the respective special revenue, capital project and sewer funds. OWDA loan payments are paid from the Water Fund. Compensated absences are paid from the funds from which employees' wages are paid.

The City's overall legal debt margin was \$ 50,576,522 at December 31, 2003.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2003, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2004	\$ 630,000	\$ 197,282	\$ 25,000	\$ 9,490
2005	635,000	166,313	25,000	9,115
2006	620,000	133,937	25,000	8,615
2007	626,000	101,801	24,000	8,115
2008	651,000	68,435	24,000	7,575
2009-2013	915,000	76,361	130,000	26,038
2014-2018	-	-	60,000	3,555
2019-2023	-	-	-	-
	<u>\$ 4,077,000</u>	<u>\$ 744,129</u>	<u>\$ 313,000</u>	<u>\$ 72,503</u>

Year	Governmental Activities			Total	
	Bond Anticipation Notes		OPWC loans	Governmental Activities	
	Principal	Interest	Principal	Principal	Interest
2004	\$ 900,000	\$ 14,499	\$ 33,101	\$ 1,588,101	\$ 221,271
2005	-	-	33,101	693,101	175,428
2006	-	-	33,101	678,101	142,552
2007	-	-	33,101	683,101	109,916
2008	-	-	33,101	708,101	76,010
2009-2013	-	-	165,505	1,210,505	102,399
2014-2018	-	-	165,505	225,505	3,555
2019-2023	-	-	48,046	48,046	-
	<u>\$ 900,000</u>	<u>\$ 14,499</u>	<u>\$ 544,561</u>	<u>\$ 5,834,561</u>	<u>\$ 831,131</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 11 LONG-TERM DEBT (continued)

Year	Business-Type Activities			
	General Obligation Bonds		Bond Anticipation Notes	
	Principal	Interest	Principal	Interest
2004	\$ 510,000	\$ 337,714	\$ 6,495,000	\$ 92,959
2005	525,000	326,269	-	-
2006	530,000	312,949	-	-
2007	545,000	299,469	-	-
2008	555,000	283,956	-	-
2009-2013	3,125,000	1,109,091	-	-
2014-2018	1,785,000	580,511	-	-
2019-2023	1,295,000	129,115	-	-
	<u>\$ 8,870,000</u>	<u>\$ 3,379,074</u>	<u>\$ 6,495,000</u>	<u>\$ 92,959</u>

Year	Business-Type Activities			Total	
	OWDA Loan		OPWC Loans	Business-Type Activities	
	Principal	Interest	Principal	Principal	Interest
2004	\$ 104,717	\$ 111,992	\$ 8,451	\$ 7,118,168	\$ 542,665
2005	109,097	107,612	8,451	642,548	433,881
2006	113,660	103,049	8,451	652,111	415,998
2007	118,415	98,294	8,451	671,866	397,763
2008	123,368	93,341	8,451	686,819	377,297
2009-2013	698,697	384,847	42,255	3,865,952	1,493,938
2014-2018	857,571	225,973	42,255	2,684,826	806,484
2019-2023	605,509	44,618	12,674	1,913,183	173,733
	<u>\$ 2,731,034</u>	<u>\$ 1,169,726</u>	<u>\$ 139,439</u>	<u>\$ 18,235,473</u>	<u>\$ 4,641,759</u>

NOTE 12 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.

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.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 12 DEFINED BENEFIT PENSION PLANS (continued)

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

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 \$ 686,400, \$ 661,800, and \$ 615,800 respectively. For 2003, \$ 623,200 (91%) has been contributed. The balance was subsequently contributed in 2004. The full amount has been contributed for 2002 and 2001. Contributions to the plan for 2003 were \$ 683,700 made by the City and \$ 329,300 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 the years ended December 31, 2003, 2002, and 2001 were \$ 854,200, \$ 792,500, and \$ 830,800 respectively, equal to the required contributions for each year. For 2003, \$ 608,500 (71%) has been contributed. The balance was subsequently contributed in 2004. The full amount has been contributed for 2002 and 2001

NOTE 13 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.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 13 POSTEMPLOYMENT BENEFITS (continued)

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

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 \$ 253,300. 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.

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.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 13 POSTEMPLOYMENT BENEFITS (continued)

B. OHIO POLICE AND FIRE PENSION FUND (continued)

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$ 168,500 for police and \$ 141,900 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 14 RISK MANAGEMENT

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

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

In order to minimize the annual cost of medical insurance, the City has established a medical self insurance fund for City employees and their covered dependents. This program is administered with the use of an outside third-party administrator. At December 31, 2003, self insurance was in effect for losses up to \$ 50,000 per participant. Excess losses are insured by a private insurance company. At year-end, self insurance was in effect with an annual aggregate liability limit of approximately \$ 1,552,340 and an aggregate terminal liability of approximately \$ 275,913. At December 31, 2003 the self insurance fund retained earnings amounted to (\$ 593,479), and cash held in reserve by insurer for future claims payment amounted to \$ 242,200.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Changes in the balance of claims liability during the years ended December 31, 2003 and 2002 are as follows. Incurred claims and claims payments are not segregated between events related to the current year and events related to prior years due to the impracticability of obtaining such information by separate period.

	2003	2002
Unpaid claims, beginning of year	\$ 260,000	\$ 318,000
Incurred claims	1,979,590	1,432,877
Claims payment	(1,565,590)	(1,490,877)
Unpaid claims, end of year	<u>\$ 674,000</u>	<u>\$ 260,000</u>

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2003

NOTE 15 FEDERAL GRANTS AND ENTITLEMENTS

For the year ended December 31, 2003, the City recognized federal grants and entitlements revenue of \$ 343,753. These programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2003.

NOTE 16 CONTINGENCIES

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

The Environmental Protection Agency notified the City of North Ridgeville in 1992 that the City's failure to protect its sanitary sewage system from infiltrations and inflows was a violation of its National Pollution Discharge Elimination Systems Permit for which it intends to pursue action against the City and seek a consent agreement setting forth a schedule of compliance which the City will be compelled to meet and assessing a fine for the City's past violations of its permit perimeters and setting a fine schedule for future violations. It was estimated the fine could be as high as \$ 349,000. As of December 31, 2003, no fine has been assessed and no consent agreement has been entered into. However, the City has proceeded with its sanitation sewer rehabilitation program to correct the infiltration and inflows deficiencies.

NOTE 17 CONTRACTUAL COMMITMENTS

As of December 31, 2003 the City has contractual commitments as follows:

Project	Projects Authorization	Outstanding Commitments
Waterline projects	\$ 410,000	\$ 312,000
Sanitary sewer projects	3,780,000	3,592,000
	\$ 4,190,000	\$ 3,904,000

Waterline projects and sanitary sewer projects are financed by bond anticipation notes and ultimately general obligation bonds which will be repaid from water and sanitary sewer system revenues including tap-in fees and user charges.

NOTE 18 CAPITAL LEASE

The City is obligated under a certain lease accounted for as a capital lease. The leased assets are included in capital assets and the related obligation is included under long-term debt. The assets under capital lease consisting of police cars, totaled \$ 637,207 at December 31, 2003. The following is a schedule of future minimum lease payments under capital lease, together with the net present value of the minimum lease payments as of December 31, 2003.

	Year	Amounts
Total minimum lease payments	2004	72,263
Less amount representing interest		(3,276)
Net present value of minimum lease payments		\$ 68,987

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 19 INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the year ended December 31, 2003 consisted of the following:

<u>Transferred to:</u>	<u>Transferred from:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Income Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ 5,415,000	\$ -	\$ 5,415,000
Street Construction and Maintenance Fund	331,000			331,000
Capital Projects Fund	-	285,000	-	285,000
General Obligation Bond Retirement Fund	-	-	864,605	864,605
	<u>\$ 331,000</u>	<u>\$ 5,700,000</u>	<u>\$ 864,605</u>	<u>\$ 6,895,605</u>

The City collects its 1% municipal income tax (see Note 7B.) in the Income Tax Fund (Special Revenue Fund) and makes transfers throughout the year to the General Fund and Capital Projects Fund in accordance with an allocation determined by City Council. The General Fund transferred monies to the Street Construction and Maintenance Fund (Special Revenue Fund) for street operations, primarily road salt. Monies are transferred to the General Obligation Bond Retirement Fund from various funds for payment of bonded debt.

At December 31, 2003, interfund balances were as follows:

<u>Due to :</u>	<u>Due from:</u>		<u>Total</u>
	<u>Non-Major Governmental Funds</u>	<u>Internal Service Fund</u>	
General Fund	<u>\$ 55,281</u>	<u>\$ 164,520</u>	<u>\$ 219,801</u>

The General Fund advanced monies to the Federal Grants Fund (Special Revenue Fund) for projects which will be repaid upon collection of grant proceeds, and to the Self Insurance Fund for payment of medical claims and insurance which will be repaid upon collection of premium revenues, in the following year.

NOTE 20 JOINTLY GOVERNED ORGANIZATIONS

A. LORAIN COUNTY GENERAL HEALTH DISTRICT

The Lorain County General Health District, a jointly governed organization, provides health care services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered four year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the Cities of Avon and Sheffield Lake and one member is appointed jointly by the Cities of Amherst and Oberlin. The remaining four members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$ 62,795 during 2003 for the operation of the Health District. Financial information can be obtained by contacting the Health Commissioner, 9880 S. Murray Ridge Road, Elyria, Ohio 44035.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 20 JOINTLY GOVERNED ORGANIZATIONS (continued)

B. NORTHEAST OHIO PUBLIC ENERGY COUNCIL

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 90 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City did not contribute to NOPEC during 2003. Financial information can be obtained by contacting the Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

NOTE 21 SUBSEQUENT EVENTS

Subsequent to December 31, 2003, the City issued \$ 7,924,000 of bond anticipation notes for sanitary sewer line projects and \$ 300,000 of bond anticipation notes for the acquisition of vehicles and equipment. The bond anticipation notes for sanitary sewer lines will be ultimately refinanced by issuance of general obligation bonds which will be repaid from sanitary sewer operating revenues including tap-in fees and user charges. The bond anticipation notes for vehicles and equipment will be repaid from general revenues of the City.

In July 2004, City Council authorized for submission to the voters at the November 2004 general election a 1.9 mill operating levy for the police which would generate approximately \$ 985,000 of new revenue annually for five years beginning in 2005.

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

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

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

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

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

NONMAJOR DEBT SERVICE FUND

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

Bainbridge Road Improvement Fund – Accounts for debt proceeds received and expenditures for the Bainbridge Road improvement project.

