



**Auditor of State
Betty Montgomery**

**CITY OF NORTH RIDGEVILLE
LORAIN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2004**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i>	1

This page intentionally left blank.



Auditor of State Betty Montgomery

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

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

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, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 23, 2005, we reported other matters involving the internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 23, 2005, we reported other matters related to noncompliance we deemed immaterial.

City of North Ridgeville
Lorain County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management and Council. It is not intended for 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

June 23, 2005

City of North Ridgeville, Ohio



**Comprehensive Annual Financial Report
For the Year Ended December 31, 2004**

CITY OF NORTH RIDGEVILLE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

Prepared By:
Office of the Auditor

Chris S. Costin, CPA, CGFM
Auditor

Donna L. Kiraly
Deputy Auditor

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Title Page	i
Table of Contents	ii
Letter of Transmittal	v
Principal City Officials	xii
Organization Chart	xiii
GFOA Certificate of Achievement	xiv
FINANCIAL SECTION	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual - General Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual - Income Tax Fund	21
Statement of Fund Net Assets - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Assets and Liabilities	26
Notes to the Basic Financial Statements	27
Combining Statements and Nonmajor Fund Schedules:	
Combining Statements - Nonmajor Governmental Funds	
Fund Descriptions	54
Combining Balance Sheet - Nonmajor Governmental Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	57
Combining Balance Sheet - Nonmajor Special Revenue Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	62
Balance Sheet - Nonmajor Debt Service Funds	66
Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	67
Combining Balance Sheet - Nonmajor Capital Projects Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	69

TABLE OF CONTENTS (continued)

	<u>Page</u>
Fiduciary Statements	
Fund Descriptions	71
Combining Statement of Assets and Liabilities - Agency Funds	72
Combining Statement of Changes in Assets and Liabilities - Agency Funds	74
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual	
Major Funds	
General Fund	77
Income Tax Fund	81
General Obligation Bond Retirement Fund	82
Water Fund	83
Sewer Fund	84
Nonmajor Funds	
Special Revenue Funds	
Street Construction, Maintenance and Repair Fund	85
State Highway Fund	86
Motor Vehicle License Tax Fund	87
Street Levy Fund	88
Surface Drainage Fund	89
Police Levy Fund	90
Police Pension Fund	91
Law Enforcement Trust Fund	92
Drug Law Enforcement Trust Fund	93
DUI Enforcement and Education Trust Fund	94
Clerk of Courts Computer Service Fund	95
Court Computerization Fund	96
Fire Levy Fund	97
Fire Pension Fund	98
Paramedic Levy Fund	99
Ambulance Fund	100
State Grants Fund	101
Federal Grants Fund	102
Cemetery Fund	103
Park and Recreation Trust Fund	104
Park and Recreation Improvement Fund	105
Senior Citizens Title III Fund	106
Solid Waste Management Fund	107
Debt Service Fund	
Special Assessment Bond Retirement Fund	108
Capital Projects Funds	
Capital Projects Fund	109
Issue II Fund	110
Bainbridge Road Improvement Fund	111
Internal Service Fund	
Self-Insurance Fund	112

TABLE OF CONTENTS (continued)Page**STATISTICAL SECTION**

Governmental Revenues by Source - Last Ten Years	S1
Governmental Expenditures by Function - Last Ten Years	S2
Property Tax Levies and Collections - Last Ten Years	S3
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	S4
Special Assessments Billings and Collections - Last Ten Years	S5
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	S6
Computation of Legal Debt Margin	S7
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita - Last Ten Years	S8
Ratio of Annual Debt Principal Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Years	S9
Direct and Overlapping General Obligation Debt	S10
Property Value, Construction and Bank Deposits - Last Ten Years	S11
Demographic Statistics - Last Ten Years	S12
Principal Taxpayers	S13
Principal Employers	S14
Miscellaneous Statistics	S15



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, 2004. 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 one-third of the land in the City is undeveloped or used for agricultural purposes. Because of its location adjacent to the substantially fully developed Cities of Westlake and North Olmsted and access to I-80, I-90, I-480 and State Route 10, significant new residential, commercial and light industrial and warehousing development is expected to occur within the next five to ten years.

The City's Council approved a comprehensive master plan in 1977 that identifies areas for residential, commercial, industrial and governmental development and infrastructure improvements to encourage and accommodate responsible and orderly development. In 2004, the City completed a major expansion of its French Creek Wastewater Treatment Plant to meet the anticipated needs of the City and the adjacent City of Avon and Village of Sheffield. Further, the City completed construction of an interceptor trunk sanitary sewer line in 2003 to serve much of the western portion of the City. The City constructed a major trunk sewer to serve the southeastern portion of the City in the 1990s. Infrastructure is now in place to allow further residential and commercial development on the City's Westside. With the completion of a 2 million gallon water tower by the City in 2002 and the installation of a new water main through the City by the City of Avon Lake in 2001, the City believes that all of its foreseeable needs for waterworks system capacity to support development in the City have been met.

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

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. Building permits were issued for new commercial buildings with an estimated value of \$ 5,113,000 and commercial improvements of \$ 2,432,000 in 2004.

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 continues at a torrid pace 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 2,000 residential units; and Meadow Lakes, a 570-acre development representing approximately 1,900 residential units. Other developments in the western area include Avalon, an 80-acre subdivision representing 180 residential units. Other developments include Windsor Point subdivision to include up to 275 residential units, and Stone Creek subdivision to include up to 200 residential units. Elsewhere in the City, Ridgefield Homes, an approximately 1,000 home development, which commenced in the mid-1990s is about fifty 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. Altogether the City's building department reflects nearly 6,000 residential units projected to be constructed within the various developments.

The estimated value of building permits issued by the City in recent years amounted to: 2004 – \$ 75,415,931, 2003 - \$65,906,345, 2002 - \$ 65,506,373, 2001 - \$ 41,807,000, 2000 - \$ 46,430,275.

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 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 Fire Department operates two advanced life support paramedic ambulances in addition to providing the residents with fire protection. The Department employs thirty fire suppression personnel of whom twenty six are State certified emergency medical technicians. In addition, the Department has two staff positions consisting of Chief and Assistant Chief and one secretary/dispatcher. The Department maintains a dive rescue team, fire investigator team and is a member of the Lorain County Hazardous Materials Response Team. During 2004, nearly 2,500 students were taught fire safety classes. Additionally, the Department provides residents with home fire safety inspections, free smoke detectors as available, and CPR classes. In 2004, the Department responded to nearly 2,200 calls, of which 77% were medical emergencies.

Building Department

In 2004, 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 2004, building permits were issued for 492 residential dwellings and 5 commercial buildings, compared to 396 and 14 respectively, in 2003, and 362 and 13 respectively, in 2002.

Utilities Department

The Utility department services approximately 9,900 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, over ninety 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. Under direction of the City's utilities supervisor, the City receives recycling grants from the Lorain County Solid Waste Management District. In 2004, the City received \$ 86,600 which was used for various purposes.

French Creek Wastewater Treatment Plant

Completed during 2004 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 2004, seniors were transported over 20,000 miles to medical appointments, shopping, activities at the Senior Center and other destinations. The Senior Center initiated its "CareCall" program, an automated telephone service to communicate with seniors and other needy citizens on a daily basis. Senior activities are funded by the City, outside grants and volunteers.

Park and Recreation

The Park and Recreation department provides affordable programs and services for residents that include leisure activities, special events, cultural enrichment and education. The City's park system includes a 30 acre woodland park with fishing lakes, a 37 acre baseball/softball complex, a 13 acre football complex and 12 acre soccer complex.

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 second 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 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 \$ 30,290,000 of bonded debt and bond anticipation notes outstanding at December 31, 2004, it is expected that \$ 18,596,700 will be paid from tap-in fees or other sanitary sewer or water system revenues, \$ 4,511,300 from special assessments, \$ 1,140,000 from voted property tax collections and \$ 3,122,000 from general operating revenues including income taxes, property taxes and intergovernmental shared tax revenues. The remaining \$ 2,920,000 consisting of bond anticipation notes were paid off in January 2005, principally from note proceeds issued in December 2004.

Cash Management

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

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

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

Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. The City maintains a commercial insurance policy through Selective Insurance Companies which covers property, boiler and machinery, inland marine, crime, automobile, general liability and EMS liability in the 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, 2004 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, 2003. 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. 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
June 28, 2005

City of North Ridgeville, Ohio
Principal City Officials
December 31, 2004

Elected Officials

Mayor
Council member, At Large
Council member, At Large
Council member, At Large
Council member, Ward 1
Council member, Ward 2
Council member, Ward 3
Council member, Ward 4

G. David Gillock
Ronald F. Arndt
Bernadine R. Butkowski
Andy Young
Nancy J. Buescher
Allen C. Swindig
Richard W. Jaenke
Robert W. Olesen

Appointed Officials and Department Heads

Safety-Service Director
Law Director / Prosecutor
Engineer
Treasurer
Auditor
Deputy Auditor
Income Tax Administrator
Police Chief
Fire Chief
Service Department Superintendent
Chief Building Official
Parks and Recreation Director
Older Adult Services Director
Computer Service Supervisor
Utilities Department Director
French Creek Plant Superintendent
Maintenance and Grounds Supervisor
Mayor's Court Magistrate
Clerk of Mayor's Court
Clerk of Council
Assistant Clerk of Council

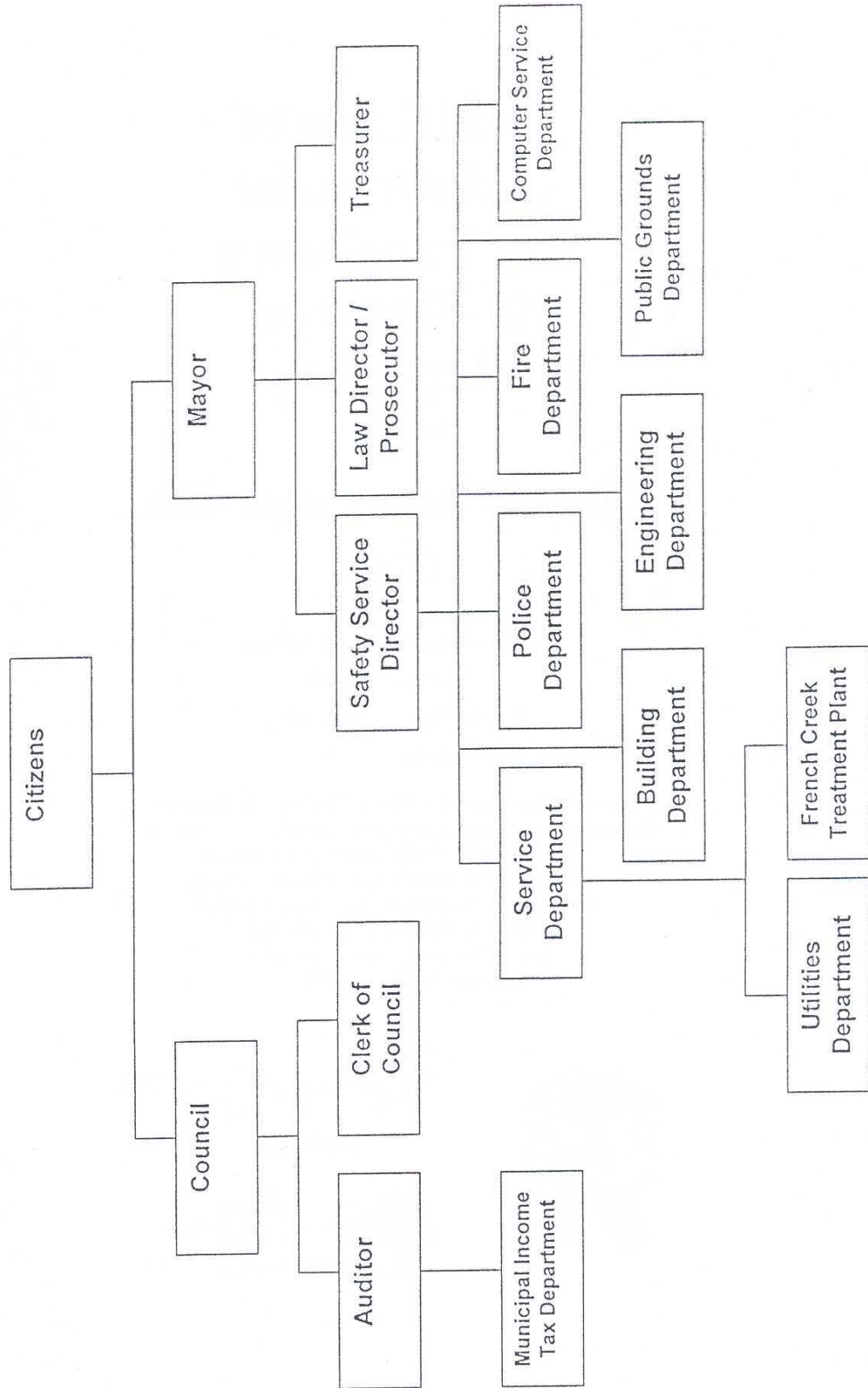
Dennis L. Johnson
Andrew J. Crites, ESQ.
Larry Griffith, P.E.
Anthony L. Hatmaker
Chris S. Costin, CPA, CGFM
Donna L. Kiraly
Laverne Porowski
Richard D. Thomas
Richard Miller
Chris Rangus
Guy M. Fursdon, C.B.O.
James D. Spaulding
Rita M. Price
Rita Taylor
James E. Whitlock
Donald D. Daley
Gary M. Teel
Gerald E. Strait, L.P.A.
Diana G. Graham
Charles A. Norris
Paula D. Cope, CMC

Chairmen, Boards and Commissions

Civil Service Commission
Parks and Recreation Commission
Planning Commission
Fair Housing Board
Income Tax Board of Review
Zoning Board of Appeals

James P. Yost
Larry D. Overby
Ronald Schwachenwald
Anthony L. Hatmaker
Margaret Knight
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, 2003

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.