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

DECEMBER 31, 2003

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
Assets				
Equity in pooled cash	\$ 2,054,143	\$ 93,886	\$ 63,868	\$ 2,211,897
Taxes receivable - property and other	2,472,300	-	-	2,472,300
Special assessments receivable	-	385,500	-	385,500
Due from other governments	724,104	-	51,011	775,115
Accounts receivable and other	202,000	-	-	202,000
Total assets	\$ 5,452,547	\$ 479,386	\$ 114,879	\$ 6,046,812
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 93,773	\$ -	\$ 51,011	\$ 144,784
Accrued wages and benefits	123,769	-	-	123,769
Due to other governments	117,766	-	-	117,766
Interfund payable	55,281	-	-	55,281
Deferred revenue	3,147,950	385,500	-	3,533,450
Total liabilities	3,538,539	385,500	51,011	3,975,050
Fund balances				
Reserved for encumbrances	204,184	-	6,500	210,684
Unreserved, reported in				
Special Revenue Funds	1,709,824	-	-	1,709,824
Debt Service Fund	-	93,886	-	93,886
Capital Projects Funds	-	-	57,368	57,368
Total fund balances	1,914,008	93,886	63,868	2,071,762
Total liabilities and fund balances	\$ 5,452,547	\$ 479,386	\$ 114,879	\$ 6,046,812

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
Revenues				
Property and other local taxes	\$ 2,638,365	\$ -	\$ -	\$ 2,638,365
Intergovernmental	1,498,183	-	211,832	1,710,015
Special assessments	-	235,000	-	235,000
Charges for services	1,407,022	-	-	1,407,022
Fines, licenses and permits	133,288	-	-	133,288
Interest	51,586	46,269	12,638	110,493
Miscellaneous	316,308	-	-	316,308
Total revenues	6,044,752	281,269	224,470	6,550,491
Expenditures				
Current				
Security of persons and property	2,228,609	-	-	2,228,609
Public health and welfare	34,903	-	-	34,903
Leisure time activities	132,657	-	-	132,657
Transportation	2,119,863	-	-	2,119,863
General government	1,666,838	2,153	-	1,668,991
Capital outlay	-	-	394,446	394,446
Debt service				
Principal	125,000	20,000	800,000	945,000
Capital lease	-	-	146,789	146,789
Interest and fiscal charges	2,312	68,874	25,605	96,791
Total expenditures	6,310,182	91,027	1,366,840	7,768,049
Excess (deficiency) of revenues over expenditures	(265,430)	190,242	(1,142,370)	(1,217,558)
Other financing sources (uses)				
Transfers in	331,000	-	285,000	616,000
Transfers out	-	-	(864,605)	(864,605)
Note proceeds	100,000	-	800,000	900,000
Bond proceeds	-	333,000	-	333,000
Payment to refund bonds escrow	-	(520,000)	-	(520,000)
Total other financing sources (uses)	431,000	(187,000)	220,395	464,395
Excess (deficiency) of revenues over expenditures and other sources (uses)	165,570	3,242	(921,975)	(753,163)
Fund balances, beginning of year, as restated	1,748,438	90,644	985,843	2,824,925
Fund balances, end of year	\$ 1,914,008	\$ 93,886	\$ 63,868	\$ 2,071,762

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2003

	SCMR	State Highw ay	Motor Vehicle License Tax	Street Levy	Surface Drainage
<u>Assets</u>					
Equity in pooled cash	\$ 60,998	\$ 6,609	\$ 67,533	\$ 372,520	\$ 350,485
Taxes receivable - property and other	-	-	-	524,900	-
Due from other governments	323,450	24,500	187,150	25,100	-
Accounts receivable and other	-	-	-	-	-
Total assets	<u>\$ 384,448</u>	<u>\$ 31,109</u>	<u>\$ 254,683</u>	<u>\$ 922,520</u>	<u>\$ 350,485</u>
<u>Liabilities</u>					
Accounts and contracts payable	\$ 776	\$ -	\$ 19,090	\$ 55,444	\$ 3,222
Accrued salaries, w ages, and benefits	33,698	-	9,835	-	-
Due to other governments	39,128	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	265,350	19,800	160,850	550,000	-
Total liabilities	<u>338,952</u>	<u>19,800</u>	<u>189,775</u>	<u>605,444</u>	<u>3,222</u>
<u>Fund balances</u>					
Reserved for encumbrances	3,600	-	4,911	22,542	14,900
Unreserved	41,896	11,309	59,997	294,534	332,363
Total fund balances	<u>45,496</u>	<u>11,309</u>	<u>64,908</u>	<u>317,076</u>	<u>347,263</u>
Total liabilities and fund balances	<u>\$ 384,448</u>	<u>\$ 31,109</u>	<u>\$ 254,683</u>	<u>\$ 922,520</u>	<u>\$ 350,485</u>

Police Levy	Police Pension	Law Enforcement Trust	Drug Law Enforcement Trust	DUI Enforcement and Education Trust	Clerk of Courts Computer Service	Court Computerization
\$ 6,978	\$ 1,980	\$ 38,734	\$ 18,088	\$ 12,530	\$ 55,261	\$ 59,385
254,000	145,800	-	-	-	-	-
10,550	7,400	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 271,528</u>	<u>\$ 155,180</u>	<u>\$ 38,734</u>	<u>\$ 18,088</u>	<u>\$ 12,530</u>	<u>\$ 55,261</u>	<u>\$ 59,385</u>
\$ -	\$ -	\$ 12,980	\$ -	\$ -	\$ -	\$ -
13,154	-	-	-	-	1,433	-
-	-	-	-	-	1,515	-
-	-	-	-	-	-	-
264,550	153,200	-	-	-	-	-
<u>277,704</u>	<u>153,200</u>	<u>12,980</u>	<u>-</u>	<u>-</u>	<u>2,948</u>	<u>-</u>
-	-	824	-	-	-	-
(6,176)	1,980	24,930	18,088	12,530	52,313	59,385
(6,176)	1,980	25,754	18,088	12,530	52,313	59,385
<u>\$ 271,528</u>	<u>\$ 155,180</u>	<u>\$ 38,734</u>	<u>\$ 18,088</u>	<u>\$ 12,530</u>	<u>\$ 55,261</u>	<u>\$ 59,385</u>

(Continued)

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

DECEMBER 31, 2003

	Fire Levy	Fire Pension	Paramedic Levy	Ambulance	State Grants
<u>Assets</u>					
Equity in pooled cash	\$ 2,251	\$ 1,975	\$ 122,825	\$ 258,408	\$ 90,141
Taxes receivable - property and other	799,200	145,800	602,600	-	-
Due from other governments	39,900	7,400	29,300	-	-
Accounts receivable and other	-	-	-	-	-
Total assets	<u>\$ 841,351</u>	<u>\$ 155,175</u>	<u>\$ 754,725</u>	<u>\$ 258,408</u>	<u>\$ 90,141</u>
<u>Liabilities</u>					
Accounts and contracts payable	\$ -	\$ -	\$ 661	\$ 248	\$ 904
Salaries, wages, and benefits	39,775	-	23,457	-	-
Due to other governments	57,749	-	16,333	-	297
Due to other funds	-	-	-	-	-
Deferred revenue	839,100	153,200	631,900	-	-
Total liabilities	<u>936,624</u>	<u>153,200</u>	<u>672,351</u>	<u>248</u>	<u>1,201</u>
<u>Fund balances</u>					
Reserved for encumbrances	-	-	2,900	138,528	-
Unreserved	(95,273)	1,975	79,474	119,632	88,940
Total fund balances	<u>(95,273)</u>	<u>1,975</u>	<u>82,374</u>	<u>258,160</u>	<u>88,940</u>
Total liabilities and fund balances	<u>\$ 841,351</u>	<u>\$ 155,175</u>	<u>\$ 754,725</u>	<u>\$ 258,408</u>	<u>\$ 90,141</u>

Federal Grants	Cemetery	Park and Recreation Trust	Park and Recreation Improvement	Senior Citizens Title III	Solid Waste Management	Totals
\$ 58,363	\$ 47,985	\$ 31,388	\$ 187,057	\$ 3,733	\$ 198,916	\$ 2,054,143
-	-	-	-	-	-	2,472,300
68,644	-	-	-	710	-	724,104
99,000	-	-	-	-	103,000	202,000
<u>\$ 226,007</u>	<u>\$ 47,985</u>	<u>\$ 31,388</u>	<u>\$ 187,057</u>	<u>\$ 4,443</u>	<u>\$ 301,916</u>	<u>5,452,547</u>
\$ -	\$ -	\$ 352	\$ -	\$ -	\$ 96	\$ 93,773
-	-	205	-	-	2,212	123,769
-	-	38	-	481	2,225	117,766
55,281	-	-	-	-	-	55,281
99,000	-	-	-	-	11,000	3,147,950
<u>154,281</u>	<u>-</u>	<u>595</u>	<u>-</u>	<u>481</u>	<u>15,533</u>	<u>3,538,539</u>
12,037	-	-	-	-	3,942	204,184
59,689	47,985	30,793	187,057	3,962	282,441	1,709,824
71,726	47,985	30,793	187,057	3,962	286,383	1,914,008
<u>\$ 226,007</u>	<u>\$ 47,985</u>	<u>\$ 31,388</u>	<u>\$ 187,057</u>	<u>\$ 4,443</u>	<u>\$ 301,916</u>	<u>\$ 5,452,547</u>

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	SCMR	State Highway	Motor Vehicle License Tax	Street Levy	Surface Drainage
Revenues					
Property and other local taxes	\$ -	\$ -	\$ 373,452	\$ 485,444	\$ -
Intergovernmental revenue	717,904	58,246	(300)	61,012	-
Charges for services	-	-	-	-	-
Fines, licenses, and permits	-	-	-	-	-
Interest	174	15	1,085	4,525	3,930
Miscellaneous	9,171	-	6,801	-	228,376
Total revenues	727,249	58,261	381,038	550,981	232,306
Expenditures					
Current					
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Transportation	1,015,099	56,991	430,672	414,143	202,958
General government	-	-	-	-	1,675
Debt service					
Note principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,015,099	56,991	430,672	414,143	204,633
Excess (deficiency) of revenues over expenditures	(287,850)	1,270	(49,634)	136,838	27,673
Other financing sources (uses)					
Transfers-in	331,000	-	-	-	-
Note proceeds	-	-	-	-	-
Total other financing sources (uses)	331,000	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	43,150	1,270	(49,634)	136,838	27,673
Fund balances, beginning of year	2,346	10,039	114,542	180,238	319,590
Fund balances, end of year	\$ 45,496	\$ 11,309	\$ 64,908	\$ 317,076	\$ 347,263

Police Levy	Police Pension	Law Enforcement Trust	Drug Law Enforcement Trust	DUI Enforcement and Education Trust	Clerk of Courts Computer Service	Court Computerization
\$ 237,472	\$ 125,176	\$ -	\$ -	\$ -	\$ -	\$ -
27,714	16,409	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	5,807	11,141	-	12,090
368	84	420	178	212	785	646
-	-	42,920	-	-	28,263	-
<u>265,554</u>	<u>141,669</u>	<u>43,340</u>	<u>5,985</u>	<u>11,353</u>	<u>29,048</u>	<u>12,736</u>
275,608	140,693	29,538	-	18,958	41,820	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	959	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>275,608</u>	<u>140,693</u>	<u>29,538</u>	<u>-</u>	<u>18,958</u>	<u>42,779</u>	<u>-</u>
<u>(10,054)</u>	<u>976</u>	<u>13,802</u>	<u>5,985</u>	<u>(7,605)</u>	<u>(13,731)</u>	<u>12,736</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(10,054)</u>	<u>976</u>	<u>13,802</u>	<u>5,985</u>	<u>(7,605)</u>	<u>(13,731)</u>	<u>12,736</u>
<u>3,878</u>	<u>1,004</u>	<u>11,952</u>	<u>12,103</u>	<u>20,135</u>	<u>66,044</u>	<u>46,649</u>
<u>\$ (6,176)</u>	<u>\$ 1,980</u>	<u>\$ 25,754</u>	<u>\$ 18,088</u>	<u>\$ 12,530</u>	<u>\$ 52,313</u>	<u>\$ 59,385</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CONCLUDED

FOR THE YEAR ENDED DECEMBER 31, 2003

	Fire Levy	Fire Pension	Paramedic Levy	Ambulance	State Grants
Revenues					
Property and other local taxes	\$ 735,414	\$ 125,176	\$ 556,231	\$ -	\$ -
Intergovernmental revenue	95,560	16,409	70,857	-	91,170
Charges for services	-	-	-	33,361	-
Fines, licenses, and permits	-	-	-	-	-
Interest	416	84	2,229	3,120	-
Miscellaneous	568	-	157	-	-
Total revenues	831,958	141,669	629,474	36,481	91,170
Expenditures					
Current					
Security of persons and property	883,598	140,693	674,041	23,660	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Transportation	-	-	-	-	-
General government	-	-	-	-	93,050
Debt service					
Note principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	883,598	140,693	674,041	23,660	93,050
Excess (deficiency) of revenues over expenditures	(51,640)	976	(44,567)	12,821	(1,880)
Other financing sources (uses)					
Operating transfers-in	-	-	-	-	-
Note proceeds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(51,640)	976	(44,567)	12,821	(1,880)
Fund balances, beginning of year	(43,633)	999	126,941	245,339	90,820
Fund balances, end of year	\$ (95,273)	\$ 1,975	\$ 82,374	\$ 258,160	\$ 88,940

Federal Grants	Cemetery	Park and Recreation Trust	Park and Recreation Improvement	Senior Citizens Title III	Solid Waste Management	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,638,365
311,149	-	-	-	32,053	-	1,498,183
-	28,965	88,992	-	-	1,255,704	1,407,022
-	-	-	104,250	-	-	133,288
27,979	382	471	1,883	25	2,575	51,586
-	-	-	-	-	52	316,308
<u>339,128</u>	<u>29,347</u>	<u>89,463</u>	<u>106,133</u>	<u>32,078</u>	<u>1,258,331</u>	<u>6,044,752</u>
-	-	-	-	-	-	2,228,609
-	3,492	-	-	31,411	-	34,903
-	-	84,148	48,509	-	-	132,657
-	-	-	-	-	-	2,119,863
313,473	-	-	-	-	1,257,681	1,666,838
-	-	-	125,000	-	-	125,000
-	-	-	2,312	-	-	2,312
<u>313,473</u>	<u>3,492</u>	<u>84,148</u>	<u>175,821</u>	<u>31,411</u>	<u>1,257,681</u>	<u>6,310,182</u>
<u>25,655</u>	<u>25,855</u>	<u>5,315</u>	<u>(69,688)</u>	<u>667</u>	<u>650</u>	<u>(265,430)</u>
-	-	-	-	-	-	331,000
-	-	-	100,000	-	-	100,000
-	-	-	100,000	-	-	431,000
25,655	25,855	5,315	30,312	667	650	165,570
46,071	22,130	25,478	156,745	3,295	285,733	1,748,438
<u>\$ 71,726</u>	<u>\$ 47,985</u>	<u>\$ 30,793</u>	<u>\$ 187,057</u>	<u>\$ 3,962</u>	<u>\$ 286,383</u>	<u>\$ 1,914,008</u>

CITY OF NORTH RIDGEVILLE, OHIO

BALANCE SHEET
NONMAJOR DEBT SERVICE FUND

DECEMBER 31, 2003

	Special Assessment Bond Retirement
Assets	
Equity in pooled cash and equivalents	\$ 93,886
Special assessments receivable	385,500
Total assets	<u>\$ 479,386</u>
Liabilities	
Deferred revenue	\$ 385,500
Total liabilities	<u>385,500</u>
Fund balance	
Reserved for debt service	93,886
Total fund balance	<u>93,886</u>
Total liabilities and fund balance	<u>\$ 479,386</u>

CITY OF NORTH RIDGEVILLE, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Special Assessment Bond Retirement
Revenues	
Special assessments	\$ 235,000
Interest	46,269
Total revenues	281,269
Expenditures	
Current	
General government	2,153
Debt service	
Bond principal	20,000
Interest and fiscal charges	68,874
Total expenditures	91,027
Excess (deficiency) of revenues over expenditures	190,242
Other financing sources (uses)	
Bond proceeds	333,000
Payment to refund bonds escrow	(520,000)
Total other financing sources (uses)	(187,000)
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,242
Fund balance, beginning of year	90,644
Fund balance, end of year	\$ 93,886

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

DECEMBER 31, 2003

	Capital Projects	Issue II	Bainbridge Road Improvement	Totals
Assets				
Equity in pooled cash and equivalents	\$ 60,546	\$ -	\$ 3,322	\$ 63,868
Due from other governments	-	51,011	-	51,011
Total assets	<u>\$ 60,546</u>	<u>\$ 51,011</u>	<u>\$ 3,322</u>	<u>\$ 114,879</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ 51,011	\$ -	\$ 51,011
Total liabilities	<u>-</u>	<u>51,011</u>	<u>-</u>	<u>51,011</u>
Fund balances				
Reserved for encumbrances	6,500	-	-	6,500
Unreserved	54,046	-	3,322	57,368
Total fund balances	<u>60,546</u>	<u>-</u>	<u>3,322</u>	<u>63,868</u>
Total liabilities and fund balances	<u>\$ 60,546</u>	<u>\$ 51,011</u>	<u>\$ 3,322</u>	<u>\$ 114,879</u>

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Capital Projects	Issue II	Bainbridge Road Improvement	Totals
Revenue				
Intergovernmental	\$ -	\$ 211,832	\$ -	\$ 211,832
Interest	12,268	-	370	12,638
Total revenue	<u>12,268</u>	<u>211,832</u>	<u>370</u>	<u>224,470</u>
Expenditures				
Capital outlay	182,614	211,832	-	394,446
Debt service				
Note principal	800,000	-	-	800,000
Capitalized lease principal	146,789	-	-	146,789
Interest and fiscal charges	25,605	-	-	25,605
Total expenditures	<u>1,155,008</u>	<u>211,832</u>	<u>-</u>	<u>1,366,840</u>
Excess (deficiency) of revenue over expenditures	<u>(1,142,740)</u>	<u>-</u>	<u>370</u>	<u>(1,142,370)</u>
Other financing sources (uses)				
Transfers in	285,000	-	-	285,000
Note proceeds	800,000	-	-	800,000
Transfers out	(864,605)	-	-	(864,605)
Total other financing sources (uses)	<u>220,395</u>	<u>-</u>	<u>-</u>	<u>220,395</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(922,345)</u>	<u>-</u>	<u>370</u>	<u>(921,975)</u>
Fund balances, beginning of year	<u>982,891</u>	<u>-</u>	<u>2,952</u>	<u>985,843</u>
Fund balances, end of year	<u>\$ 60,546</u>	<u>\$ -</u>	<u>\$ 3,322</u>	<u>\$ 63,868</u>

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COMBINING STATEMENTS AGENCY FUNDS

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

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

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

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

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

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

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Board of Building Standards	Senior Citizens Multi-Trust	Mayor's Court Operating	Mayor's Court Bail Trust
Assets				
Equity in pooled cash and equivalents	\$ 120	\$ 15,410	\$ 23,145	\$ 2,383
Liabilities				
Accounts and contracts payable	\$ 120	\$ 293	\$ -	\$ -
Accrued salaries, wages and benefits	-	1,408	3,375	-
Due to other governments	-	62	4,887	-
Due to others	-	13,647	14,883	2,383
Total liabilities	\$ 120	\$ 15,410	\$ 23,145	\$ 2,383

Trust Miscellaneous	Total
\$ 697,726	\$ 738,784
\$ -	\$ 413
-	4,783
-	4,949
697,726	728,639
<u>\$ 697,726</u>	<u>\$ 738,784</u>

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

FOR THE YEAR ENDED DECEMBER 31, 2003

Board of Building Standards	Beginning Balance 1/1/2003	Additions	Reductions	Ending Balance 12/31/2003
Assets				
Equity in pooled cash and equivalents	\$ 204	\$ 1,420	\$ 1,504	\$ 120
Liabilities				
Accounts and contracts payable	\$ 61	\$ 120	\$ 61	\$ 120
Total liabilities	\$ 204	\$ 120	\$ 204	\$ 120

Senior Citizens Multi-Trust	Beginning Balance 1/1/2003	Additions	Reductions	Ending Balance 12/31/2003
Assets				
Equity in pooled cash and equivalents	\$ 13,469	\$ 52,705	\$ 50,764	\$ 15,410
Liabilities				
Accounts and contracts payable	\$ 1,013	\$ 293	\$ 1,013	\$ 293
Accrued salaries, w ages and benefits	1,153	1,408	1,153	1,408
Due to other governments	-	62	-	62
Due to others	11,303	13,647	11,303	13,647
Total liabilities	\$ 13,469	\$ 15,410	\$ 13,469	\$ 15,410

Mayor's Court Operating	Beginning Balance 1/1/2003	Additions	Reductions	Ending Balance 12/31/2003
Assets				
Equity in pooled cash and equivalents	\$ 54,261	\$ 342,570	\$ 373,686	\$ 23,145
Liabilities				
Accounts and contracts payable	\$ 2	\$ -	\$ 2	\$ -
Accrued salaries, w ages and benefits	4,007	3,375	4,007	3,375
Due to other governments	2,307	4,887	2,307	4,887
Due to others	47,945	14,883	47,945	14,883
Total liabilities	\$ 54,261	\$ 23,145	\$ 54,261	\$ 23,145

Mayor's Court Bail Trust	Beginning Balance 1/1/2003	Additions	Reductions	Ending Balance 12/31/2003
Assets				
Equity in pooled cash and equivalents	\$ 4,551	\$ 39,053	\$ 41,221	\$ 2,383
Liabilities				
Due to others	\$ 4,551	\$ 2,383	\$ 4,551	\$ 2,383

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Beginning Balance 1/1/2003	Additions	Reductions	Ending Balance 12/31/2003
Trust Miscellaneous				
Assets				
Equity in pooled cash and equivalents	\$ 607,148	\$ 1,091,648	\$ 1,001,070	\$ 697,726
Liabilities				
Accounts and contracts payable	\$ 8,684	\$ -	\$ 8,684	\$ -
Due to others	598,464	697,726	598,464	697,726
Total liabilities	\$ 607,148	\$ 697,726	\$ 607,148	\$ 697,726
	Beginning Balance 1/1/2003	Additions	Reductions	Ending Balance 12/31/2003
Total All Agency Funds				
Assets				
Equity in pooled cash and equivalents	\$ 679,633	\$ 1,527,396	\$ 1,468,245	\$ 738,784
Liabilities				
Accounts and contracts payable	\$ 9,760	\$ 413	\$ 9,760	\$ 413
Accrued salaries, wages and benefits	5,160	4,783	5,160	4,783
Due to other governments	2,307	4,949	2,307	4,949
Due to others	662,406	728,639	662,406	728,639
Total liabilities	\$ 679,633	\$ 738,784	\$ 679,633	\$ 738,784