Nancy L. Zjelke

President

Jeffrey R. Enser

Executive Director



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Ridgeville, Lorain County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General and Income Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3A, during the year ended December 31, 2004, the City restated capital assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Betty Montgomery
Auditor of State

June 23, 2005

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
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, 2004. The intent of the discussion and analysis is to present the City's financial performance as a whole. Readers are encouraged to consider this information in conjunction with the basic financial statements and notes to financial statements for an enhanced understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2004 were as follows.

Total net assets increased by 3.7% to \$ 91,802,832 at December 31, 2004.

Total assets increased by 10.6% to \$ 134,340,915 at December 31, 2004.

Total liabilities increased by 29.2% to \$ 42,538,083 at December 31, 2004.

Equity in pooled cash increased by 45.7% to \$ 23,326,498, primarily due to the City's borrowings related to infrastructure projects in progress.

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, and 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 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, 2004 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, 2004
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, consists of water system operations and sanitary sewer system operations. The second type, internal service funds are used to accumulate and allocate costs of goods and services among the City's various functions. The City uses an internal service fund for its medical self-insurance program. This internal service fund is included within the governmental activities in the government-wide financial statements since the City was the only participant in the self-insurance program. Proprietary funds use the accrual basis of accounting.

Fiduciary funds

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

Notes to the Basic Financial Statements

Notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. These should be read in 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, 2004
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 2004 compared to 2003.

Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Assets						
Current and other assets	\$ 15,740,309	\$ 14,758,216	\$ 19,774,835	\$ 12,362,856	\$ 35,515,144	\$ 27,121,072
Capital assets, net	38,864,536	39,230,838	59,961,235	55,087,731	98,825,771	94,318,569
Total assets	54,604,845	53,989,054	79,736,070	67,450,587	134,340,915	121,439,641
Liabilities						
Current liabilities	5,240,760	5,542,469	897,581	505,120	6,138,341	6,047,589
Long-term liabilities	7,844,748	8,184,924	28,554,994	18,687,573	36,399,742	26,872,497
Total liabilities	13,085,508	13,727,393	29,452,575	19,192,693	42,538,083	32,920,086
Net assets						
Invested in capital assets, net of related debt	33,283,698	33,327,290	37,810,231	36,852,258	71,093,929	70,179,548
Restricted	3,585,061	3,721,616	-	-	3,585,061	3,721,616
Unrestricted	4,650,578	3,212,755	12,473,264	11,405,636	17,123,842	14,618,391
Total net assets	\$ 41,519,337	\$ 40,261,661	\$ 50,283,495	\$ 48,257,894	\$ 91,802,832	\$ 88,519,555

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 \$ 12,901,274 to \$ 134,340,915. Current assets increased by \$ 8,394,072 to \$ 35,515,144, which included an increase in equity in pooled cash of \$ 7,316,341 due primarily to the City's borrowings related to infrastructure projects in progress. Total liabilities increased by \$ 9,617,997 to \$ 42,538,083 primarily resulting from issuance of bond anticipation notes for infrastructure projects. Total net assets increased by \$ 3,283,277 to \$ 91,802,832, with governmental net assets comprising \$ 41,519,337 and business-type net assets comprising \$ 50,283,495 of that amount.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
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 compared to the prior year.

Change in Net Assets

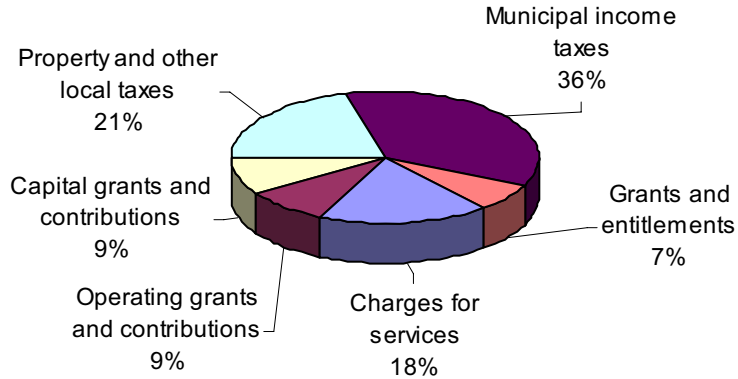
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues						
Program revenues						
Charges for services	\$ 3,482,805	\$ 3,214,107	\$ 6,105,162	\$ 5,690,312	\$ 9,587,967	\$ 8,904,419
Operating grants and contributions	1,661,075	344,822	-	-	1,661,075	344,822
Capital grants and contributions	1,707,417	6,477,132	3,606,568	6,846,291	5,313,985	13,323,423
Total program revenues	<u>6,851,297</u>	<u>10,036,061</u>	<u>9,711,730</u>	<u>12,536,603</u>	<u>16,563,027</u>	<u>22,572,664</u>
General revenues						
Property and other local taxes	3,853,427	3,661,533	-	-	3,853,427	3,661,533
Municipal income taxes	6,769,677	6,055,356	-	-	6,769,677	6,055,356
Grants and entitlements	1,314,266	2,135,898	-	-	1,314,266	2,135,898
Other	66,669	175,509	234,889	149,702	301,558	325,211
Total general revenues	<u>12,004,039</u>	<u>12,028,296</u>	<u>234,889</u>	<u>149,702</u>	<u>12,238,928</u>	<u>12,177,998</u>
Total revenues	<u>18,855,336</u>	<u>22,064,357</u>	<u>9,946,619</u>	<u>12,686,305</u>	<u>28,801,955</u>	<u>34,750,662</u>
Program expenses						
Security of persons and property	7,131,439	7,582,912	-	-	7,131,439	7,582,912
Public health and welfare	308,054	322,691	-	-	308,054	322,691
Leisure time activities	367,623	361,321	-	-	367,623	361,321
Community environment	1,184,649	1,162,529	-	-	1,184,649	1,162,529
Transportation	4,038,873	4,566,035	-	-	4,038,873	4,566,035
General government	4,258,749	3,780,449	-	-	4,258,749	3,780,449
Interest	216,487	421,020	-	-	216,487	421,020
Other operating	91,786	-	-	-	91,786	-
Water	-	-	2,692,597	2,674,856	2,692,597	2,674,856
Sewer	-	-	5,228,421	4,554,621	5,228,421	4,554,621
Total program expenses	<u>17,597,660</u>	<u>18,196,957</u>	<u>7,921,018</u>	<u>7,229,477</u>	<u>25,518,678</u>	<u>25,426,434</u>
Increase in net assets	1,257,676	3,867,400	2,025,601	5,456,828	3,283,277	9,324,228
Net assets, beginning of year, as restated	<u>40,261,661</u>	<u>36,394,261</u>	<u>48,257,894</u>	<u>42,801,066</u>	<u>88,519,555</u>	<u>79,195,327</u>
Net assets, end of year	<u>\$41,519,337</u>	<u>\$40,261,661</u>	<u>\$50,283,495</u>	<u>\$48,257,894</u>	<u>\$91,802,832</u>	<u>\$88,519,555</u>

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Governmental activities

Revenues by source of governmental activities for 2004 were comprised of:

Revenues by Source, Governmental Activities



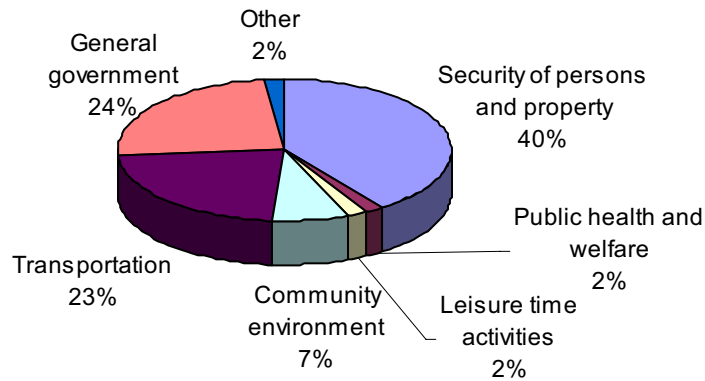
Revenues

Municipal income taxes of \$ 6,769,677 represented the largest portion of general revenue and 36% of total revenue in 2004, followed by property and other local taxes of \$ 3,853,427 which represented 21% of total revenue in 2004. Program revenues were lower in 2004 due to the unusually large amount, \$ 6,175,300 of developer contributions of infrastructure in 2003 compared to \$ 1,707,417 in 2004.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Program expenses of governmental activities for 2004 were comprised of:

Program Expenses, Governmental Activities



Program expenses

Program expenses amounted to \$ 17,597,660 in 2004, of which \$ 6,851,297 was provided by program revenue. Security of persons and property, which includes police, fire and paramedic services, represented \$ 7,131,439 or 40% of total program expenses. Transportation, which includes street maintenance, snow removal and storm channel maintenance, represented \$ 4,038,873 or 23% of program expenses. General government represented \$ 4,258,749 or 24% 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 \$ 1,184,649 or 7%, and includes refuse collection and community development. Leisure time activities represented \$ 367,623 or 2% of program expenses and includes recreation activities and maintenance of the City's park system. Public health and welfare represented \$ 308,054 or 2% of program expenses and include senior citizen programs, payments to the County health department and cemetery maintenance.

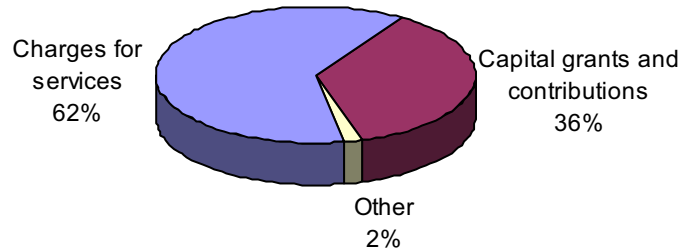
Program expenses were generally lower in 2004 than 2003 as a result of the City's economic cutback in expenses. Community environment expenses were higher primarily due to increased refuse collections.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Business-type activities

Revenues by source for business-type activities for 2004 were comprised of:

Revenue by Source, Business-type Activities

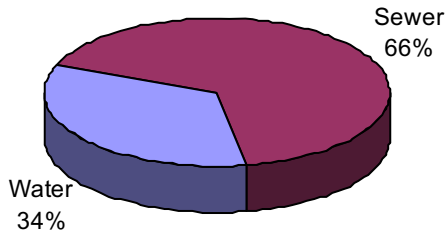


Revenues

Program revenues represented 98% of total revenues for business-type activities in 2004. Charges for services of \$ 6,105,162 represented 62% of total revenues while capital grants and contributions of \$ 3,606,568, which were primarily developer contributions, represented 36%. Other general revenues of \$ 234,889 represented the remaining 2% of total revenues, consisting primarily of interest income.

Program revenues were lower in 2004 due to the unusually large amount, \$ 5,082,964 of developer contributions of infrastructure in 2003 compared to \$ 1,617,752 in 2004.

Expenses, Business-type Activities



Expenses

Water operations expenses amounted to \$ 2,692,597 or 34% and sanitary sewer operations expenses amounted to \$ 5,228,421 or 66% 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, 2004
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 \$ 2,583,858 and final budgeted receipts were \$ 2,719,054. The City actually received \$ 2,808,336. Receipts were greater than anticipated primarily due to increased state shared inheritance taxes (intergovernmental revenue) of \$ 173,353 and increased building fees, licenses, and permits of \$ 103,228. Original appropriations, excluding other uses, were \$ 8,932,332. The City actually expended \$ 8,729,024, which was \$ 203,308, less than originally appropriated. The City historically spends less than appropriated. For 2004, actual expenditures were 94% of final appropriations. Other financing sources (uses) included unanticipated advances-out of \$ 179,489 comprised of primarily advances to the federal grants (special revenue) fund, and transfers-out of \$ 159,000 which were lower than anticipated.

Capital Assets

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

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 345,107	\$ 339,232	\$ 673,384	\$ 363,048	\$ 1,018,491	\$ 702,280
Construction in progress	350,100	366,100	3,525,100	6,785,200	3,875,200	7,151,300
Buildings and improvements	2,983,400	3,070,500	236,259	215,995	3,219,659	3,286,495
Equipment and vehicles	1,463,181	1,554,613	6,970,015	6,164,401	8,433,196	7,719,014
Infrastructure	33,722,748	33,900,393	47,462,373	40,412,276	81,185,121	74,312,669
	<u>\$ 38,864,536</u>	<u>\$ 39,230,838</u>	<u>\$ 58,867,131</u>	<u>\$ 53,940,920</u>	<u>\$ 97,731,667</u>	<u>\$ 93,171,758</u>

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

The City's total capital assets, net of depreciation, under governmental activities were \$ 38,864,536 at December 31, 2004, which was \$ 366,302 lower than the previous year since current year depreciation exceeded additions. Business-type capital assets, net of depreciation, increased by \$ 4,926,211 to \$ 58,867,131, primarily from developers' contributions and construction of waterlines and sewerlines.

For more information about the City's capital assets, see Notes to the Basic Financial Statements.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Debt

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

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation bonds	\$ 3,447,000	\$ 4,077,000	\$ 8,360,000	\$ 8,870,000	\$ 11,807,000	\$ 12,947,000
Special assessment bonds	288,000	313,000	-	-	288,000	313,000
Long-term notes	1,211,000	900,000	16,984,000	6,495,000	18,195,000	7,395,000
OWDA loan	-	-	2,626,317	2,731,034	2,626,317	2,731,034
OPWC loans	634,838	544,561	130,987	139,439	765,825	684,000
Capital lease	-	68,987	-	-	-	68,987
Leave benefits	2,263,910	2,158,000	453,690	452,100	2,717,600	2,610,100
	<u>\$ 7,844,748</u>	<u>\$ 8,061,548</u>	<u>\$ 28,554,994</u>	<u>\$ 18,687,573</u>	<u>\$ 36,399,742</u>	<u>\$ 26,749,121</u>

As of December 31, 2004, the City had \$ 36,399,742 of total debt outstanding with \$ 11,169,716 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 \$ 18,195,000 of bond anticipation notes (BAN's) outstanding at December 31, 2004, \$ 6,060,000 was for an interceptor trunk sewer for which debt charges are expected to be paid from special assessments and tap-in fees, \$ 8,400,000 was for sanitary sewer line extensions for which debt charges are expected to be paid from tap-in fees and user charges, \$ 550,000 was for various street or other projects for which debt charges will be paid from capital projects and street funds, and \$ 265,000 was for infrastructure improvements under a tax incremental financing (TIF) program for which debt charges are being paid from property tax revenues generated from that project. The remaining \$ 2,920,000 of BAN's outstanding at December 31, 2004 matured in January 2005, of which \$ 2,765,000 was repaid from BAN's proceeds issued in December 2004 and \$ 155,000 was paid from City funds. 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 10 ½ % of the total tax valuation of all property within the City. The City's overall debt limitation at December 31, 2004 was \$ 58,493,302, against which \$4,079,243 has been issued, leaving significant additional debt capacity within the debt limitation, after reduction of outstanding debt by \$ 223,517 in the City's debt service fund, of \$ 54,637,576.

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

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

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.

Economic Factors and Next Year's Budget

In reaction to the recent economic downturn, the City reduced budget appropriations over controllable expenses for 2003, 2004 and 2005. In preparing its 2005 budget, the City utilized a conservative economic forecast for revenue growth and a zero-based approach to expenditure appropriations. 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. The City's total assessed valuation increased by \$ 38,371,804 or 7%, to \$ 557,079,074 at December 31, 2004.

Due to continued housing growth, the City's income tax collections are anticipated to grow by approximately 5% or \$ 300,000 in 2005. Property taxes are anticipated to reflect a nominal increase in 2005. Under current state statute, as property valuation increases, the tax millage rate decreases correspondingly, resulting in property tax collection of virtually the same amount each collection year. In May 2005, the City's voters passed a five year 1.9 mill fire levy and 1.9 mill roads levy to replace current levies expiring in 2005. These replacement levies, for which collections will begin in 2006, are expected to generate an additional \$ 209,000 and \$ 504,000 respectively, of tax revenue annually through 2010.

Requests for Information

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

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF NET ASSETS

DECEMBER 31, 2004

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and equivalents	\$ 4,726,233	\$ 18,600,265	\$ 23,326,498
Accounts receivable	376,836	994,464	1,371,300
Due from other governments	1,209,046	162,300	1,371,346
Internal balances	161,294	(161,294)	-
Inventories and supplies	-	144,500	144,500
Prepaid and deferred expenses	92,600	34,600	127,200
Income taxes receivable	4,608,000	-	4,608,000
Taxes receivable - property and other	3,948,600	-	3,948,600
Special assessments receivable	340,600	-	340,600
Claims advance deposit	277,100	-	277,100
Capital assets			
Nondepreciable capital assets	695,207	4,198,484	4,893,691
Depreciable capital assets, net	38,169,329	54,668,647	92,837,976
Intangible assets, net	-	1,094,104	1,094,104
Total assets	54,604,845	79,736,070	134,340,915
Liabilities			
Accounts and contracts payable	281,835	678,307	960,142
Accrued salaries, wages and benefits	123,349	29,515	152,864
Accrued interest payable	20,558	133,900	154,458
Claims payable	348,000	-	348,000
Due to other governments	471,494	55,859	527,353
Unearned revenue	3,995,524	-	3,995,524
Long-term liabilities			
Due within one year	1,904,039	9,265,677	11,169,716
Due in more than one year	5,940,709	19,289,317	25,230,026
Total liabilities	13,085,508	29,452,575	42,538,083
Net assets			
Invested in capital assets, net of related debt	33,283,698	37,810,231	71,093,929
Restricted for:			
Debt service	712,252	-	712,252
Community environment	766,153	-	766,153
Highway and streets	1,211,294	-	1,211,294
Public safety	472,089	-	472,089
Recreation	268,937	-	268,937
Other purposes	154,336	-	154,336
Unrestricted	4,650,578	12,473,264	17,123,842
Total net assets	\$ 41,519,337	\$ 50,283,495	\$ 91,802,832

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
STATEMENT OF NET ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

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	\$ 7,131,439	\$ 156,765	\$ 6,785	\$ -
Public health and welfare	308,054	22,539	-	-
Leisure time activities	367,623	214,191	-	-
Community environment	1,184,649	682,472	-	-
Transportation	4,038,873	966,005	1,050,743	1,707,417
General government	4,258,749	1,440,833	603,547	-
Interest	216,487	-	-	-
Other operating	91,786	-	-	-
Total governmental activities	17,597,660	3,482,805	1,661,075	1,707,417
Business-type activities:				
Water	2,692,597	2,377,185	-	1,269,089
Sewer	5,228,421	3,727,977	-	2,337,479
Total business-type activities	7,921,018	6,105,162	-	3,606,568
Total	\$ 25,518,678	\$ 9,587,967	\$ 1,661,075	\$ 5,313,985

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
\$ (6,967,889)	\$ -	\$ (6,967,889)
(285,515)	-	(285,515)
(153,432)	-	(153,432)
(502,177)	-	(502,177)
(314,708)	-	(314,708)
(2,214,369)	-	(2,214,369)
(216,487)	-	(216,487)
(91,786)	-	(91,786)
<u>(10,746,363)</u>	<u>-</u>	<u>(10,746,363)</u>
-	953,677	953,677
-	837,035	837,035
<u>-</u>	<u>1,790,712</u>	<u>1,790,712</u>
<u>(10,746,363)</u>	<u>1,790,712</u>	<u>(8,955,651)</u>
805,696	-	805,696
300,796	-	300,796
2,746,935	-	2,746,935
6,769,677	-	6,769,677
1,314,266	-	1,314,266
66,669	233,774	300,443
-	1,115	1,115
<u>12,004,039</u>	<u>234,889</u>	<u>12,238,928</u>
1,257,676	2,025,601	3,283,277
40,261,661	48,257,894	88,519,555
<u>\$ 41,519,337</u>	<u>\$ 50,283,495</u>	<u>\$ 91,802,832</u>

CITY OF NORTH RIDGEVILLE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2004

	General	Income Tax	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and equivalents	\$ 822,021	\$ 870,042	\$ 292,504	\$ 2,722,314	\$ 4,706,881
Income taxes receivable	-	4,608,000	-	-	4,608,000
Taxes receivable - property and other	862,700	-	337,700	2,748,200	3,948,600
Special assessments receivable	-	-	-	340,600	340,600
Due from other governments	417,000	-	17,200	774,846	1,209,046
Accounts receivable and other	129,068	268	-	247,500	376,836
Interfund receivables	281,486	-	-	-	281,486
Prepaid items	92,600	-	-	-	92,600
Total assets	\$ 2,604,875	\$ 5,478,310	\$ 647,404	\$ 6,833,460	\$ 15,564,049
Liabilities and fund balances					
Liabilities					
Accounts and contracts payable	\$ 43,074	\$ 109,201	\$ -	\$ 129,560	\$ 281,835
Accrued wages and benefits	87,077	2,027	-	34,245	123,349
Due to other governments	158,188	3,332	-	63,653	225,173
Interfund payables	-	-	-	106,966	106,966
Unearned revenue	1,404,400	3,963,100	354,900	3,916,527	9,638,927
Notes payable	-	-	-	815,000	815,000
Total liabilities	1,692,739	4,077,660	354,900	5,065,951	11,191,250
Fund balances					
Reserved for encumbrances	120,214	33,160	-	513,671	667,045
Reserved for prepaid items	92,600	-	-	-	92,600
Unreserved, reported in					
General Fund	699,322	-	-	-	699,322
Special Revenue Funds	-	1,367,490	-	1,694,356	3,061,846
Debt Service Fund	-	-	292,504	104,521	397,025
Capital Projects Funds	-	-	-	(545,039)	(545,039)
Total fund balances	912,136	1,400,650	292,504	1,767,509	4,372,799
Total liabilities and fund balances	\$ 2,604,875	\$ 5,478,310	\$ 647,404	\$ 6,833,460	\$ 15,564,049

See accompanying notes to the basic financial statements

CITY OF NORTH RIDGEVILLE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

DECEMBER 31, 2004

Total governmental funds balances		\$ 4,372,799
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.		38,864,536
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	127,176	
Municipal income tax	3,963,100	
Intergovernmental	1,114,327	
Special assessments	288,000	
Miscellaneous	150,800	
Total	5,643,403	
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.		(246,321)
In the statement of activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.		(20,558)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Notes payable	(396,000)	
Loans payable	(634,838)	
General obligation bonds	(3,447,000)	
Special assessment bonds	(288,000)	
Capital leases	-	
Compensated absences	(2,263,910)	
	(7,029,748)	
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		(216,068)
Internal balances		151,294
		(64,774)
Net assets of governmental activities		\$ 41,519,337