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

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 724,391	\$ 739,516	\$ 737,341	\$ (2,175)
Intergovernmental revenue	895,690	1,103,455	1,128,334	24,879
Fines, licenses, and permits	476,300	586,010	593,258	7,248
Interest	10,000	6,000	5,564	(436)
Miscellaneous	320,588	349,789	356,760	6,971
Total revenues	<u>2,426,969</u>	<u>2,784,770</u>	<u>2,821,257</u>	<u>36,487</u>
Expenditures				
Current				
Security of persons and property				
Police				
Personal services	3,321,367	3,227,517	3,016,886	210,631
Materials and supplies	208,135	199,835	165,423	34,412
Contractual services	80,373	80,373	63,628	16,745
Other	112,235	112,235	68,601	43,634
Total police	<u>3,722,110</u>	<u>3,619,960</u>	<u>3,314,538</u>	<u>305,422</u>
Humane officer				
Personal services	74,562	74,562	72,868	1,694
Materials and supplies	2,438	2,438	1,493	945
Total humane officer	<u>77,000</u>	<u>77,000</u>	<u>74,361</u>	<u>2,639</u>
Fire				
Personal services	976,031	1,174,796	1,162,578	12,218
Materials and supplies	156,230	138,665	104,400	34,265
Contractual services	17,400	12,400	9,491	2,909
Total fire	<u>1,149,661</u>	<u>1,325,861</u>	<u>1,276,469</u>	<u>49,392</u>
Street lighting				
Materials and supplies	40,000	40,000	39,632	368
Total street lighting	<u>40,000</u>	<u>40,000</u>	<u>39,632</u>	<u>368</u>
Total security of persons and property	<u>4,988,771</u>	<u>5,062,821</u>	<u>4,705,000</u>	<u>357,821</u>
Public health and welfare				
General government				
Other	62,000	63,000	62,795	205
Total general government	<u>62,000</u>	<u>63,000</u>	<u>62,795</u>	<u>205</u>
Senior citizens				
Personal services	177,665	178,865	166,349	12,516
Materials and supplies	12,835	13,785	13,463	322
Contractual services	10,423	10,273	8,819	1,454
Capital outlay	4,000	2,000	1,316	684
Total senior citizens	<u>204,923</u>	<u>204,923</u>	<u>189,947</u>	<u>14,976</u>
Total public health and welfare	<u>266,923</u>	<u>267,923</u>	<u>252,742</u>	<u>15,181</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund (Continued)			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Leisure time activities				
Park and recreation				
Personal services	\$ 137,429	\$ 137,429	\$ 135,282	\$ 2,147
Materials and supplies	44,268	36,368	35,509	859
Contractual services	7,246	7,246	3,250	3,996
Other	23,625	26,525	24,064	2,461
Total leisure time activities	<u>212,568</u>	<u>207,568</u>	<u>198,105</u>	<u>9,463</u>
Community development				
Building				
Personal services	460,308	456,808	441,673	15,135
Materials and supplies	19,575	23,025	12,758	10,267
Contractual services	108,585	109,155	94,857	14,298
Capital outlay	1,000	1,000	-	1,000
Other	92,690	119,670	107,968	11,702
Total building	<u>682,158</u>	<u>709,658</u>	<u>657,256</u>	<u>52,402</u>
Engineer				
Personal services	409,154	413,810	412,626	1,184
Materials and supplies	17,922	19,435	18,041	1,394
Contractual services	14,854	16,285	15,193	1,092
Capital outlay	3,300	2,500	2,446	54
Other	3,255	855	580	275
Total engineer	<u>448,485</u>	<u>452,885</u>	<u>448,886</u>	<u>3,999</u>
Total community development	<u>1,130,643</u>	<u>1,162,543</u>	<u>1,106,142</u>	<u>56,401</u>
General government				
Council				
Personal services	168,697	169,195	166,381	2,814
Materials and supplies	9,333	8,998	5,148	3,850
Contractual services	1,800	1,800	1,800	-
Other	3,650	3,487	2,515	972
Total council	<u>183,480</u>	<u>183,480</u>	<u>175,844</u>	<u>7,636</u>
Mayor				
Personal services	153,747	157,627	156,437	1,190
Materials and supplies	6,121	6,121	5,996	125
Other	2,010	1,930	1,050	880
Total mayor	<u>161,878</u>	<u>165,678</u>	<u>163,483</u>	<u>2,195</u>
Finance				
Personal services	345,143	326,512	323,926	2,586
Materials and supplies	10,988	10,189	8,221	1,968
Contractual services	2,625	2,675	2,675	-
Capital outlay	1,600	800	800	-
Other	2,590	2,670	1,784	886
Total finance	<u>362,946</u>	<u>342,846</u>	<u>337,406</u>	<u>5,440</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund (Continued)			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Law director				
Personal services	\$ 228,279	\$ 233,194	\$ 233,116	\$ 78
Materials and supplies	1,554	1,554	1,361	193
Contractual services	197,831	192,357	168,226	24,131
Other	2,821	3,380	3,020	360
Total law director	430,485	430,485	405,723	24,762
Computer services				
Personal services	109,840	103,840	101,909	1,931
Materials and supplies	42,296	42,396	32,527	9,869
Contractual services	83,770	89,670	60,379	29,291
Capital outlay	7,217	7,217	6,409	808
Other	6,128	6,128	2,604	3,524
Total computer services	249,251	249,251	203,828	45,423
Safety service director				
Personal services	84,694	84,916	84,916	-
Materials and supplies	2,128	2,628	2,594	34
Contractual services	840	840	458	382
Capital outlay	10,145	9,734	9,699	35
Other	1,280	980	250	730
Total safety service director	99,087	99,098	97,917	1,181
Civil services				
Personal services	9,300	9,300	9,253	47
Materials and supplies	38,660	38,660	20,588	18,072
Contractual services	11,312	11,312	6,099	5,213
Other	3,350	3,350	744	2,606
Total civil service	62,622	62,622	36,684	25,938
General government				
Personal services	49,826	50,607	50,512	95
Materials and supplies	500	500	173	327
Contractual services	77,440	97,240	92,276	4,964
Capital outlay	22,506	15,675	15,593	82
Other	331,991	275,017	274,183	834
Total general government	482,263	439,039	432,737	6,302
Public grounds/cemetery				
Personal services	221,636	223,081	220,866	2,215
Materials and supplies	52,253	56,478	52,300	4,178
Contractual services	5,570	4,670	4,485	185
Capital outlay	24,373	25,203	25,199	4
Other	5,075	3,175	3,099	76
Total public grounds/cemetery	308,907	312,607	305,949	6,658
Total general government	2,340,919	2,285,106	2,159,571	125,535
Total expenditures	8,939,824	8,985,961	8,421,560	564,401

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund (Concluded)			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ (6,512,855)	\$ (6,201,191)	\$ (5,600,303)	\$ 600,888
Other financing sources (uses)				
Transfers in	5,874,500	5,834,500	5,837,418	2,918
Advances in	119,012	119,012	119,012	-
Advances out	-	(282,324)	(282,324)	-
Transfers out	(345,100)	(340,000)	(331,000)	9,000
Total other financing sources (uses)	<u>5,648,412</u>	<u>5,331,188</u>	<u>5,343,106</u>	<u>11,918</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(864,443)	(870,003)	(257,197)	612,806
Prior year encumbrances	234,124	234,124	234,124	-
Fund balances, beginning of year	<u>635,928</u>	<u>635,928</u>	<u>635,928</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,609</u>	<u>\$ 49</u>	<u>\$ 612,855</u>	<u>\$ 612,806</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Income Tax Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 5,775,000	\$ 5,775,000	\$ 5,950,256	\$ 175,256
Interest	24,000	24,000	14,133	(9,867)
Miscellaneous	1,000	1,000	602	(398)
Total revenues	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,964,991</u>	<u>164,991</u>
Expenditures				
Current				
General government				
Personal services	147,334	147,334	146,073	1,261
Materials and supplies	44,528	44,628	40,577	4,051
Contractual services	20,862	36,262	35,741	521
Capital outlay	1,000	1,000	-	1,000
Other	139,169	138,669	101,453	37,216
Total expenditures	<u>352,893</u>	<u>367,893</u>	<u>323,844</u>	<u>44,049</u>
Excess (deficiency) of revenues over expenditures	<u>5,447,107</u>	<u>5,432,107</u>	<u>5,641,147</u>	<u>209,040</u>
Other financing sources (uses)				
Transfers out	(5,700,000)	(5,700,000)	(5,700,000)	-
Total other financing sources (uses)	<u>(5,700,000)</u>	<u>(5,700,000)</u>	<u>(5,700,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(252,893)	(267,893)	(58,853)	209,040
Prior year encumbrances	17,893	17,893	17,893	-
Fund balances, beginning of year	<u>819,156</u>	<u>819,156</u>	<u>819,156</u>	<u>-</u>
Fund balances, end of year	<u>\$ 584,156</u>	<u>\$ 569,156</u>	<u>\$ 778,196</u>	<u>\$ 209,040</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Bond Retirement Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 283,487	\$ 293,187	\$ 292,079	\$ (1,108)
Intergovernmental revenue	43,700	39,500	41,428	1,928
Interest	33,000	13,852	4,499	(9,353)
Total revenues	<u>360,187</u>	<u>346,539</u>	<u>338,006</u>	<u>(8,533)</u>
Expenditures				
Current				
Other	4,400	4,700	4,631	69
Debt service				
Note principal	6,820,000	6,820,000	6,820,000	-
Bond principal	615,000	2,070,000	2,070,000	-
Interest and fiscal charges	414,557	486,039	486,039	-
Total expenditures	<u>7,853,957</u>	<u>9,380,739</u>	<u>9,380,670</u>	<u>69</u>
Excess (deficiency) of revenues over expenditures	<u>(7,493,770)</u>	<u>(9,034,200)</u>	<u>(9,042,664)</u>	<u>(8,464)</u>
Other financing sources (uses)				
Note proceeds	6,800,000	6,895,000	6,895,000	-
Bond proceeds	-	1,496,781	1,532,000	35,219
Transfers in	586,270	992,117	966,315	(25,802)
Total other financing sources (uses)	<u>7,386,270</u>	<u>9,383,898</u>	<u>9,393,315</u>	<u>9,417</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(107,500)</u>	<u>349,698</u>	<u>350,651</u>	<u>953</u>
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	<u>450,827</u>	<u>450,827</u>	<u>450,827</u>	<u>-</u>
Fund balances, end of year	<u>\$ 343,327</u>	<u>\$ 800,525</u>	<u>\$ 801,478</u>	<u>\$ 953</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Water Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 2,045,000	\$ 2,372,903	\$ 2,403,554	\$ 30,651
Miscellaneous	75,000	130,600	141,597	10,997
Interest income	35,500	30,300	32,882	2,582
Total revenues	<u>2,155,500</u>	<u>2,533,803</u>	<u>2,578,033</u>	<u>44,230</u>
Expenses				
Personal services	516,042	516,042	490,053	25,989
Materials and supplies	622,273	599,543	487,041	112,502
Contractual services	128,195	150,595	114,640	35,955
Capital outlay	1,637,076	1,633,376	1,326,368	307,008
Other non-operating expenses	105,831	109,861	67,756	42,105
Debt service				
Bond principal	301,709	1,506,709	1,506,709	-
Interest and fiscal charges	59,303	110,416	110,416	-
Total expenditures	<u>3,370,429</u>	<u>4,626,542</u>	<u>4,102,983</u>	<u>523,559</u>
Excess (deficiency) of revenues over expenses	<u>(1,214,929)</u>	<u>(2,092,739)</u>	<u>(1,524,950)</u>	<u>567,789</u>
Other financing sources (uses)				
Bond proceeds	-	1,258,587	1,260,000	1,413
Transfers in	76,803	-	-	-
Transfers out	(72,000)	(72,000)	(72,000)	-
Total other financing sources (uses)	<u>4,803</u>	<u>1,186,587</u>	<u>1,188,000</u>	<u>1,413</u>
Excess (deficiency) of revenues over expenses and other financing sources (uses)	<u>(1,210,126)</u>	<u>(906,152)</u>	<u>(336,950)</u>	<u>569,202</u>
Prior year encumbrances	42,026	42,026	42,026	-
Fund balances, beginning of year	<u>2,148,973</u>	<u>2,148,973</u>	<u>2,148,973</u>	<u>-</u>
Fund balances, end of year	<u>\$ 980,873</u>	<u>\$ 1,284,847</u>	<u>\$ 1,854,049</u>	<u>\$ 569,202</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Sewer Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 5,253,000	\$ 6,439,200	\$ 6,679,164	\$ 239,964
Miscellaneous	9,800	6,500	6,624	124
Interest income	122,200	134,543	123,471	(11,072)
Total revenues	<u>5,385,000</u>	<u>6,580,243</u>	<u>6,809,259</u>	<u>229,016</u>
Expenses				
Personal services	1,691,386	1,685,080	1,589,627	95,453
Materials and supplies	596,090	550,197	334,818	215,379
Contractual services	2,646,602	2,890,602	2,706,854	183,748
Capital outlay	4,018,275	5,378,287	3,803,361	1,574,926
Other	430,514	507,230	439,265	67,965
Debt service				
Bond principal	370,000	2,435,000	2,435,000	-
Interest and fiscal charges	356,608	450,715	450,715	-
Total expenditures	<u>10,109,475</u>	<u>13,897,111</u>	<u>11,759,640</u>	<u>2,137,471</u>
Excess (deficiency) of revenues over expenses	<u>(4,724,475)</u>	<u>(7,316,868)</u>	<u>(4,950,381)</u>	<u>2,366,487</u>
Other financing sources (uses)				
Note proceeds	-	500,000	500,000	-
Bond proceeds	-	2,165,000	2,165,000	-
Transfers in	755,107	735,705	735,705	-
Transfers out	(893,108)	(946,816)	(946,806)	10
Total other financing sources (uses)	<u>(138,001)</u>	<u>2,453,889</u>	<u>2,453,899</u>	<u>10</u>
Excess (deficiency) of revenues over expenses and other financing sources (uses)	<u>(4,862,476)</u>	<u>(4,862,979)</u>	<u>(2,496,482)</u>	<u>2,366,497</u>
Prior year encumbrances	1,515,607	1,515,607	1,515,607	-
Fund balances, beginning of year	<u>8,315,251</u>	<u>8,315,251</u>	<u>8,315,251</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,968,382</u>	<u>\$ 4,967,879</u>	<u>\$ 7,334,376</u>	<u>\$ 2,366,497</u>