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2004

	General	Income Tax	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and other local taxes	\$ 807,760	\$ -	\$ 302,416	\$ 2,755,423	\$ 3,865,599
Municipal income taxes	-	6,435,424	-	-	6,435,424
Intergovernmental	1,014,722	-	107,640	1,723,802	2,846,164
Special assessments	-	-	-	45,789	45,789
Charges for services	-	-	-	1,476,481	1,476,481
Fines, licenses and permits	851,884	-	-	135,261	987,145
Interest	6,886	18,942	6,753	34,530	67,111
Miscellaneous	562,852	1,768	-	318,684	883,304
Total revenues	3,244,104	6,456,134	416,809	6,489,970	16,607,017
Expenditures					
Current					
Security of persons and property	4,718,454	-	-	2,271,301	6,989,755
Public health and welfare	257,684	-	-	38,738	296,422
Leisure time activities	194,958	-	-	140,131	335,089
Community environment	1,132,253	-	-	72,398	1,204,651
Basic utility services	-	-	-	1,268,177	1,268,177
Transportation	-	-	-	1,874,993	1,874,993
General government	2,002,525	412,416	6,450	413,754	2,835,145
Capital outlay	-	-	-	635,548	635,548
Debt service					
Principal	-	-	1,530,000	25,000	1,555,000
Capital lease	-	-	-	68,987	68,987
Interest and fiscal charges	-	-	199,255	28,774	228,029
Total expenditures	8,305,874	412,416	1,735,705	6,837,801	17,291,796
Excess (deficiency) of revenues over expenditures	(5,061,770)	6,043,718	(1,318,896)	(347,831)	(684,779)
Other financing sources (uses)					
Transfers-in	5,671,500	-	413,922	457,500	6,542,922
Transfers-out	(159,000)	(5,970,000)	-	(413,922)	(6,542,922)
Issuance of notes	-	-	396,000	-	396,000
Total other financing sources (uses)	5,512,500	(5,970,000)	809,922	43,578	396,000
Net change in fund balances	450,730	73,718	(508,974)	(304,253)	(288,779)
Fund balances, beginning of year	461,406	1,326,932	801,478	2,071,762	4,661,578
Fund balances, end of year	\$ 912,136	\$ 1,400,650	\$ 292,504	\$ 1,767,509	\$ 4,372,799

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2004

Net change in fund balances - total governmental funds		\$ (288,779)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded net capital outlay in the current period.		
	Capital outlay	2,320,074
	Depreciation expense	<u>(2,686,376)</u>
		(366,302)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
	Municipal income tax	334,252
	Property and other local taxes	(12,172)
	Miscellaneous	22,849
	Special assessments	(25,000)
	Intergovernmental	<u>129,177</u>
		449,106
Bond and note proceeds are another financing source in the funds, but increase long-term liabilities in the Statement of Net Assets		
		(396,000)
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	933,100
	Bond principal paid	655,000
	Capital lease principal paid	<u>68,987</u>
		1,657,087
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		
		11,542
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	(105,910)
	Intergovernmental	<u>(3,112)</u>
		(109,022)
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	377,411
	Internal balances	<u>(77,367)</u>
		300,044
Change in net assets of governmental activities		<u>\$ 1,257,676</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, 2004

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 876,906	\$ 803,981	\$ 807,760	\$ 3,779
Intergovernmental revenue	722,651	973,720	1,014,722	41,002
Fines, licenses, and permits	567,500	631,436	675,884	44,448
Interest	2,000	4,500	6,618	2,118
Miscellaneous	414,801	305,417	303,352	(2,065)
Total revenues	<u>2,583,858</u>	<u>2,719,054</u>	<u>2,808,336</u>	<u>89,282</u>
Expenditures				
Current				
Security of persons and property	5,055,230	5,132,030	4,923,527	208,503
Public health and welfare	262,496	268,695	260,340	8,355
Leisure time activities	195,080	199,280	197,706	1,574
Community development	1,179,457	1,196,657	1,143,926	52,731
General government	2,240,069	2,454,762	2,203,525	251,237
Total expenditures	<u>8,932,332</u>	<u>9,251,424</u>	<u>8,729,024</u>	<u>522,400</u>
Excess (deficiency) of revenues over expenditures	<u>(6,348,474)</u>	<u>(6,532,370)</u>	<u>(5,920,688)</u>	<u>611,682</u>
Other financing sources (uses)				
Transfers-in	5,902,000	6,111,000	6,111,000	-
Advances-in	-	117,804	117,804	-
Advances-out	-	(188,500)	(179,489)	9,011
Transfers-out	(230,000)	(190,000)	(159,000)	31,000
Total other financing sources (uses)	<u>5,672,000</u>	<u>5,850,304</u>	<u>5,890,315</u>	<u>40,011</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(676,474)</u>	<u>(682,066)</u>	<u>(30,373)</u>	<u>651,693</u>
Prior year encumbrances	75,449	75,449	75,449	-
Fund balances, beginning of year	<u>612,855</u>	<u>612,855</u>	<u>612,855</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,830</u>	<u>\$ 6,238</u>	<u>\$ 657,931</u>	<u>\$ 651,693</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, 2004

	Income Tax Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 5,992,500	\$ 6,284,000	\$ 6,327,277	\$ 43,277
Interest	7,200	14,200	18,674	4,474
Miscellaneous	300	1,800	1,768	(32)
Total revenues	<u>6,000,000</u>	<u>6,300,000</u>	<u>6,347,719</u>	<u>47,719</u>
Expenditures				
Current				
General government				
Personal services	160,110	164,910	161,433	3,477
Materials and supplies	48,533	52,713	49,754	2,959
Contractual services	28,815	23,315	22,517	798
Capital outlay	1,000	1,000	-	1,000
Other	121,445	199,965	108,177	91,788
Total expenditures	<u>359,903</u>	<u>441,903</u>	<u>341,881</u>	<u>100,022</u>
Excess (deficiency) of revenues over expenditures	<u>5,640,097</u>	<u>5,858,097</u>	<u>6,005,838</u>	<u>147,741</u>
Other financing sources (uses)				
Transfers-out	<u>(5,750,000)</u>	<u>(5,970,000)</u>	<u>(5,970,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,750,000)</u>	<u>(5,970,000)</u>	<u>(5,970,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(109,903)</u>	<u>(111,903)</u>	<u>35,838</u>	<u>147,741</u>
Prior year encumbrances	24,647	24,647	24,647	-
Fund balances, beginning of year	<u>778,196</u>	<u>778,196</u>	<u>778,196</u>	<u>-</u>
Fund balances, end of year	<u>\$ 692,940</u>	<u>\$ 690,940</u>	<u>\$ 838,681</u>	<u>\$ 147,741</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS

DECEMBER 31, 2004

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Assets				
Current assets				
Equity in pooled cash and equivalents	\$ 2,105,827	\$ 16,494,438	\$ 18,600,265	\$ 19,352
Accounts receivable and other	386,300	602,000	988,300	-
Accrued interest receivable	670	5,494	6,164	-
Due from other governments	-	162,300	162,300	-
Inventories and supplies	133,400	11,100	144,500	-
Prepaid and deferred expenses	18,200	16,400	34,600	-
Total current assets	<u>2,644,397</u>	<u>17,291,732</u>	<u>19,936,129</u>	<u>19,352</u>
Noncurrent assets				
Nondepreciable capital assets	385,451	3,813,033	4,198,484	-
Depreciable capital assets	13,147,059	41,521,588	54,668,647	-
Intangible assets	1,094,104	-	1,094,104	-
Claims advance deposit	-	-	-	277,100
Total noncurrent assets	<u>14,626,614</u>	<u>45,334,621</u>	<u>59,961,235</u>	<u>277,100</u>
Total assets	<u>17,271,011</u>	<u>62,626,353</u>	<u>79,897,364</u>	<u>296,452</u>
Liabilities				
Current				
Accounts and contracts payable	190,634	487,673	678,307	-
Accrued salaries, wages, and benefits	9,212	20,303	29,515	-
Claims payable	-	-	-	348,000
Accrued interest payable	2,600	131,300	133,900	-
Due to other governments	17,765	38,094	55,859	-
Due to other funds	-	10,000	10,000	164,520
Notes payable	-	8,559,000	8,559,000	-
Loans payable	109,096	8,451	117,547	-
General obligation bonds payable	105,000	420,000	525,000	-
Accrued leave benefits	20,210	43,920	64,130	-
Total current liabilities	<u>454,517</u>	<u>9,718,741</u>	<u>10,173,258</u>	<u>512,520</u>
Long-term liabilities				
Notes payable	-	8,425,000	8,425,000	-
Loans payable	2,517,220	122,537	2,639,757	-
General obligation bonds payable	945,000	6,890,000	7,835,000	-
Accrued leave benefits	122,700	266,860	389,560	-
Total long-term liabilities	<u>3,584,920</u>	<u>15,704,397</u>	<u>19,289,317</u>	<u>-</u>
Total liabilities	<u>4,039,437</u>	<u>25,423,138</u>	<u>29,462,575</u>	<u>512,520</u>
Net assets				
Invested in capital assets, net of related debt	11,084,798	26,725,433	37,810,231	-
Unrestricted	2,146,776	10,477,782	12,624,558	(216,068)
Total net assets	<u>\$ 13,231,574</u>	<u>\$ 37,203,215</u>	<u>50,434,789</u>	<u>\$ (216,068)</u>

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

	(151,294)
Net assets business type activities	<u>\$ 50,283,495</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, 2004

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 2,195,207	\$ 3,724,022	\$ 5,919,229	\$ 1,632,055
Miscellaneous	183,493	3,555	187,048	-
Total operating revenues	<u>2,378,700</u>	<u>3,727,577</u>	<u>6,106,277</u>	<u>1,632,055</u>
Operating expenses				
Personal services	740,381	1,579,927	2,320,308	-
Contractual services	94,775	820,880	915,655	-
Supplies and materials	1,153,300	294,574	1,447,874	-
Other operating	146,168	923,266	1,069,434	1,254,653
Depreciation	383,106	1,213,913	1,597,019	-
Amortization	52,707	-	52,707	-
Total operating expenses	<u>2,570,437</u>	<u>4,832,560</u>	<u>7,402,997</u>	<u>1,254,653</u>
Operating (loss)	<u>(191,737)</u>	<u>(1,104,983)</u>	<u>(1,296,720)</u>	<u>377,402</u>
Nonoperating revenues (expenses)				
Interest income	29,855	203,919	233,774	9
Loss on disposal of fixed assets	-	(4,523)	(4,523)	-
Interest and fiscal charges	(144,804)	(446,061)	(590,865)	-
Total nonoperating revenues (expenses)	<u>(114,949)</u>	<u>(246,665)</u>	<u>(361,614)</u>	<u>9</u>
Income before contributions and transfers	(306,686)	(1,351,648)	(1,658,334)	377,411
Capital contributions	<u>1,269,089</u>	<u>2,337,479</u>	<u>3,606,568</u>	<u>-</u>
Change in net assets	962,403	985,831	1,948,234	377,411
Net assets, beginning of year, as restated	<u>12,269,171</u>	<u>36,217,384</u>		<u>(593,479)</u>
Net assets, end of year	<u>\$ 13,231,574</u>	<u>\$ 37,203,215</u>		<u>\$ (216,068)</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:			77,367	
Change in net assets business type activities			<u>\$ 2,025,601</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, 2004

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,168,507	\$ 5,368,022	\$ 7,536,529	\$ 1,632,055
Cash payments to suppliers for materials and supplies	(1,086,367)	(319,856)	(1,406,223)	-
Cash payments for employee services and benefits	(765,010)	(1,642,838)	(2,407,848)	-
Cash payments for contractual services	(94,317)	(2,276,694)	(2,371,011)	(1,615,899)
Other operating revenues	183,493	3,555	187,048	-
Other operating expenses	(146,168)	(929,284)	(1,075,452)	-
Net cash provided by operating activities	<u>260,138</u>	<u>202,905</u>	<u>463,043</u>	<u>16,156</u>
Cash flows from noncapital financing activities:				
Tap-in fees	315,998	1,672,818	1,988,816	-
Advances in	-	10,000	10,000	-
Net cash provided by noncapital financing activities	<u>315,998</u>	<u>1,682,818</u>	<u>1,998,816</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(579,750)	(4,337,739)	(4,917,489)	-
Issuance of notes	-	22,884,000	22,884,000	-
Note principal paid	-	(12,395,000)	(12,395,000)	-
Loan principal paid - OPWC	-	(8,452)	(8,452)	-
Loan principal paid - OWDA	(104,717)	-	(104,717)	-
Bond principal paid	(105,000)	(405,000)	(510,000)	-
Interest paid	(145,005)	(397,658)	(542,663)	-
Net cash provided by (used for) capital and related financing activities	<u>(934,472)</u>	<u>5,340,151</u>	<u>4,405,679</u>	<u>-</u>
Cash flows from investing activities:				
Interest	29,964	201,295	231,259	9
Net cash provided by investing activities	<u>29,964</u>	<u>201,295</u>	<u>231,259</u>	<u>9</u>
Net increase (decrease) in cash and cash equivalents	(328,372)	7,427,169	7,098,797	16,165
Cash and cash equivalents, beginning of year	<u>2,434,199</u>	<u>9,067,269</u>	<u>11,501,468</u>	<u>3,187</u>
Cash and cash equivalents, end of year	<u>\$ 2,105,827</u>	<u>\$ 16,494,438</u>	<u>\$ 18,600,265</u>	<u>\$ 19,352</u>
Noncash transactions:				
Contributions of capital assets from contractors	<u>\$ 953,091</u>	<u>\$ 664,661</u>	<u>\$ 1,617,752</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, 2004

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (191,737)	\$ (1,104,983)	\$ (1,296,720)	\$ 377,402
Adjustments:				
Depreciation	383,106	1,213,913	1,597,019	-
Amortization	52,707	-	52,707	-
Changes in net assets (increase) decrease and liabilities increase (decrease)				
Accounts receivable and other	(26,591)	(109,223)	(135,814)	-
Due from other governments	-	(77,400)	(77,400)	-
Inventories and supplies	(18,400)	3,900	(14,500)	-
Prepaid and deferred expenses	(18,200)	100	(18,100)	-
Claims advance deposit	-	-	-	(34,900)
Accounts and contracts payable	103,882	329,509	433,391	(346)
Accrued salaries, wages, and benefits	(18,665)	(40,009)	(58,674)	-
Claims payable	-	-	-	(326,000)
Due to other funds	-	10,000	10,000	-
Due to other governments	(7,474)	(22,982)	(30,456)	-
Accrued leave benefits	1,510	80	1,590	-
Net cash provided by operating activities	<u>\$ 260,138</u>	<u>\$ 202,905</u>	<u>\$ 463,043</u>	<u>\$ 16,156</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2004

	<u>Agency Funds</u>
Assets	
Equity in pooled cash and equivalents	<u>\$ 1,038,989</u>
Liabilities	
Accounts and contracts payable	\$ 15,870
Accrued salaries, wages and benefits	1,298
Due to other governments	2,998
Due to others	1,018,823
Total liabilities	<u>\$ 1,038,989</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

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.

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 19

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 19.

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, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. FUND ACCOUNTING

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

Governmental Funds

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

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 - 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 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 total assets.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

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, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

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

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

Unearned Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Special assessments not received within the available period, and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. BUDGETARY PROCESS

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

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, 2004.

H. INVENTORIES

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

I. 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, 2004

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.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Accordingly, encumbrances, inventories, accounts and notes receivable, and prepaid items are recorded as a reservation of fund balance, as applicable.

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, 2004

NOTE 3 PRIOR YEAR ADJUSTMENT

A. RESTATEMENT OF NET ASSETS

The City discovered that accumulated depreciation related to general fixed assets infrastructure was incorrectly calculated in 2003, which was the first year the City prepared its financial statements under the new reporting model required by Government Accounting Standards Board Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Beginning net assets in governmental activities has been restated to reflect an increase in infrastructure accumulated depreciation of \$ 12,067,853, and an additional OPWC loan payable of \$ 123,376. Beginning net assets in business-type activities and fund net assets have been restated to reflect an increase in construction in progress of \$ 234,000.

These changes had the following effect on net assets for the government-wide statement and on fund net assets at December 31, 2004.

	Total Governmental Activities	Total Business-Type Activities	Total
Net assets, 12/31/03 as previously reported	\$ 52,452,890	\$ 48,023,894	\$ 100,476,784
Capital assets adjustments	(12,067,853)	234,000	(11,833,853)
OPWC loan payable	(123,376)	-	(123,376)
Restated net assets, at 12/31/03	\$ 40,261,661	\$ 48,257,894	\$ 88,519,555
		Sewer Fund	
Fund net assets, 12/31/03 as previously reported		\$ 35,983,384	
Capital assets adjustment		234,000	
Restated fund net assets, at 12/31/03		\$ 36,217,384	

NOTE 4 COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statements are deficit fund balances of \$ 32,821 in the Special Revenue Fire Levy Fund and \$ 545,143 in the Capital Projects 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, 2004

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

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

Net Change in Fund Balance		
	General Fund	Income Tax Fund
Budget basis	\$ (30,373)	\$ 35,838
Adjustments, increase (decrease)		
Revenue accruals	(121,536)	108,415
Expenditure accruals	602,639	(70,535)
GAAP basis, as reported	\$ 450,730	\$ 73,718

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.

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

Inactive deposits are public deposits that 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, 2004

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 which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts. 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 tax exempt 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 statement of net assets and the combined balance sheet as "Equity in pooled cash and equivalents."

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

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 \$ 3,883,880 and the bank balance was \$ 5,288,417. Of the bank balance, \$ 103,900 is covered by federal depository insurance and \$ 5,184,517 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, 2004 amounted to \$ 1,400.

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.

Investments are categorized to give an indication of the level of risk assumed by an entity at year-end. The City invests in STAR Ohio which 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 \$ 20,480,207 at December 31, 2004.

NOTE 7 RECEIVABLES

Receivables at December 31, 2004, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

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

Special assessments expected to be collected in more than one year amount to \$ 340,600, in the Special Assessment Bond Retirement Fund.

A. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utility property taxes represents collections of the 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) is for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2004

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. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003 on the value as of December 31, 2003. Collections are made in 2004. 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, 2004 was \$ 13.36 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

	Collection Year 2004
Property valuation consisted of:	
Real property	\$ 479,530,600
Public utility property	13,468,230
Tangible personal property	25,708,440
Total valuation	\$ 518,707,270

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, 2004 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 2004 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, 2004

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, 2004 the Income Tax fund balance amounted to \$ 1,400,650.

C. INTERGOVERNMENTAL RECEIVABLES

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local government assistance	\$ 307,700
Gasoline tax	452,400
Permissive tax	184,300
Homestead and rollback	196,200
Estate tax	61,300
Miscellaneous	4,100
CHIP Grant	367
Title III Grant	2,679
Total governmental activities	1,209,046
Business-type Activities	
Sanitary sewer charges	162,300
Total business-type activities	162,300
Total	\$ 1,371,346

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 8 CAPITAL ASSETS

A summary of changes in capital assets during 2004 follows:

	As Restated, Balance January 1	Additions	Disposals	Balance December 31
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 339,232	\$ 5,875	\$ -	\$ 345,107
Construction in progress	366,100	327,900	343,900	350,100
Total capital assets, not being depreciated	<u>705,332</u>	<u>333,775</u>	<u>343,900</u>	<u>695,207</u>
Capital assets, being depreciated				
Buildings and improvements	4,345,062	-	-	4,345,062
Equipment and vehicles	5,296,563	305,994	72,862	5,529,695
Infrastructure	49,740,552	2,123,161	268,969	51,594,744
Total capital assets, being depreciated	<u>59,382,177</u>	<u>2,429,155</u>	<u>341,831</u>	<u>61,469,501</u>
Less accumulated depreciation				
Buildings and improvements	1,274,562	87,100	-	1,361,662
Equipment and vehicles	3,741,950	394,104	69,540	4,066,514
Infrastructure	15,840,159	2,205,172	173,335	17,871,996
Total accumulated depreciation	<u>20,856,671</u>	<u>2,686,376</u>	<u>242,875</u>	<u>23,300,172</u>
Total capital assets, being depreciated, net	<u>38,525,506</u>	<u>(257,221)</u>	<u>98,956</u>	<u>38,169,329</u>
Total governmental capital assets, net	<u>\$ 39,230,838</u>	<u>\$ 76,554</u>	<u>\$ 442,856</u>	<u>\$ 38,864,536</u>
<u>Business-type activities</u>				
Capital assets, not being depreciated				
Land	\$ 363,048	\$ 310,336	\$ -	\$ 673,384
Construction in progress	6,785,200	3,228,400	6,488,500	3,525,100
Total capital assets, not being depreciated	<u>7,148,248</u>	<u>3,538,736</u>	<u>6,488,500</u>	<u>4,198,484</u>
Capital assets, being depreciated				
Buildings and improvements	339,331	30,024	-	369,355
Equipment and vehicles	7,801,801	1,116,431	21,772	8,896,460
Infrastructure	54,296,464	8,341,034	29,105	62,608,393
Total capital assets, being depreciated	<u>62,437,596</u>	<u>9,487,489</u>	<u>50,877</u>	<u>71,874,208</u>
Less accumulated depreciation				
Buildings and improvements	123,336	9,760	-	133,096
Equipment and vehicles	1,637,400	306,033	16,988	1,926,445
Infrastructure	13,884,188	1,281,226	19,394	15,146,020
Total accumulated depreciation	<u>15,644,924</u>	<u>1,597,019</u>	<u>36,382</u>	<u>17,205,561</u>
Total capital assets, being depreciated, net	<u>46,792,672</u>	<u>7,890,470</u>	<u>14,495</u>	<u>54,668,647</u>
Total business-type capital assets, net	<u>\$ 53,940,920</u>	<u>\$ 11,429,206</u>	<u>\$ 6,502,995</u>	<u>\$ 58,867,131</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 8 CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$	220,281
Public health and welfare		20,282
Leisure time activities		31,449
Transportation		2,349,409
General government		64,955
		\$ 2,686,376

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, 2004 consisted of:

Enterprise	Amortization Period	Balance
Waterway rights, at cost		\$ 1,581,209
Accumulated amortization	30 years	(487,105)
Intangible assets, net of accumulated amortization		\$ 1,094,104

NOTE 10 NOTES PAYABLE

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

	Balance 12/31/03	Additions	Repayments	Balance 12/31/04
<u>Governmental activities</u>				
2003, 1.62% various purpose	\$ 900,000	\$ -	\$ 900,000	\$ -
2004, 1.49% various purpose	-	396,000	-	396,000
2004, 2.08% various purpose	-	300,000	300,000	-
2004, 2.48% various purpose	-	565,000	-	565,000
2004, 2.83% street improvements	-	250,000	-	250,000
<u>Business-type activities</u>				
Sanitary sewer fund				
2003, 1.43% Westerlies project	5,995,000	-	5,995,000	-
2003, 1.55% sewerlines	500,000	-	500,000	-
2004, 1.52% Westerlies project	-	6,060,000	-	6,060,000
2004, 1.49% sewer improvements	-	2,524,000	-	2,524,000
2004, 1.36% sewer improvements	-	5,400,000	5,400,000	-
2004, 2.65% sewer improvements	-	500,000	500,000	-
2004, 2.83% sewer improvements	-	8,400,000	-	8,400,000
	\$ 7,395,000	\$ 24,395,000	\$ 13,595,000	\$ 18,195,000

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

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	2003	2004	1.62%	900,000
Bond anticipation note	2004	2005	1.49%	396,000
Bond anticipation note	2004	2004	2.08%	300,000
Bond anticipation note	2004	2005	2.48%	565,000
Bond anticipation note	2004	2005	2.83%	250,000
Ohio Public Works loan	1999	2019	0.00%	143,604
Ohio Public Works loan	2000	2020	0.00%	160,029
Ohio Public Works loan	2000	2020	0.00%	176,121
Ohio Public Works loan	2001	2021	0.00%	69,587
Ohio Public Works loan	2002	2024	0.00%	123,376
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	2003	2004	1.43%	5,995,000
Bond anticipation note	2003	2004	1.55%	500,000
Bond anticipation note	2004	2005	1.52%	6,060,000
Bond anticipation note	2004	2005	1.49%	2,524,000
Bond anticipation note	2004	2004	1.36%	5,400,000
Bond anticipation note	2004	2004	2.65%	500,000
Bond anticipation note	2004	2005	2.84%	8,400,000
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 defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's general purpose financial statements. At December 31, 2004, \$ 880,000 of bonds outstanding are considered to be defeased, which bonds are callable in December 2005 and will be repaid from the aforementioned trust assets.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 11 LONG-TERM DEBT (continued)

Changes in the City's long-term obligations during 2004 were as follows:

	As Restated, Outstanding 12/31/03	Additions	Reductions	Outstanding 12/31/04	Due In One Year
<u>Governmental activities</u>					
General obligation bonds					
Sewage system acquisition (1986)					
8.125% through 2008	\$ 1,420,000	\$ -	\$ 280,000	\$ 1,140,000	\$ 285,000
Various purpose (2001)					
Varying % through 2021	1,285,000	-	180,000	1,105,000	185,000
Various purpose (2003)					
Varying % through 2013	1,372,000	-	170,000	1,202,000	165,000
Total general obligation bonds	<u>4,077,000</u>	<u>-</u>	<u>630,000</u>	<u>3,447,000</u>	<u>635,000</u>
Special assessment bonds					
Improvements (2003)					
Varying % through 2015	313,000	-	25,000	288,000	25,000
	<u>313,000</u>	<u>-</u>	<u>25,000</u>	<u>288,000</u>	<u>25,000</u>
Long-term notes payable	900,000	1,511,000	1,200,000	1,211,000	815,000
OPWC loans	667,937	-	33,099	634,838	39,269
Capital lease	68,987	-	68,987	-	-
Accrued leave benefits	2,158,000	461,210	355,300	2,263,910	389,770
Total governmental activities	<u>\$ 8,184,924</u>	<u>\$ 1,972,210</u>	<u>\$ 2,312,386</u>	<u>\$ 7,844,748</u>	<u>\$ 1,904,039</u>
<u>Business-type activities</u>					
General obligation bonds					
Waterline refunding (2003)					
Varying % through 2013	1,155,000	-	105,000	1,050,000	105,000
Sewer improvements (2001)					
Varying % through 2021	5,730,000	-	230,000	5,500,000	235,000
Sewer refunding (2003)					
Varying % through 2013	1,985,000	-	175,000	1,810,000	185,000
	<u>8,870,000</u>	<u>-</u>	<u>510,000</u>	<u>8,360,000</u>	<u>525,000</u>
Long-term notes payable	6,495,000	22,884,000	12,395,000	16,984,000	8,559,000
OPWC loans	139,439	-	8,452	130,987	8,451
OWDA loan	2,731,034	-	104,717	2,626,317	109,096
Accrued leave benefits	452,100	74,290	72,700	453,690	64,130
Total business-type activities	<u>\$ 18,687,573</u>	<u>\$ 22,958,290</u>	<u>\$ 13,090,869</u>	<u>\$ 28,554,994</u>	<u>\$ 9,265,677</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 11 LONG-TERM DEBT (continued)

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 enterprise fund revenues.

Of the long-term notes payable of \$ 1,211,000 under Governmental activities outstanding at December 31, 2004, in January 2005 \$ 265,000 will be paid from proceeds of notes issued in December 31, 2004, \$ 60,000 will be paid from property taxes under a Tax Incremental Financing (TIF) program and \$ 71,000 from recreation revenues. The remaining notes of \$ 550,000 will be paid from capital project funds and street funds and \$ 265,000 will be paid from future property tax collections under the TIF program. Of the long-term notes payable of \$ 16,984,000 under Business-type activities outstanding at December 31, 2004, in January 2005 \$ 2,500,000 will be paid from proceeds of notes issued in December 2004. The remaining notes of \$ 14,484,000 will be ultimately paid from sanitary sewer system revenue.

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

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

The City's overall legal debt margin was \$ 54,637,576 at December 31, 2004.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2004, excluding accrued leave benefits, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
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	-	-	-	-
2024	-	-	-	-
	<u>\$ 3,447,000</u>	<u>\$ 546,847</u>	<u>\$ 288,000</u>	<u>\$ 63,013</u>

Year	Governmental Activities			Total	
	Bond Anticipation Notes		OPWC loans	Governmental Activities	
	Principal	Interest	Principal	Principal	Interest
2005	\$ 1,211,000	\$ 275,506	\$ 39,269	\$ 1,910,269	\$ 450,934
2006	-	-	39,269	684,269	142,552
2007	-	-	39,269	689,269	109,916
2008	-	-	39,269	714,269	76,010
2009-2013	-	-	196,350	1,241,350	102,399
2014-2018	-	-	196,350	256,350	3,555
2019-2023	-	-	78,894	78,894	-
2024	-	-	6,168	6,168	-
	<u>\$ 1,211,000</u>	<u>\$ 275,506</u>	<u>\$ 634,838</u>	<u>\$ 5,580,838</u>	<u>\$ 885,366</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 11 LONG-TERM DEBT (continued)

Year	Business-Type Activities			
	General Obligation Bonds		Bond Anticipation Notes	
	Principal	Interest	Principal	Interest
2005	\$ 525,000	\$ 326,269	\$ 16,984,000	\$ 146,491
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>\$ 8,360,000</u>	<u>\$ 3,041,360</u>	<u>\$ 16,984,000</u>	<u>\$ 146,491</u>

Year	Business-Type Activities			Total	
	OWDA Loan		OPWC Loans	Business-Type Activities	
	Principal	Interest	Principal	Principal	Interest
2005	\$ 109,096	\$ 107,612	\$ 8,451	\$ 17,626,547	\$ 580,372
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	605,510	44,618	12,673	1,913,183	173,733
	<u>\$ 2,626,317</u>	<u>\$ 1,057,734</u>	<u>\$ 130,987</u>	<u>\$ 28,101,304</u>	<u>\$ 4,245,585</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, 2004

NOTE 12 DEFINED BENEFIT PENSION PLANS (continued)

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

For the year ended December 31, 2004, 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 2004 was 8.5 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 10.1 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, 2004, 2003, and 2002 were \$ 671,600, \$ 686,400, and \$ 661,800 respectively. For 2004, \$ 609,400 (91%) has been contributed. The balance was subsequently contributed in 2005. The full amount has been contributed for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$ 671,600 made by the City and \$ 322,500 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 19.5 percent for police officers and 24 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2004, 2003, and 2002 were \$ 822,800, \$ 854,200, and \$ 792,500 respectively. For 2004, \$ 599,000 (73%) has been contributed. The balance was subsequently contributed in 2005. The full amount has been contributed for 2003 and 2002

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 2004 local government employer contribution rate was 13.31 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 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, 2004

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, 2003, 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 costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

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 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$ 198,262. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$ 10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$ 26.9 billion and \$ 16.4 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporated a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

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 that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5 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 2004. 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, 2004

NOTE 13 POSTEMPLOYMENT BENEFITS (continued)

B. OHIO POLICE AND FIRE PENSION FUND (continued)

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$ 156,400 for police and \$ 138,500 for firefighters. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$ 150,853,148, which was net of member contributions of \$ 17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 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 Scottsdale Indemnity Company. The limits of this coverage are \$ 1,000,000 each person, \$ 1,000,000 each wrongful act and \$ 1,000,000 annual aggregate. The deductible is \$ 10,000 each wrongful act. The City has a public officials liability policy with the Scottsdale Indemnity Company. The limits of this coverage are \$ 1,000,000 each loss and \$ 1,000,000 annual aggregate. The deductible is \$ 20,000 each loss. The City has a general liability, property and automobile policy with Selective Insurance Companies. An umbrella policy is insured with Selective Insurance Companies. The limits of this coverage are \$ 1,000,000 each occurrence, \$ 2,000,000 general aggregate limit, and \$ 2,000,000 products/completed operations aggregate. The umbrella policy adds \$10,000,000 to each incurrence and \$10,000,000 aggregate coverage.

In order to minimize the annual cost of medical insurance, the City has established a medical self-insurance fund for City employees and their covered dependents. This program is administered with the use of an outside third-party administrator. At December 31, 2004, self-insurance was in effect for losses up to \$ 75,000 per participant. Excess losses are insured by a private insurance company. At year-end, self-insurance was in effect with an annual aggregate liability limit of approximately \$ 1,760,000 and an aggregate terminal liability of approximately \$ 271,264. At December 31, 2004 the self-insurance fund retained deficit amounted to (\$ 216,068), and cash held in reserve by insurer for future claims payment amounted to \$ 277,100. As a result of contractual changes in the City's bargaining agreements which revised the City's medical program effective January 1, 2005, it is expected that the fund deficit will be eliminated in 2005.

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, 2004 and 2003 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.

	2004	2003
Unpaid claims, beginning of year	\$ 674,000	\$ 260,000
Incurred claims	935,325	1,979,590
Claims payment	(1,261,325)	(1,565,590)
Unpaid claims, end of year	<u>\$ 348,000</u>	<u>\$ 674,000</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 15 FEDERAL GRANTS AND ENTITLEMENTS

For the year ended December 31, 2004, the City recognized federal grants and entitlements revenue of \$ 306,742. 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, 2004.

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, 2004, 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, 2004 the City had contractual commitments as follows:

<u>Project</u>	<u>Projects Estimated Cost</u>	<u>City Share</u>	<u>Outstanding Commitments</u>
Road projects	\$ 5,894,000	\$ 329,000	\$ -
Sanitary sewer projects	7,282,000	7,282,000	4,692,000
	<u>\$ 13,176,000</u>	<u>\$ 7,611,000</u>	<u>\$ 4,692,000</u>

Road projects and sanitary sewerline projects are financed by bond anticipation notes and ultimately general obligation bonds, which will be repaid respectively, from voted street tax levy collections and general revenues of the City, and sanitary sewer system revenues.

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2004

NOTE 18 INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2004 were as follows:

Due to :	Due from:			Total
	Non-Major Governmental Funds	Sewer Fund	Internal Service Fund	
General Fund	\$ 106,966	\$ 10,000	\$ 164,520	\$ 281,486

The General Fund advanced monies to the Federal Grants Fund (Special Revenue Fund) and Capital Projects Fund for projects which will be repaid upon collection of grant proceeds, 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, and to the Sewer Fund which will be repaid in the following year.

Interfund transfers for the year ended December 31, 2004 consisted of the following:

Transferred to:	Transferred from:			Total
	General Fund	Income Tax Fund	General Obligation Bond Retirement Fund	
General Fund	\$ -	\$ 5,671,500	\$ -	\$ 5,671,500
Street Construction and Maintenance Fund	159,000			159,000
Capital Projects Fund	-	298,500	-	298,500
General Obligation Bond Retirement Fund	-	-	413,922	413,922
	\$ 159,000	\$ 5,970,000	\$ 413,922	\$ 6,542,922

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 a pro rata 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.

NOTE 19 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 \$ 64,680 during 2004 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, 2004

NOTE 19 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 2004. Financial information can be obtained by contacting the Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

NOTE 20 SUBSEQUENT EVENTS

Subsequent to December 31, 2004, the city issued \$7,225,000 of bond anticipation notes (BAN's) of which \$ 5,925,000 was used to repay maturing BAN's related to sanitary sewer lines and \$ 1,300,000 was issued for road projects. The BAN's for sanitary sewer lines will be ultimately refinanced by issuance of general obligation bonds which will be repaid from sewer operating revenues including tap-in fees and user charges. The BAN's for road projects will be ultimately repaid from proceeds of an existing street levy and from general revenues of the City.

This page intentionally left blank.

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, 2004

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
Assets				
Equity in pooled cash	\$ 2,316,070	\$ 104,521	\$ 301,723	\$ 2,722,314
Taxes receivable - property and other	2,748,200	-	-	2,748,200
Special assessments receivable	-	340,600	-	340,600
Due from other governments	774,846	-	-	774,846
Accounts receivable and other	247,500	-	-	247,500
Total assets	\$ 6,086,616	\$ 445,121	\$ 301,723	\$ 6,833,460
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 111,060	\$ -	\$ 18,500	\$ 129,560
Accrued wages and benefits	34,245	-	-	34,245
Due to other governments	63,653	-	-	63,653
Interfund payable	97,166	-	9,800	106,966
Unearned revenue	3,575,927	340,600	-	3,916,527
Note payable	-	-	815,000	815,000
Total liabilities	3,882,051	340,600	843,300	5,065,951
Fund balances				
Reserved for encumbrances	510,209	-	3,462	513,671
Unreserved, reported in				
Special Revenue Funds	1,694,356	-	-	1,694,356
Debt Service Fund	-	104,521	-	104,521
Capital Projects Funds	-	-	(545,039)	(545,039)
Total fund balances	2,204,565	104,521	(541,577)	1,767,509
Total liabilities and fund balances	\$ 6,086,616	\$ 445,121	\$ 301,723	\$ 6,833,460