CITY OF NORTH RIDGEVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2003

	Street Construction, Maintenance and Repair Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 640,000	\$ 694,140	\$ 708,704	\$ 14,564
Interest	300	160	174	14
Miscellaneous	9,700	7,700	7,903	203
Total revenues	<u>650,000</u>	<u>702,000</u>	<u>716,781</u>	<u>14,781</u>
Expenditures				
Current				
Transportation				
Streets				
Personal services	970,857	988,257	975,306	12,951
Traffic signals				
Materials and supplies	37,711	43,611	30,589	13,022
Total expenditures	<u>1,008,568</u>	<u>1,031,868</u>	<u>1,005,895</u>	<u>25,973</u>
Excess (deficiency) of revenues over expenditures	<u>(358,568)</u>	<u>(329,868)</u>	<u>(289,114)</u>	<u>40,754</u>
Other financing sources (uses)				
Transfers in	345,100	345,100	332,267	(12,833)
Total other financing sources (uses)	<u>345,100</u>	<u>345,100</u>	<u>332,267</u>	<u>(12,833)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(13,468)	15,232	43,153	27,921
Prior year encumbrances	1,672	1,672	1,672	-
Fund balances, beginning of year	<u>11,797</u>	<u>11,797</u>	<u>11,797</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1</u>	<u>\$ 28,701</u>	<u>\$ 56,622</u>	<u>\$ 27,921</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	State Highway Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 51,000	\$ 56,180	\$ 57,446	\$ 1,266
Interest	200	20	15	(5)
Total revenues	<u>51,200</u>	<u>56,200</u>	<u>57,461</u>	<u>1,261</u>
Expenditures				
Current				
Transportation				
Materials and supplies	8,000	8,300	8,254	46
Contractual services	49,339	49,039	48,737	302
Total expenditures	<u>57,339</u>	<u>57,339</u>	<u>56,991</u>	<u>348</u>
Excess (deficiency) of revenues over expenditures	(6,139)	(1,139)	470	1,609
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	6,139	6,139	6,139	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 6,609</u>	<u>\$ 1,609</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Motor Vehicle License Tax Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 367,400	\$ 373,350	\$ 373,452	\$ 102
Interest	2,500	1,050	1,085	35
Miscellaneous	100	6,550	6,550	-
Total revenues	<u>370,000</u>	<u>380,950</u>	<u>381,087</u>	<u>137</u>
Expenditures				
Current				
Transportation				
Personal services	58,303	58,353	57,222	1,131
Materials and supplies	238,553	249,803	236,330	13,473
Contractual services	113,996	103,296	100,823	2,473
Capital outlay	9,508	9,508	-	9,508
Other	66,391	65,791	60,181	5,610
Total expenditures	<u>486,751</u>	<u>486,751</u>	<u>454,556</u>	<u>32,195</u>
Excess (deficiency) of revenues over expenditures	<u>(116,751)</u>	<u>(105,801)</u>	<u>(73,469)</u>	<u>32,332</u>
Other financing sources (uses)				
Transfers in	-	-	251	251
Advances out	(800)	(800)	(800)	-
Total other financing sources (uses)	<u>(800)</u>	<u>(800)</u>	<u>(549)</u>	<u>251</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(117,551)</u>	<u>(106,601)</u>	<u>(74,018)</u>	<u>32,583</u>
Prior year encumbrances	29,993	29,993	29,993	-
Fund balances, beginning of year	<u>87,558</u>	<u>87,558</u>	<u>87,558</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 10,950</u>	<u>\$ 43,533</u>	<u>\$ 32,583</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Street Levy Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 463,913	\$ 483,913	\$ 485,444	\$ 1,531
Intergovernmental revenue	81,259	61,259	61,012	(247)
Interest	4,000	4,000	4,525	525
Total revenues	<u>549,172</u>	<u>549,172</u>	<u>550,981</u>	<u>1,809</u>
Expenditures				
Current				
Transportation				
Materials and supplies	-	1,000	1,000	-
Contractual services	7,500	7,850	7,831	19
Capital outlay	814,847	813,499	520,794	292,705
Total expenditures	<u>822,347</u>	<u>822,349</u>	<u>529,625</u>	<u>292,724</u>
Excess (deficiency) of revenues over expenditures	(273,175)	(273,177)	21,356	294,533
Prior year encumbrances	209,380	209,380	209,380	-
Fund balances, beginning of year	<u>63,797</u>	<u>63,797</u>	<u>63,797</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 294,533</u>	<u>\$ 294,533</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Surface Drainage Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 5,000	\$ 3,850	\$ 3,930	\$ 80
Miscellaneous	145,000	224,150	228,376	4,226
Total revenues	<u>150,000</u>	<u>228,000</u>	<u>232,306</u>	<u>4,306</u>
Expenditures				
Current				
Basic utility services				
Materials and supplies	198,147	190,137	144,237	45,900
Contractual services	175,000	189,800	57,332	132,468
Capital outlay	50,019	39,219	-	39,219
Other	24,708	28,718	19,510	9,208
Total expenditures	<u>447,874</u>	<u>447,874</u>	<u>221,079</u>	<u>226,795</u>
Excess (deficiency) of revenues over expenditures	(297,874)	(219,874)	11,227	231,101
Prior year encumbrances	42,875	42,875	42,875	-
Fund balances, beginning of year	<u>278,261</u>	<u>278,261</u>	<u>278,261</u>	<u>-</u>
Fund balances, end of year	<u>\$ 23,262</u>	<u>\$ 101,262</u>	<u>\$ 332,363</u>	<u>\$ 231,101</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Police Levy Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 211,598	\$ 237,498	\$ 237,472	\$ (26)
Intergovernmental revenue	48,800	25,800	27,714	1,914
Interest	500	300	368	68
Total revenues	<u>260,898</u>	<u>263,598</u>	<u>265,554</u>	<u>1,956</u>
Expenditures				
Current				
Security of persons and property				
Personal services	270,100	269,900	267,660	2,240
Contractual services	3,800	4,000	3,958	42
Total expenditures	<u>273,900</u>	<u>273,900</u>	<u>271,618</u>	<u>2,282</u>
Excess (deficiency) of revenues over expenditures	(13,002)	(10,302)	(6,064)	4,238
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>13,042</u>	<u>13,042</u>	<u>13,042</u>	-
Fund balances, end of year	<u>\$ 40</u>	<u>\$ 2,740</u>	<u>\$ 6,978</u>	<u>\$ 4,238</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Police Pension Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 121,524	\$ 126,073	\$ 125,176	\$ (897)
Intergovernmental revenue	18,700	15,200	16,409	1,209
Interest	600	50	84	34
Total revenues	<u>140,824</u>	<u>141,323</u>	<u>141,669</u>	<u>346</u>
Expenditures				
Current				
Security of persons and property				
Personal services	138,900	138,800	138,701	99
Contractual services	1,900	2,000	1,993	7
Total expenditures	<u>140,800</u>	<u>140,800</u>	<u>140,694</u>	<u>106</u>
Excess (deficiency) of revenues over expenditures	24	523	975	452
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>1,005</u>	<u>1,005</u>	<u>1,005</u>	-
Fund balances, end of year	<u>\$ 1,029</u>	<u>\$ 1,528</u>	<u>\$ 1,980</u>	<u>\$ 452</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Law Enforcement Trust Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 200	\$ 300	\$ 420	\$ 120
Miscellaneous	3,800	43,000	42,920	(80)
Total revenues	<u>4,000</u>	<u>43,300</u>	<u>43,340</u>	<u>40</u>
Expenditures				
Current				
Security of persons and property				
Personal services	3,000	3,000	-	3,000
Materials and supplies	2,500	41,800	24,838	16,962
Capital outlay	6,000	6,000	5,523	477
Total expenditures	<u>11,500</u>	<u>50,800</u>	<u>30,361</u>	<u>20,439</u>
Excess (deficiency) of revenues over expenditures	(7,500)	(7,500)	12,979	20,479
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>11,951</u>	<u>11,951</u>	<u>11,951</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,451</u>	<u>\$ 4,451</u>	<u>\$ 24,930</u>	<u>\$ 20,479</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Drug Law Enforcement Trust Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 3,800	\$ 5,807	\$ 5,807	\$ -
Interest	200	163	178	15
Total revenues	4,000	5,970	5,985	15
Expenditures				
Current				
Security of persons and property				
Materials and supplies	4,500	4,500	1,499	3,001
Capital outlay	6,000	6,000	-	6,000
Other	2,500	2,500	-	2,500
Total expenditures	13,000	13,000	1,499	11,501
Excess (deficiency) of revenues over expenditures	(9,000)	(7,030)	4,486	11,516
Prior year encumbrances	1,500	1,500	1,500	-
Fund balances, beginning of year	12,102	12,102	12,102	-
Fund balances, end of year	\$ 4,602	\$ 6,572	\$ 18,088	\$ 11,516

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	DUI Enforcement and Education Trust Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 3,700	\$ 11,066	\$ 11,141	\$ 75
Interest	300	204	212	8
Total revenues	4,000	11,270	11,353	83
Expenditures				
Current				
Security of persons and property				
Materials and supplies	19,500	19,500	18,958	542
Total expenditures	19,500	19,500	18,958	542
Excess (deficiency) of revenues over expenditures	(15,500)	(8,230)	(7,605)	625
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	20,135	20,135	20,135	-
Fund balances, end of year	\$ 4,635	\$ 11,905	\$ 12,530	\$ 625