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
Revenues				
Property and other local taxes	\$ 2,755,423	\$ -	\$ -	\$ 2,755,423
Intergovernmental	1,684,992	-	38,810	1,723,802
Special assessments	-	45,789	-	45,789
Charges for services	1,476,481	-	-	1,476,481
Fines, licenses and permits	135,261	-	-	135,261
Interest	29,302	1,554	3,674	34,530
Miscellaneous	318,684	-	-	318,684
Total revenues	6,400,143	47,343	42,484	6,489,970
Expenditures				
Current				
Security of persons and property	2,271,301	-	-	2,271,301
Public health and welfare	38,738	-	-	38,738
Leisure time activities	140,131	-	-	140,131
Community development	72,398	-	-	72,398
Basic utility services	1,268,177	-	-	1,268,177
Transportation	1,874,993	-	-	1,874,993
General government	411,536	2,218	-	413,754
Capital outlay	-	-	635,548	635,548
Debt service				
Principal	-	25,000	-	25,000
Capital lease	-	-	68,987	68,987
Interest and fiscal charges	-	9,490	19,284	28,774
Total expenditures	6,077,274	36,708	723,819	6,837,801
Excess (deficiency) of revenues over expenditures	322,869	10,635	(681,335)	(347,831)
Other financing sources (uses)				
Transfers-in	159,000	-	298,500	457,500
Transfers-out	(191,312)	-	(222,610)	(413,922)
Issuance of notes	-	-	-	-
Total other financing sources (uses)	(32,312)	-	75,890	43,578
Excess (deficiency) of revenues over expenditures and other sources (uses)	290,557	10,635	(605,445)	(304,253)
Fund balances, beginning of year	1,914,008	93,886	63,868	2,071,762
Fund balances, end of year	\$ 2,204,565	\$ 104,521	\$ (541,577)	\$ 1,767,509

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2004

	SCMR	State Highway	Motor Vehicle License Tax	Street Levy	Surface Drainage
<u>Assets</u>					
Equity in pooled cash	\$ 88,892	\$ 20,015	\$ 103,882	\$ 376,802	\$ 441,118
Taxes receivable - property and other	-	-	-	525,600	-
Due from other governments	422,500	29,900	184,300	25,050	-
Accounts receivable and other	-	-	-	-	-
Total assets	<u>\$ 511,392</u>	<u>\$ 49,915</u>	<u>\$ 288,182</u>	<u>\$ 927,452</u>	<u>\$ 441,118</u>
<u>Liabilities</u>					
Accounts and contracts payable	\$ -	\$ 12,166	\$ 3,041	\$ 13,393	\$ -
Accrued salaries, wages, and benefits	8,649	-	3,419	-	1,075
Due to other governments	21,547	-	-	-	1,834
Due to other funds	-	-	-	-	-
Unearned revenue	346,900	23,800	154,500	550,650	-
Total liabilities	<u>377,096</u>	<u>35,966</u>	<u>160,960</u>	<u>564,043</u>	<u>2,909</u>
<u>Fund balances</u>					
Reserved for encumbrances	3,953	899	74,276	218,025	20,532
Unreserved	130,343	13,050	52,946	145,384	417,677
Total fund balances	<u>134,296</u>	<u>13,949</u>	<u>127,222</u>	<u>363,409</u>	<u>438,209</u>
Total liabilities and fund balances	<u>\$ 511,392</u>	<u>\$ 49,915</u>	<u>\$ 288,182</u>	<u>\$ 927,452</u>	<u>\$ 441,118</u>

Police Levy	Police Pension	Law Enforcement Trust	Drug Law Enforcement Trust	DUI Enforcement and Education Trust	Clerk of Courts Computer Service	Court Computerization
\$ 49,448	\$ 1,567	\$ 24,888	\$ 16,218	\$ 6,473	\$ 30,025	\$ 71,039
240,600	152,200	-	-	-	-	-
9,750	7,750	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 299,798</u>	<u>\$ 161,517</u>	<u>\$ 24,888</u>	<u>\$ 16,218</u>	<u>\$ 6,473</u>	<u>\$ 30,025</u>	<u>\$ 71,039</u>
\$ -	\$ -	\$ 295	\$ -	\$ -	\$ -	\$ -
3,916	-	-	-	-	545	-
-	-	-	-	-	935	-
-	-	-	-	-	-	-
250,350	159,950	-	-	-	-	-
<u>254,266</u>	<u>159,950</u>	<u>295</u>	<u>-</u>	<u>-</u>	<u>1,480</u>	<u>-</u>
-	-	312	1,549	-	-	-
45,532	1,567	24,281	14,669	6,473	28,545	71,039
<u>45,532</u>	<u>1,567</u>	<u>24,593</u>	<u>16,218</u>	<u>6,473</u>	<u>28,545</u>	<u>71,039</u>
<u>\$ 299,798</u>	<u>\$ 161,517</u>	<u>\$ 24,888</u>	<u>\$ 16,218</u>	<u>\$ 6,473</u>	<u>\$ 30,025</u>	<u>\$ 71,039</u>

(Continued)

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

DECEMBER 31, 2004

(Concluded)

	Fire Levy	Fire Pension	Paramedic Levy	Ambulance	State Grants
<u>Assets</u>					
Equity in pooled cash	\$ 1,407	\$ 1,562	\$ 54,412	\$ 155,189	\$ 93,418
Taxes receivable - property and other	812,200	152,200	865,400	-	-
Due from other governments	40,600	7,750	44,200	-	-
Accounts receivable and other	-	-	-	-	-
Total assets	<u>\$ 854,207</u>	<u>\$ 161,512</u>	<u>\$ 964,012</u>	<u>\$ 155,189</u>	<u>\$ 93,418</u>
<u>Liabilities</u>					
Accounts and contracts payable	\$ -	\$ -	\$ 1,156	\$ 295	\$ -
Accrued salaries, wages, and benefits	7,748	-	7,851	-	-
Due to other governments	26,480	-	7,530	-	3,551
Due to other funds	-	-	-	-	-
Unearned revenue	852,800	159,950	909,600	-	-
Total liabilities	<u>887,028</u>	<u>159,950</u>	<u>926,137</u>	<u>295</u>	<u>3,551</u>
<u>Fund balances</u>					
Reserved for encumbrances	-	-	7,781	14,864	2,000
Unreserved	(32,821)	1,562	30,094	140,030	87,867
Total fund balances	<u>(32,821)</u>	<u>1,562</u>	<u>37,875</u>	<u>154,894</u>	<u>89,867</u>
Total liabilities and fund balances	<u>\$ 854,207</u>	<u>\$ 161,512</u>	<u>\$ 964,012</u>	<u>\$ 155,189</u>	<u>\$ 93,418</u>

Federal Grants	Cemetery	Park and Recreation Trust	Park and Recreation Improvement	Senior Citizens Title III	Solid Waste Management	Totals
\$ 233,666	\$ 67,871	\$ 44,855	\$ 227,825	\$ 1,062	\$ 204,436	\$ 2,316,070
-	-	-	-	-	-	2,748,200
367	-	-	-	2,679	-	774,846
121,500	-	-	-	-	126,000	247,500
<u>\$ 355,533</u>	<u>\$ 67,871</u>	<u>\$ 44,855</u>	<u>\$ 227,825</u>	<u>\$ 3,741</u>	<u>\$ 330,436</u>	<u>6,086,616</u>
\$ 72,398	\$ 4,522	\$ 367	\$ 3,376	\$ -	\$ 51	\$ 111,060
-	-	-	-	217	825	34,245
-	-	-	-	418	1,358	63,653
97,166	-	-	-	-	-	97,166
145,427	-	-	-	-	22,000	3,575,927
<u>314,991</u>	<u>4,522</u>	<u>367</u>	<u>3,376</u>	<u>635</u>	<u>24,234</u>	<u>3,882,051</u>
154,060	266	6,903	2,481	-	2,308	510,209
(113,518)	63,083	37,585	221,968	3,106	303,894	1,694,356
40,542	63,349	44,488	224,449	3,106	306,202	2,204,565
<u>\$ 355,533</u>	<u>\$ 67,871</u>	<u>\$ 44,855</u>	<u>\$ 227,825</u>	<u>\$ 3,741</u>	<u>\$ 330,436</u>	<u>\$ 6,086,616</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, 2004

	SCMR	State Highway	Motor Vehicle License Tax	Street Levy	Surface Drainage
Revenues					
Property and other local taxes	\$ -	\$ -	\$ 386,108	\$ 503,692	\$ -
Intergovernmental revenue	862,322	69,870	3,500	63,449	-
Charges for services	-	-	-	-	-
Fines, licenses, and permits	-	-	-	-	-
Interest	185	501	514	7,703	5,357
Miscellaneous	2,376	-	1,168	-	264,967
Total revenues	<u>864,883</u>	<u>70,371</u>	<u>391,290</u>	<u>574,844</u>	<u>270,324</u>
Expenditures					
Current					
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Community development	-	-	-	-	-
Basic utility services	-	-	-	-	-
Transportation	935,083	67,731	328,976	363,608	179,378
General government	-	-	-	-	-
Debt service					
Note principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>935,083</u>	<u>67,731</u>	<u>328,976</u>	<u>363,608</u>	<u>179,378</u>
Excess (deficiency) of revenues over expenditures	<u>(70,200)</u>	<u>2,640</u>	<u>62,314</u>	<u>211,236</u>	<u>90,946</u>
Other financing sources (uses)					
Transfers-in	159,000	-	-	-	-
Transfers-out	-	-	-	(164,903)	-
Note proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>159,000</u>	<u>-</u>	<u>-</u>	<u>(164,903)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>88,800</u>	<u>2,640</u>	<u>62,314</u>	<u>46,333</u>	<u>90,946</u>
Fund balances, beginning of year	<u>45,496</u>	<u>11,309</u>	<u>64,908</u>	<u>317,076</u>	<u>347,263</u>
Fund balances, end of year	<u>\$ 134,296</u>	<u>\$ 13,949</u>	<u>\$ 127,222</u>	<u>\$ 363,409</u>	<u>\$ 438,209</u>

Police Levy	Police Pension	Law Enforcement Trust	Drug Law Enforcement Trust	DUI Enforcement and Education Trust	Clerk of Courts Computer Service	Court Computerization
\$ 244,545	\$ 139,577	\$ -	\$ -	\$ -	\$ -	\$ -
28,670	18,402	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	500	725	-	10,785
576	168	376	235	147	566	869
24	-	16,710	-	-	25,177	-
<u>273,815</u>	<u>158,147</u>	<u>17,086</u>	<u>735</u>	<u>872</u>	<u>25,743</u>	<u>11,654</u>
222,107	158,560	18,247	2,605	6,929	49,511	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>222,107</u>	<u>158,560</u>	<u>18,247</u>	<u>2,605</u>	<u>6,929</u>	<u>49,511</u>	<u>-</u>
51,708	(413)	(1,161)	(1,870)	(6,057)	(23,768)	11,654
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
51,708	(413)	(1,161)	(1,870)	(6,057)	(23,768)	11,654
(6,176)	1,980	25,754	18,088	12,530	52,313	59,385
<u>\$ 45,532</u>	<u>\$ 1,567</u>	<u>\$ 24,593</u>	<u>\$ 16,218</u>	<u>\$ 6,473</u>	<u>\$ 28,545</u>	<u>\$ 71,039</u>

(Continued)

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

FOR THE YEAR ENDED DECEMBER 31, 2004

(Concluded)

	Fire Levy	Fire Pension	Paramedic Levy	Ambulance	State Grants
Revenues					
Property and other local taxes	\$ 764,434	\$ 139,576	\$ 577,491	\$ -	\$ -
Intergovernmental revenue	99,543	18,403	73,733	-	97,431
Charges for services	-	-	-	48,998	-
Fines, licenses, and permits	-	-	-	-	-
Interest	899	168	1,920	2,036	-
Miscellaneous	297	-	118	-	-
Total revenues	<u>865,173</u>	<u>158,147</u>	<u>653,262</u>	<u>51,034</u>	<u>97,431</u>
Expenditures					
Current					
Security of persons and property	802,721	158,560	697,761	154,300	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Community development	-	-	-	-	-
Basic utility services	-	-	-	-	-
Transportation	-	-	-	-	-
General government	-	-	-	-	96,504
Debt service					
Note principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>802,721</u>	<u>158,560</u>	<u>697,761</u>	<u>154,300</u>	<u>96,504</u>
Excess (deficiency) of revenues over expenditures	<u>62,452</u>	<u>(413)</u>	<u>(44,499)</u>	<u>(103,266)</u>	<u>927</u>
Other financing sources (uses)					
Transfers-in	-	-	-	-	-
Transfers-out	-	-	-	-	-
Note proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>62,452</u>	<u>(413)</u>	<u>(44,499)</u>	<u>(103,266)</u>	<u>927</u>
Fund balances, beginning of year	<u>(95,273)</u>	<u>1,975</u>	<u>82,374</u>	<u>258,160</u>	<u>88,940</u>
Fund balances, end of year	<u>\$ (32,821)</u>	<u>\$ 1,562</u>	<u>\$ 37,875</u>	<u>\$ 154,894</u>	<u>\$ 89,867</u>