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Clerk of Courts Computer Service Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 1,200	\$ 760	\$ 785	\$ 25
Miscellaneous	28,800	26,940	28,263	1,323
Total revenues	<u>30,000</u>	<u>27,700</u>	<u>29,048</u>	<u>1,348</u>
Expenditures				
Current				
Security of persons and property				
Personal services	39,373	40,033	39,897	136
Materials and supplies	-	200	159	41
Capital outlay	10,552	10,132	595	9,537
Other	2,075	2,075	1,169	906
Total expenditures	<u>52,000</u>	<u>52,440</u>	<u>41,820</u>	<u>10,620</u>
Excess (deficiency) of revenues over expenditures	(22,000)	(24,740)	(12,772)	11,968
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>68,033</u>	<u>68,033</u>	<u>68,033</u>	<u>-</u>
Fund balances, end of year	<u>\$ 46,033</u>	<u>\$ 43,293</u>	<u>\$ 55,261</u>	<u>\$ 11,968</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Court Computerization Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 9,400	\$ 11,401	\$ 12,090	\$ 689
Interest	600	600	646	46
Total revenues	<u>10,000</u>	<u>12,001</u>	<u>12,736</u>	<u>735</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	10,000	12,001	12,736	735
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>46,649</u>	<u>46,649</u>	<u>46,649</u>	<u>-</u>
Fund balances, end of year	<u>\$ 56,649</u>	<u>\$ 58,650</u>	<u>\$ 59,385</u>	<u>\$ 735</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Fire Levy Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 708,947	\$ 734,847	\$ 735,414	\$ 567
Intergovernmental revenue	113,800	93,800	95,560	1,760
Interest	7,000	500	416	(84)
Miscellaneous	-	600	568	(32)
Total revenues	<u>829,747</u>	<u>829,747</u>	<u>831,958</u>	<u>2,211</u>
Expenditures				
Current				
Security of persons and property				
Personal services	824,779	824,240	824,200	40
Contractual services	11,200	11,739	11,739	-
Total expenditures	<u>835,979</u>	<u>835,979</u>	<u>835,939</u>	<u>40</u>
Excess (deficiency) of revenues over expenditures	(6,232)	(6,232)	(3,981)	2,251
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>6,232</u>	<u>6,232</u>	<u>6,232</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,251</u>	<u>\$ 2,251</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Fire Pension Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 121,524	\$ 125,574	\$ 125,176	\$ (398)
Intergovernmental revenue	18,700	15,200	16,409	1,209
Interest	600	50	84	34
Total revenues	<u>140,824</u>	<u>140,824</u>	<u>141,669</u>	<u>845</u>
Expenditures				
Current				
Security of persons and property				
Personal services	138,900	138,800	138,700	100
Contractual services	1,900	2,000	1,994	6
Total expenditures	<u>140,800</u>	<u>140,800</u>	<u>140,694</u>	<u>106</u>
Excess (deficiency) of revenues over expenditures	24	24	975	951
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,024</u>	<u>\$ 1,024</u>	<u>\$ 1,975</u>	<u>\$ 951</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Paramedic Levy Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 529,715	\$ 557,315	\$ 556,231	\$ (1,084)
Intergovernmental revenue	90,500	66,500	70,857	4,357
Interest	13,000	3,300	2,229	(1,071)
Miscellaneous	-	200	157	(43)
Total revenues	<u>633,215</u>	<u>627,315</u>	<u>629,474</u>	<u>2,159</u>
Expenditures				
Current				
Security of persons and property				
Personal services	625,594	645,594	625,611	19,983
Materials and supplies	43,473	40,973	8,123	32,850
Contractual services	11,200	13,700	13,460	240
Other	30,040	30,040	19,299	10,741
Total expenditures	<u>710,307</u>	<u>730,307</u>	<u>666,493</u>	<u>63,814</u>
Excess (deficiency) of revenues over expenditures	(77,092)	(102,992)	(37,019)	65,973
Prior year encumbrances	3,308	3,308	3,308	-
Fund balances, beginning of year	<u>152,975</u>	<u>152,975</u>	<u>152,975</u>	<u>-</u>
Fund balances, end of year	<u>\$ 79,191</u>	<u>\$ 53,291</u>	<u>\$ 119,264</u>	<u>\$ 65,973</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Ambulance Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 27,000	\$ 32,000	\$ 33,361	\$ 1,361
Interest	3,000	3,000	3,120	120
Total revenues	<u>30,000</u>	<u>35,000</u>	<u>36,481</u>	<u>1,481</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	15,500	26,000	19,341	6,659
Contractual services	4,000	3,500	2,420	1,080
Capital outlay	140,000	140,000	138,528	1,472
Other	5,500	5,500	-	5,500
Total expenditures	<u>165,000</u>	<u>175,000</u>	<u>160,289</u>	<u>14,711</u>
Excess (deficiency) of revenues over expenditures	(135,000)	(140,000)	(123,808)	16,192
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>243,440</u>	<u>243,440</u>	<u>243,440</u>	<u>-</u>
Fund balances, end of year	<u>\$ 108,440</u>	<u>\$ 103,440</u>	<u>\$ 119,632</u>	<u>\$ 16,192</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	State Grants Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 75,000	\$ 141,696	\$ 141,696	\$ -
Total revenues	<u>75,000</u>	<u>141,696</u>	<u>141,696</u>	<u>-</u>
Expenditures				
Current				
General government				
Contractual services	80,321	93,573	93,049	524
Total expenditures	<u>80,321</u>	<u>93,573</u>	<u>93,049</u>	<u>524</u>
Excess (deficiency) of revenues over expenditures	(5,321)	48,123	48,647	524
Prior year encumbrances	2,106	2,106	2,106	-
Fund balances, beginning of year	<u>38,485</u>	<u>38,485</u>	<u>38,485</u>	<u>-</u>
Fund balances, end of year	<u>\$ 35,270</u>	<u>\$ 88,714</u>	<u>\$ 89,238</u>	<u>\$ 524</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Federal Grants Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 408,231	\$ 435,048	\$ 308,665	\$ (126,383)
Interest	-	19,400	27,979	8,579
Total revenues	<u>408,231</u>	<u>454,448</u>	<u>336,644</u>	<u>(117,804)</u>
Expenditures				
Current				
Community development				
Contractual services	325,618	367,398	321,072	46,326
Total expenditures	<u>325,618</u>	<u>367,398</u>	<u>321,072</u>	<u>46,326</u>
Excess (deficiency) of revenues over expenditures	<u>82,613</u>	<u>87,050</u>	<u>15,572</u>	<u>(71,478)</u>
Other financing sources (uses)				
Advances in	-	-	117,804	117,804
Advances out	(112,112)	(112,112)	(112,112)	-
Total other financing sources (uses)	<u>(112,112)</u>	<u>(112,112)</u>	<u>5,692</u>	<u>117,804</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(29,499)	(25,062)	21,264	46,326
Prior year encumbrances	29,499	29,499	29,499	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 4,437</u>	<u>\$ 50,763</u>	<u>\$ 46,326</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Cemetery Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 23,700	\$ 26,300	\$ 28,965	\$ 2,665
Interest	300	380	382	2
Total revenues	<u>24,000</u>	<u>26,680</u>	<u>29,347</u>	<u>2,667</u>
Expenditures				
Current				
Public health and w elfare				
Materials and supplies	1,500	1,500	1,200	300
Capital outlay	2,300	2,300	2,292	8
Total expenditures	<u>3,800</u>	<u>3,800</u>	<u>3,492</u>	<u>308</u>
Excess (deficiency) of revenues over expenditures	20,200	22,880	25,855	2,975
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>22,130</u>	<u>22,130</u>	<u>22,130</u>	-
Fund balances, end of year	<u>\$ 42,330</u>	<u>\$ 45,010</u>	<u>\$ 47,985</u>	<u>\$ 2,975</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Park and Recreation Trust Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 69,700	\$ 81,500	\$ 88,992	\$ 7,492
Interest	300	300	471	171
Miscellaneous	-	-	-	-
Total revenues	<u>70,000</u>	<u>81,800</u>	<u>89,463</u>	<u>7,663</u>
Expenditures				
Current				
Leisure time activities				
Personal services	3,600	9,200	8,432	768
Contractual services	28,000	32,000	27,910	4,090
Other	60,308	58,808	48,110	10,698
Total expenditures	<u>91,908</u>	<u>100,008</u>	<u>84,452</u>	<u>15,556</u>
Excess (deficiency) of revenues over expenditures	(21,908)	(18,208)	5,011	23,219
Prior year encumbrances	308	308	308	-
Fund balances, beginning of year	<u>25,667</u>	<u>25,667</u>	<u>25,667</u>	-
Fund balances, end of year	<u>\$ 4,067</u>	<u>\$ 7,767</u>	<u>\$ 30,986</u>	<u>\$ 23,219</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Park and Recreation Improvement Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 48,500	\$ 102,700	\$ 104,250	\$ 1,550
Interest	1,500	1,500	1,883	383
Total revenues	<u>50,000</u>	<u>104,200</u>	<u>106,133</u>	<u>1,933</u>
Expenditures				
Current				
Leisure time activity				
Capital outlay	79,000	79,000	48,509	30,491
Total expenditures	<u>79,000</u>	<u>79,000</u>	<u>48,509</u>	<u>30,491</u>
Excess (deficiency) of revenues over expenditures	<u>(29,000)</u>	<u>25,200</u>	<u>57,624</u>	<u>32,424</u>
Other financing sources (uses)				
Transfers out	(27,312)	(27,312)	(27,312)	-
Total other financing sources (uses)	<u>(27,312)</u>	<u>(27,312)</u>	<u>(27,312)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(56,312)	(2,112)	30,312	32,424
Prior year encumbrances	9,000	9,000	9,000	-
Fund balances, beginning of year	<u>147,745</u>	<u>147,745</u>	<u>147,745</u>	<u>-</u>
Fund balances, end of year	<u>\$ 100,433</u>	<u>\$ 154,633</u>	<u>\$ 187,057</u>	<u>\$ 32,424</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

Senior Citizens Title III Fund				Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 32,181	\$ 35,356	\$ 35,358	\$ 2
Interest	20	20	25	5
Total revenues	32,201	35,376	35,383	7
Expenditures				
Current				
Public health and welfare				
Personal services	32,282	32,282	31,730	552
Materials and supplies	2,098	2,098	2,098	-
Total expenditures	34,380	34,380	33,828	552
Excess (deficiency) of revenues over expenditures	(2,179)	996	1,555	559
Prior year encumbrances	2,097	2,097	2,097	-
Fund balances, beginning of year	81	81	81	-
Fund balances, end of year	\$ (1)	\$ 3,174	\$ 3,733	\$ 559

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Solid Waste Management Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 1,136,600	\$ 1,222,300	\$ 1,239,704	\$ 17,404
Interest	3,400	2,600	2,575	(25)
Miscellaneous	-	100	52	(48)
Total revenues	<u>1,140,000</u>	<u>1,225,000</u>	<u>1,242,331</u>	<u>17,331</u>
Expenditures				
Current				
Basic utility services				
Personal services	66,674	66,674	62,947	3,727
Materials and supplies	26,787	26,787	20,838	5,949
Contractual services	1,170,421	1,170,421	1,136,699	33,722
Other	7,450	7,450	3,935	3,515
Total expenditures	<u>1,271,332</u>	<u>1,271,332</u>	<u>1,224,419</u>	<u>46,913</u>
Excess (deficiency) of revenues over expenditures	<u>(131,332)</u>	<u>(46,332)</u>	<u>17,912</u>	<u>64,244</u>
Other financing sources (uses)				
Transfers out	(36,000)	(36,000)	(36,000)	-
Total other financing sources (uses)	<u>(36,000)</u>	<u>(36,000)</u>	<u>(36,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(167,332)</u>	<u>(82,332)</u>	<u>(18,088)</u>	<u>64,244</u>
Prior year encumbrances	333	333	333	-
Fund balance, beginning of year	<u>212,633</u>	<u>212,633</u>	<u>212,633</u>	<u>-</u>
Fund balance, end of year	<u>\$ 45,634</u>	<u>\$ 130,634</u>	<u>\$ 194,878</u>	<u>\$ 64,244</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Special Assessment Bond Retirement Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Special assessments	\$ 52,630	\$ 55,330	\$ 55,590	\$ 260
Interest	1,300	2,460	2,204	(256)
Total revenues	<u>53,930</u>	<u>57,790</u>	<u>57,794</u>	<u>4</u>
Expenditures				
Current				
Other	2,400	2,153	2,153	-
Debt service				
Note principal	-	-	-	-
Bond principal	25,000	540,000	540,000	-
Interest and fiscal charges	28,930	68,873	68,873	-
Total expenditures	<u>56,330</u>	<u>611,026</u>	<u>611,026</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,400)</u>	<u>(553,236)</u>	<u>(553,232)</u>	<u>4</u>
Other financing sources (uses)				
Bond proceeds	-	556,430	556,475	45
Total other financing sources (uses)	<u>-</u>	<u>556,430</u>	<u>556,475</u>	<u>45</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(2,400)</u>	<u>3,194</u>	<u>3,243</u>	<u>49</u>
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	<u>90,643</u>	<u>90,643</u>	<u>90,643</u>	<u>-</u>
Fund balances, end of year	<u>\$ 88,243</u>	<u>\$ 93,837</u>	<u>\$ 93,886</u>	<u>\$ 49</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Capital Projects Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 30,000	\$ 12,200	\$ 12,268	\$ 68
Total revenues	<u>30,000</u>	<u>12,200</u>	<u>12,268</u>	<u>68</u>
Expenditures				
Capital outlay	915,805	419,860	374,977	44,883
Total expenditures	<u>915,805</u>	<u>419,860</u>	<u>374,977</u>	<u>44,883</u>
Excess (deficiency) of revenues over expenditures	<u>(885,805)</u>	<u>(407,660)</u>	<u>(362,709)</u>	<u>44,951</u>
Other financing sources (uses)				
Transfers in	285,000	285,000	285,000	-
Transfers out	(389,557)	(879,401)	(879,401)	-
Advances out	-	(6,100)	(6,100)	-
Total other financing sources (uses)	<u>(104,557)</u>	<u>(600,501)</u>	<u>(600,501)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(990,362)	(1,008,161)	(963,210)	44,951
Prior year encumbrances	157,333	157,333	157,333	-
Fund balances, beginning of year	<u>859,923</u>	<u>859,923</u>	<u>859,923</u>	<u>-</u>
Fund balances, end of year	<u>\$ 26,894</u>	<u>\$ 9,095</u>	<u>\$ 54,046</u>	<u>\$ 44,951</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Issue II Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 577,078	\$ 413,266	\$ 407,434	\$ (5,832)
Total revenues	<u>577,078</u>	<u>413,266</u>	<u>407,434</u>	<u>(5,832)</u>
Expenditures				
Capital outlay	577,078	413,266	407,434	5,832
Total expenditures	<u>577,078</u>	<u>413,266</u>	<u>407,434</u>	<u>5,832</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Bainbridge Road Improvement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 6	\$ 299	\$ 370	\$ 71
Total revenues	<u>6</u>	<u>299</u>	<u>370</u>	<u>71</u>
Expenditures				
Capital outlay	2,958	-	-	-
Total expenditures	<u>2,958</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(2,952)	299	370	71
Other financing sources (uses)				
Transfers out	-	(3,198)	-	3,198
Total other financing sources (uses)	<u>-</u>	<u>(3,198)</u>	<u>-</u>	<u>3,198</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(2,952)	(2,899)	370	3,269
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>2,952</u>	<u>2,952</u>	<u>2,952</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ 3,322</u>	<u>\$ 3,269</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Self Insurance Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 1,214,000	\$ 1,385,700	\$ 1,220,968	\$ (164,732)
Interest income	1,000	1,000	1,212	212
Total revenues	<u>1,215,000</u>	<u>1,386,700</u>	<u>1,222,180</u>	<u>(164,520)</u>
Expenses				
Other operating expenses	1,396,990	1,565,990	1,565,935	55
Total expenses	<u>1,396,990</u>	<u>1,565,990</u>	<u>1,565,935</u>	<u>55</u>
Excess (deficiency) of revenues over expenses	<u>(181,990)</u>	<u>(179,290)</u>	<u>(343,755)</u>	<u>(164,465)</u>
Other financing sources (uses)				
Advances in	-	-	164,520	164,520
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>164,520</u>	<u>164,520</u>
Excess (deficiency) of revenues over expenses and other financing sources (uses)	<u>(181,990)</u>	<u>(179,290)</u>	<u>(179,235)</u>	<u>55</u>
Prior year encumbrances	188	188	188	-
Fund balances, beginning of year	<u>181,888</u>	<u>181,888</u>	<u>181,888</u>	<u>-</u>
Fund balances, end of year	<u>\$ 86</u>	<u>\$ 2,786</u>	<u>\$ 2,841</u>	<u>\$ 55</u>

**STATISTICAL
SECTION**

City of North Ridgeville, Ohio
 Governmental Revenues by Source
 Last Ten Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Local taxes										
Municipal income tax	\$ 5,910,909	\$ 5,799,809	\$ 5,688,555	\$ 5,542,099	\$ 5,229,189	\$ 5,009,183	\$ 4,679,366	\$ 4,514,429	\$ 4,400,711	\$ 4,044,026
Property and other taxes	3,667,785	3,555,501	3,561,941	2,959,718	2,998,551	3,249,220	3,165,639	2,959,163	3,023,280	2,496,132
Intergovernmental	2,794,602	3,248,324	2,890,916	3,534,267	2,511,602	2,657,983	2,483,283	1,844,673	2,460,309	1,721,497
Special assessments	235,000	57,629	59,505	69,604	105,379	98,437	107,695	99,003	64,758	53,481
Charges for services	1,407,022	1,349,268	1,258,698	1,233,816	1,224,433	1,194,896	1,154,976	1,096,596	1,114,568	1,105,079
Fines, licenses and permits	888,946	775,086	592,736	652,034	600,401	878,091	788,470	804,592	575,093	578,013
Interest	130,797	109,283	270,802	390,169	331,036	364,905	276,202	357,339	381,481	209,536
Miscellaneous	936,088	621,453	810,949	708,801	650,306	686,279	264,448	890,257	511,370	1,124,117
	<u>\$15,971,149</u>	<u>\$15,516,353</u>	<u>\$15,134,102</u>	<u>\$15,090,508</u>	<u>\$13,650,897</u>	<u>\$14,138,994</u>	<u>\$12,920,079</u>	<u>\$12,566,052</u>	<u>\$12,531,570</u>	<u>\$11,331,881</u>

Table includes all Governmental Funds

Source: City financial records

City of North Ridgeville, Ohio
Governmental Expenditures by Function
Last Ten Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Current										
Security of persons and property	\$ 6,912,480	\$ 6,634,658	\$ 6,515,098	\$ 6,094,752	\$ 5,426,526	\$ 5,297,299	\$ 5,144,805	\$ 4,537,399	\$ 4,232,898	\$ 3,862,882
Public health and welfare	287,622	109,703	83,983	117,926	106,724	337,224	269,746	262,160	248,066	241,358
Leisure time activities	330,359	264,472	377,159	446,836	382,651	375,438	334,983	256,701	278,081	292,280
Community environment	(1) 1,103,637	-	-	-	-	-	-	-	-	-
Transportation	2,119,863	1,832,069	1,876,313	1,499,137	1,390,157	1,159,999	1,309,403	972,968	1,078,562	1,190,039
General government	4,004,255	5,570,510	4,880,029	4,760,871	4,059,622	3,594,251	3,449,401	3,951,062	3,524,317	3,556,004
Capital outlay	394,446	1,696,169	871,442	1,713,481	2,026,801	1,605,618	1,293,730	1,334,326	3,929,026	837,131
Debt service										
Principal	1,706,789	771,485	523,522	957,028	916,658	853,000	823,000	814,120	447,119	450,284
Interest and fiscal charges	431,120	344,466	383,214	410,911	434,267	444,388	489,817	577,232	605,164	475,377
	<u>\$17,290,571</u>	<u>\$17,223,532</u>	<u>\$15,510,760</u>	<u>\$16,000,942</u>	<u>\$14,743,406</u>	<u>\$13,667,217</u>	<u>\$13,114,885</u>	<u>\$12,705,968</u>	<u>\$14,343,233</u>	<u>\$10,905,355</u>

(1) Included in General government in previous years.

Table includes all Governmental Funds

Source: City financial records

City of North Ridgeville, Ohio
Property Tax Levies and Collections
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
2003	\$ 3,334,550	\$ 3,325,229	99.7%	\$ 15,137	\$ 3,340,366	100.2%	\$ 24,049	0.7%
2002	3,200,669	3,117,059	97.4%	93,570	3,210,629	100.3%	93,570	2.9%
2001	3,189,437	3,102,778	97.3%	85,616	3,188,394	100.0%	129,772	4.1%
2000	2,737,492	2,639,713	96.4%	59,563	2,699,276	98.6%	143,521	5.2%
1999	2,655,232	2,586,839	97.4%	55,518	2,642,357	99.5%	104,178	3.9%
1998	2,640,501	2,576,827	97.6%	58,454	2,635,281	99.8%	88,257	3.3%
1997	2,487,456	2,436,552	98.0%	46,136	2,482,688	99.8%	78,853	3.2%
1996	2,448,507	2,395,417	97.8%	41,073	2,436,490	99.5%	76,743	3.1%
1995	2,541,408	2,489,165	97.9%	53,365	2,542,530	100.0%	82,636	3.3%
1994	1,975,605	1,939,621	98.2%	43,469	1,983,090	100.4%	64,657	3.3%

Source: County Auditor, Lorain County, Ohio

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

Collection Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio of Assessed Value to Actual Value to N/AV
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2003	\$ 424,231,620	\$ 1,212,090,343	\$ 14,077,580 (1)	N/AV	\$ 29,101,850	\$ 126,529,783	\$ 467,411,050	N/AV	N/AV
2002	403,689,230	1,153,397,800	13,502,700 (1)	N/AV	29,496,480	128,245,565	446,688,410	N/AV	N/AV
2001	388,264,140	1,109,326,114	16,757,650 (2)	19,042,784	25,822,240	103,288,960	430,844,030	1,231,657,858	34.98%
2000	333,488,470	952,824,200	17,870,720	20,307,636	25,230,804	100,923,216	376,589,994	1,074,055,052	35.06%
1999	320,654,700	916,156,286	17,245,160	19,596,773	23,960,770	95,843,080	361,860,630	1,031,596,139	35.08%
1998	306,872,660	876,779,029	17,371,330	19,740,148	22,726,840	90,907,360	346,970,830	987,426,537	35.14%
1997	248,684,360	710,526,743	17,835,730	20,267,875	22,732,700	90,930,800	289,252,790	821,725,418	35.20%
1996	245,705,620	702,016,057	18,670,790	21,216,807	19,227,605	76,910,420	283,604,015	800,143,284	35.44%
1995	238,866,910	682,476,886	20,018,490	22,748,284	17,651,026	70,604,104	276,536,426	775,829,274	35.64%
1994	207,180,410	591,944,029	18,909,580	21,488,159	18,235,899	72,943,596	244,325,889	686,375,784	35.60%

Source: County Auditor, Lorain County, Ohio

Estimated actual value is calculated by dividing the assessed value by assessment percentage. The percentages for 2003 were 35% for real property, 35% for public utility real, various % for public utility tangible and 23% for tangible personal.

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

(2) Decrease reflects a 1999 settlement of a public utility company's case under which the State Tax Commissioner agreed to change the valuation of certain utility property.

N/AV - not available

City of North Ridgeville, Ohio
 Special Assessment Billings and Collections
 Last Ten Years

Collection Year	Amount Billed	Amount Collected	Percent Collected
2003	\$ 102,343	\$ 86,196	84.2%
2002	83,390	64,210	77.0%
2001	81,635	59,561	73.0%
2000	89,063	70,754	79.4%
1999	122,077	105,379	86.3%
1998	171,781	98,536	57.4%
1997	235,166	107,834	45.9%
1996	224,288	103,436	46.1%
1995	162,732	50,756	31.2%
1994	166,858	59,775	35.8%

Source: County Auditor, Lorain County, Ohio

City of North Ridgeville, Ohio

Property Tax Rates – Direct and Overlapping Governments
(Per \$ 1,000 of Assessed Valuation)

Last Ten Years

Collection Year	City of North Ridgeville					Total City	North Ridgeville City School District	Lorain County	Lorain County Joint Vocational School	Total Direct and Overlapping Governments
	General Fund	Special Revenue Funds	Debt Service Fund	Agency Fund (1)	Total					
2003	1.42	8.83	0.70	2.46 (2)	13.41	46.47	12.89	2.45	75.22	
2002	1.42	8.83	0.70	2.46 (2)	13.41	46.47	12.89	2.45	75.22	
2001	1.42	8.83	0.85	2.46 (2)	13.56	47.25	10.79	2.45	74.05	
2000	1.42	8.83	1.00	2.46 (2)	13.71	48.95	10.79	2.45	75.90	
1999	1.42	9.83	1.00	1.00	13.25	49.44	10.79	2.45	75.93	
1998	1.42	9.83	1.20	1.00	13.45	50.19	10.79	2.45	76.88	
1997	1.42	9.83	1.50	1.00	13.75	53.19	12.69	2.45	82.08	
1996	1.42	9.83	1.50	1.00	13.75	53.54	12.69	2.45	82.43	
1995	1.42	9.83	2.00	1.00	14.25	43.89	11.49	2.45	72.08	
1994	1.42	7.83	2.30	1.00	12.55	44.64	11.49	2.45	71.13	

Source: County Auditor, Lorain County, Ohio

(1) Includes 1.00 remitted by the County Auditor directly to the Lorain County Board of Health.

(2) Includes 1.46 collected for and remitted to the Lorain Public Library System.

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

Assessed value		\$ 518,707,270
Legal Debt Margin:		
Debt limitation - 10.5 percent of assessed value		54,464,263
Debt applicable to limitation		
General obligation bonds	\$ 12,947,000	
Special assessment bonds	313,000	
Bond anticipation notes	7,395,000	
Gross indebtedness (Total Voted and Unvoted Debt)	20,655,000	
Less: Debt outside limitations		
Self-supporting GO Water	1,155,000	
Self-supporting GO Sewer	9,550,976	
Special assessment	4,459,805	
Tax increment financing	800,000	
Total Debt Outside Limitations	15,965,781	
Total nonexempt debt	4,689,219	
Less: Amount available in debt service fund to pay debt applicable to limitation	801,478	
Net debt within 10.5% limitation		3,887,741
Debt leeway within 10.5% limitation		\$ 50,576,522
<hr/>		
Unvoted debt limitation - 5.5% of assessed valuation		
Debt limitation: 5.5% of assessed value		\$ 28,528,899
Gross indebtedness authorized by City Council	\$ 20,655,000	
Less: Debt outside limitations	15,965,781	
Voted debt	1,420,000	
	17,385,781	
Debt within 5.5% limitation	3,269,219	
Less: Amount available in debt service fund to pay debt applicable to limitation	-	
Net debt within 5.5% limitation		3,269,219
Debt leeway within 5.5% unvoted debt limitation		\$ 25,259,680

Source: City Financial Records

City of North Ridgeville, Ohio

Ratio of Net General Obligation Bonded Debt to Assessed Value
And Net General Obligation Bonded Debt per Capita

Last Ten Years

Year	Gross Debt Value (1)	Debt Service Funds Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per capita
2003	\$ 12,947,000	\$ 801,478	\$ 8,870,000	3,275,522	\$ 467,411,050	22,338	0.70%	\$ 147
2002	13,760,000	450,827	9,170,000	4,139,173	446,688,410	22,338	0.93%	185
2001	14,720,000	617,958	9,560,000	4,542,042	430,844,030	22,338	1.05%	203
2000	7,580,000	718,734	3,640,000	3,221,266	376,589,994	22,338	0.86%	144
1999	8,610,000	820,366	3,840,000	3,949,634	361,860,630	21,564	1.09%	183
1998	9,610,000	708,109	4,035,000	4,866,891	346,970,830	21,564	1.40%	226
1997	10,585,000	772,138	4,220,000	5,592,862	289,252,790	21,564	1.93%	259
1996	11,530,000	850,549	4,405,000	6,274,451	283,604,015	21,564	2.21%	291
1995	12,441,000	958,048	4,580,000	6,902,952	276,536,426	21,564	2.50%	320
1994	9,965,000	942,881	4,765,000	4,257,119	244,325,889	21,564	1.74%	197

(1) Amount excludes special assessment bonds and revenue bonds

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

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

City of North Ridgeville, Ohio
Ratio of Annual Debt Principal Expenditures for General Obligation
Bonded Debt to Total Governmental Expenditures
Last Ten Years

Year	Debt Service			Total Governmental Expenditures (2)	Ratio of Debt Service to General Fund Expenditures
	Principal	Interest	Total (1)		
2003	\$ 615,000	\$ 269,379	\$ 884,379	\$ 17,290,571	5.1%
2002	570,000	305,783	875,783	17,223,532	5.1%
2001	400,000	177,057	577,057	15,510,760	3.7%
2000	830,000	315,874	1,145,874	16,000,942	7.2%
1999	805,000	361,261	1,166,261	14,743,406	7.9%
1998	790,000	405,206	1,195,206	13,667,217	8.7%
1997	760,000	446,954	1,206,954	13,114,885	9.2%
1996	736,000	520,496	1,256,496	12,705,968	9.9%
1995	325,000	378,361	703,361	14,343,233	4.9%
1994	325,000	412,209	737,209	10,905,355	6.8%

(1) Amount excludes special assessment bonds, bonds reported in the enterprise funds and defeased bonds.

(2) Includes Governmental Type funds expenditures

Source: City financial records

City of North Ridgeville, Ohio
Direct and Overlapping General Obligation Debt
December 31, 2003

	General Tax Supported Debt Outstanding	Overlapping Percentage Applicable to City (1)	Amount Applicable to City	Amount Per Capita (2)	% of City's Current Assessed Valuation (3)
City of North Ridgeville	\$ 4,689,219	100.00%	\$ 4,689,219	\$ 209.92	0.91%
Lorain County (4)	\$ 25,320,000	8.46%	\$ 2,142,072	\$ 95.89	0.41%
North Ridgeville City Schools (5)	\$ 3,284,550	100.00%	\$ 3,284,550	\$ 147.04	0.63%
	<u>\$ 33,293,769</u>		<u>\$ 10,115,841</u>	<u>\$ 452.85</u>	<u>1.95%</u>

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

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

(3) The City's assessed valuation was \$ 518,707,270 (collection year 2004) and \$ 467,411,050 (collection year 2003).

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

(5) Source: North Ridgeville Board of Education

City of North Ridgeville, Ohio
Property Value, Construction and Bank Deposits
Last Ten Years

Year	Total Assessed Valuation (1)	Value of Building Permits Issued (2)	Bank Deposits Lorain County (000's) (3) (4)
2003	\$ 467,411,050	\$ 65,906,345	\$ 649,005
2002	446,688,410	65,506,373	614,592
2001	430,844,030	41,807,060	555,591
2000	376,589,994	46,430,275	513,102
1999	361,860,630	41,203,243	463,993
1998	346,970,830	43,683,278	444,974
1997	289,252,790	26,524,614	1,381,977
1996	283,604,015	22,709,080	1,329,795
1995	276,536,426	14,759,351	1,237,991
1994	244,325,889	16,850,797	1,254,116

Source: (1) County Auditor, Lorain County, Ohio; reflects collection year

(2) North Ridgeville City Building Department

(3) Federal Reserve Bank of Cleveland

(4) The decrease in 1998 resulted from acquisition of local banks by banks outside of Lorain County.

City of North Ridgeville, Ohio
Demographic Statistics
Last Ten Years

Year	Population (1)	School Enrollment (2)	Unemployment Rate (3)		
			County	State	Country
2003	22,338	3,366	7.3%	6.1%	6.0%
2002	22,338	3,277	7.1%	5.7%	5.8%
2001	22,338	3,309	5.6%	4.3%	4.8%
2000	22,338	3,167	5.4%	4.1%	4.0%
1999	21,564	3,153	5.0%	4.3%	4.5%
1998	21,564	3,265	3.6%	4.3%	4.5%
1997	21,564	3,359	6.1%	4.6%	5.0%
1996	21,564	3,422	7.8%	4.9%	5.4%
1995	21,564	3,511	5.1%	4.8%	5.6%
1994	21,564	3,531	4.4%	5.5%	6.1%

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

(2) North Ridgeville Board of Education

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

City of North Ridgeville, Ohio

Principal Taxpayers

December 31, 2003

Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
<u>Real Property Taxpayers</u>			
R. W. Beckett Corporation	Manufacturer	\$ 2,713,840	0.58%
Bob Schmitt Homes, Inc.	Residential developer	2,483,790	0.53%
Rini Realty Company	Commercial retail property	2,003,330	0.42%
FJD Properties LLC	Residential land developer	1,487,810	0.32%
Lake Ridge Holding Ltd.	Nursing home	1,292,740	0.28%
Sugar Chestnut LLC	Residential land developer	1,281,610	0.27%
North Rldge Plaza	Commercial retail property	1,046,720	0.22%
Vendome Associates Corp.	Apartment complex	1,043,970	0.22%
Mould Development LLC	Land developer	979,660	0.21%
Altercare Inc.	Residential health care	930,030	0.20%
<u>Tangible Personal Property Taxpayers</u>			
R. W. Beckett Corporation	Manufacturer	\$ 2,462,560	0.53%
Invacare Corporation	Manufacturer	2,213,170	0.47%
Morris Pontiac GMC Inc.	Automobile dealer	1,498,300	0.32%
Beckett Gas, Inc.	Manufacturer	1,356,190	0.29%
Plastic Components Inc.	Manufacturer	926,340	0.20%
Riser Foods Company	Retail grocery	887,490	0.19%
Elyria Manufacturing Co.	Manufacturer	747,580	0.16%
Key Corporate Capital, Inc.	Holding company	739,030	0.16%
Dreco, Inc.	Manufacturer	734,650	0.16%
Kalt Manufacturing Co.	Manufacturer	715,280	0.15%
<u>Public Utility</u>			
Ohio Edison Company (a)	Electric	\$ 4,370,250	0.93%
Alltel Ohio	Communications	3,010,750	0.64%
Cleveland Electric Illuminating Company (a)	Electric	1,246,930	0.27%
Columbia Gas of Ohio Inc.	Natural gas	975,150	0.21%
American Transmission	Natural gas	960,570	0.21%

(a) Subsidiaries of First Energy Corp.

Source: County Auditor, Lorain County, Ohio

City of North Ridgeville, Ohio

Principal Employers

December 31, 2003

Employer	Nature of Activity or Business	Approximate Number of Employees
North Ridgeville City School District	Public education	440
Beckett Gas, Inc.	Manufacturer of gas burners	250
Invacare Corporation	Manufacturer of wheelchairs	200
City of North Ridgeville, Ohio	Municipal government	200
R. W. Beckett Corporation	Manufacturer of oil burners	200
Center Ridge Nursing Home, Inc.	Skilled nursing home facility	175
Plastic Components, Inc.	Plastic injection manufacturing	150
Beckett Air, Inc.	Manufacturer of blow er wheels	140
Riser Foods, Inc.	Retail grocery	135
Lake Ridge Academy	Education	130
Northridge Health Center	Skilled nursing home facility	126
Dreco, Inc.	Manufacturer of plastic components	100

Sources: "2004 Harris Ohio Industrial Directory" and "2004 Harris Ohio Services Directory in cooperation with the Ohio Department of Development; Lorain County Chamber of Commerce; respective employers.

City of North Ridgeville, Ohio

Miscellaneous Statistics

December 31, 2003

Date of incorporation as a Village	1958
Date of incorporation as a City	1960
Form of government	Charter; Mayor/Council
Area (square miles)	25
Population (2000 Census)	22,338
2000 Median value of owner occupied homes	\$ 129,500
Fire protection and ambulatory	
Number of stations	2
Number of sworn firefighters and rescue workers	35
Police protection	
Number of stations	1
Number of sworn policemen and officers	35
Number of full-time employees	176
Number of part-time employees	26
Parks and recreation	
Number of parks	4
Acreage of parkland	110
Number of libraries	1
Schools (public and parochial)	
Number of high schools	2
Number of elementary schools	5
Water lines	103 miles
Sanitary sewer lines	93 miles
Storm sewers	68 miles
Roads	228 lane miles

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City of **North Ridgeville, Ohio**

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CITY OF NORTH RIDGEVILLE

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 7, 2004**