Federal Grants	Cemetery	Park and Recreation Trust	Park and Recreation Improvement	Senior Citizens Title III	Solid Waste Management	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,755,423
319,518	-	-	-	30,151	-	1,684,992
-	18,000	90,940	-	-	1,318,543	1,476,481
-	-	-	123,251	-	-	135,261
-	768	659	2,777	5	2,873	29,302
2,982	4,539	-	-	-	326	318,684
<u>322,500</u>	<u>23,307</u>	<u>91,599</u>	<u>126,028</u>	<u>30,156</u>	<u>1,321,742</u>	<u>6,400,143</u>
-	-	-	-	-	-	2,271,301
-	7,943	-	-	30,795	-	38,738
-	-	77,904	62,227	-	-	140,131
72,398	-	-	-	-	-	72,398
-	-	-	-	-	1,268,177	1,268,177
-	-	-	-	217	-	1,874,993
281,286	-	-	-	-	33,746	411,536
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>353,684</u>	<u>7,943</u>	<u>77,904</u>	<u>62,227</u>	<u>31,012</u>	<u>1,301,923</u>	<u>6,077,274</u>
(31,184)	15,364	13,695	63,801	(856)	19,819	322,869
-	-	-	-	-	-	159,000
-	-	-	(26,409)	-	-	(191,312)
-	-	-	-	-	-	-
-	-	-	(26,409)	-	-	(32,312)
(31,184)	15,364	13,695	37,392	(856)	19,819	290,557
71,726	47,985	30,793	187,057	3,962	286,383	1,914,008
<u>\$ 40,542</u>	<u>\$ 63,349</u>	<u>\$ 44,488</u>	<u>\$ 224,449</u>	<u>\$ 3,106</u>	<u>\$ 306,202</u>	<u>\$ 2,204,565</u>

CITY OF NORTH RIDGEVILLE, OHIO

BALANCE SHEET
NONMAJOR DEBT SERVICE FUND

DECEMBER 31, 2004

	Special Assessment Bond Retirement
Assets	
Equity in pooled cash and equivalents	\$ 104,521
Special assessments receivable	340,600
Total assets	<u>\$ 445,121</u>
Liabilities	
Unearned revenue	\$ 340,600
Total liabilities	<u>340,600</u>
Fund balance	
Reserved for debt service	104,521
Total fund balance	<u>104,521</u>
Total liabilities and fund balance	<u>\$ 445,121</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, 2004

	Special Assessment Bond Retirement
Revenues	
Special assessments	\$ 45,789
Interest	1,554
Total revenues	47,343
Expenditures	
Current	
General government	2,218
Debt service	
Bond principal	25,000
Interest and fiscal charges	9,490
Total expenditures	36,708
Excess (deficiency) of revenues over expenditures	10,635
Fund balance, beginning of year	93,886
Fund balance, end of year	\$ 104,521

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

DECEMBER 31, 2004

	Capital Projects	Issue II	Bainbridge Road Improvement	Totals
Assets				
Equity in pooled cash and equivalents	\$ 298,157	\$ -	\$ 3,566	\$ 301,723
Total assets	\$ 298,157	\$ -	\$ 3,566	\$ 301,723
Liabilities				
Accounts and contracts payable	\$ 18,500	\$ -	\$ -	\$ 18,500
Due to other funds	9,800	-	-	9,800
Note payable	815,000	-	-	815,000
Total liabilities	843,300	-	-	843,300
Fund balances				
Reserved for encumbrances	3,462	-	-	3,462
Unreserved	(548,605)	-	3,566	(545,039)
Total fund balances	(545,143)	-	3,566	(541,577)
Total liabilities and fund balances	\$ 298,157	\$ -	\$ 3,566	\$ 301,723

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, 2004

	Capital Projects	Issue II	Bainbridge Road Improvement	Totals
Revenue				
Intergovernmental	\$ -	\$ 38,810	\$ -	\$ 38,810
Interest	3,430	-	244	3,674
Total revenue	<u>3,430</u>	<u>38,810</u>	<u>244</u>	<u>42,484</u>
Expenditures				
Capital outlay	596,738	38,810	-	635,548
Debt service				
Capitalized lease principal	68,987	-	-	68,987
Interest and fiscal charges	19,284	-	-	19,284
Total expenditures	<u>685,009</u>	<u>38,810</u>	<u>-</u>	<u>723,819</u>
Excess (deficiency) of revenue over expenditures	<u>(681,579)</u>	<u>-</u>	<u>244</u>	<u>(681,335)</u>
Other financing sources (uses)				
Transfers-in	298,500	-	-	298,500
Transfers-out	(222,610)	-	-	(222,610)
Total other financing sources (uses)	<u>75,890</u>	<u>-</u>	<u>-</u>	<u>75,890</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(605,689)</u>	<u>-</u>	<u>244</u>	<u>(605,445)</u>
Fund balances, beginning of year	<u>60,546</u>	<u>-</u>	<u>3,322</u>	<u>63,868</u>
Fund balances, end of year	<u>\$ (545,143)</u>	<u>\$ -</u>	<u>\$ 3,566</u>	<u>\$ (541,577)</u>

This page intentionally left blank.

COMBINING STATEMENTS - AGENCY FUNDS

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

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

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

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

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

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

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

DECEMBER 31, 2004

	Board of Building Standards	Senior Citizens Multi-Trust	Mayor's Court Operating
Assets			
Equity in pooled cash and equivalents	\$ -	\$ 12,843	\$ 61,291
Liabilities			
Accounts and contracts payable	\$ -	\$ 290	\$ 130
Accrued salaries, wages and benefits	-	-	1,298
Due to other governments	-	-	2,998
Due to others	-	12,553	56,865
Total liabilities	\$ -	\$ 12,843	\$ 61,291

Mayor's Court Bail Trust	Trust Miscellaneous	Total
\$ 4,818	\$ 960,037	\$ 1,038,989
\$ -	\$ 15,450	\$ 15,870
-	-	1,298
-	-	2,998
4,818	944,587	1,018,823
<u>\$ 4,818</u>	<u>\$ 960,037</u>	<u>\$ 1,038,989</u>

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

FOR THE YEAR ENDED DECEMBER 31, 2004

	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
Board of Building Standards				
Assets				
Equity in pooled cash and equivalents	\$ 120	\$ 976	\$ 1,096	\$ -
Liabilities				
Accounts and contracts payable	\$ 120	\$ -	\$ 120	\$ -
Total liabilities	\$ 120	\$ -	\$ 120	\$ -
	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
Senior Citizens Multi-Trust				
Assets				
Equity in pooled cash and equivalents	\$ 15,410	\$ 48,605	\$ 51,172	\$ 12,843
Liabilities				
Accounts and contracts payable	\$ 293	\$ 290	\$ 293	\$ 290
Accrued salaries, wages and benefits	1,408	-	1,408	-
Due to other governments	62	-	62	-
Due to others	13,647	12,553	13,647	12,553
Total liabilities	\$ 15,410	\$ 12,843	\$ 15,410	\$ 12,843
	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
Mayor's Court Operating				
Assets				
Equity in pooled cash and equivalents	\$ 23,145	\$ 444,973	\$ 406,827	\$ 61,291
Liabilities				
Accounts and contracts payable	\$ -	\$ 130	\$ -	\$ 130
Accrued salaries, wages and benefits	3,375	1,298	3,375	1,298
Due to other governments	4,887	2,998	4,887	2,998
Due to others	14,883	56,865	14,883	56,865
Total liabilities	\$ 23,145	\$ 61,291	\$ 23,145	\$ 61,291
	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
Mayor's Court Bail Trust				
Assets				
Equity in pooled cash and equivalents	\$ 2,383	\$ 4,818	\$ 2,383	\$ 4,818
Liabilities				
Due to others	\$ 2,383	\$ 4,818	\$ 2,383	\$ 4,818

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

FOR THE YEAR ENDED DECEMBER 31, 2004

	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
Trust Miscellaneous				
Assets				
Equity in pooled cash and equivalents	\$ 697,726	\$ 1,211,705	\$ 949,394	\$ 960,037
Liabilities				
Accounts and contracts payable	\$ -	\$ 15,450	\$ -	\$ 15,450
Due to others	697,726	944,587	697,726	944,587
Total liabilities	\$ 697,726	\$ 960,037	\$ 697,726	\$ 960,037
Total All Agency Funds				
Assets				
Equity in pooled cash and equivalents	\$ 738,784	\$ 1,711,077	\$ 1,410,872	\$ 1,038,989
Liabilities				
Accounts and contracts payable	\$ 413	\$ 15,870	\$ 413	\$ 15,870
Accrued salaries, wages and benefits	4,783	1,298	4,783	1,298
Due to other governments	4,949	2,998	4,949	2,998
Due to others	728,639	1,018,823	728,639	1,018,823
Total liabilities	\$ 738,784	\$ 1,038,989	\$ 738,784	\$ 1,038,989

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

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 876,906	\$ 803,981	\$ 807,760	\$ 3,779
Intergovernmental revenue	722,651	973,720	1,014,722	41,002
Fines, licenses, and permits	567,500	631,436	675,884	44,448
Interest	2,000	4,500	6,618	2,118
Miscellaneous	414,801	305,417	303,352	(2,065)
Total revenues	<u>2,583,858</u>	<u>2,719,054</u>	<u>2,808,336</u>	<u>89,282</u>
Expenditures				
Current				
Security of persons and property				
Police				
Personal services	3,198,263	3,242,663	3,125,656	117,007
Materials and supplies	197,065	197,665	172,047	25,618
Contractual services	79,775	88,375	83,794	4,581
Other	97,501	88,301	74,287	14,014
Total police	<u>3,572,604</u>	<u>3,617,004</u>	<u>3,455,784</u>	<u>161,220</u>
Humane officer				
Personal services	78,260	79,660	78,866	794
Materials and supplies	1,757	1,757	1,670	87
Total humane officer	<u>80,017</u>	<u>81,417</u>	<u>80,536</u>	<u>881</u>
Fire				
Personal services	1,211,030	1,234,440	1,227,719	6,721
Materials and supplies	136,238	143,308	114,990	28,318
Contractual services	10,110	10,630	10,215	415
Total fire	<u>1,357,378</u>	<u>1,388,378</u>	<u>1,352,924</u>	<u>35,454</u>
Street lighting				
Materials and supplies	45,231	45,231	34,283	10,948
Total street lighting	<u>45,231</u>	<u>45,231</u>	<u>34,283</u>	<u>10,948</u>
Total security of persons and property	<u>5,055,230</u>	<u>5,132,030</u>	<u>4,923,527</u>	<u>208,503</u>
Public health and welfare				
General government				
Other	63,000	65,000	64,680	320
Total general government	<u>63,000</u>	<u>65,000</u>	<u>64,680</u>	<u>320</u>
Senior citizens				
Personal services	176,240	179,930	173,288	6,642
Materials and supplies	14,172	14,171	12,790	1,381
Contractual services	7,800	7,810	7,803	7
Capital outlay	1,284	1,284	1,284	-
Other	-	500	495	5
Total senior citizens	<u>199,496</u>	<u>203,695</u>	<u>195,660</u>	<u>8,035</u>
Total public health and welfare	<u>262,496</u>	<u>268,695</u>	<u>260,340</u>	<u>8,355</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund (Continued)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Leisure time activities				
Park and recreation				
Personal services	\$ 151,010	\$ 153,850	\$ 153,109	\$ 741
Materials and supplies	21,253	22,683	22,675	8
Contractual services	3,130	3,130	3,030	100
Other	19,687	19,617	18,892	725
Total leisure time activities	<u>195,080</u>	<u>199,280</u>	<u>197,706</u>	<u>1,574</u>
Community development				
Building				
Personal services	473,640	480,644	470,976	9,668
Materials and supplies	15,645	15,565	13,396	2,169
Contractual services	95,211	95,211	84,193	11,018
Capital outlay	1,000	1,000	669	331
Other	112,472	114,348	90,619	23,729
Total building	<u>697,968</u>	<u>706,768</u>	<u>659,853</u>	<u>46,915</u>
Engineer				
Personal services	445,880	446,330	443,448	2,882
Materials and supplies	18,784	15,084	13,498	1,586
Contractual services	15,575	27,225	26,353	872
Capital outlay	-	-	-	-
Other	1,250	1,250	774	476
Total engineer	<u>481,489</u>	<u>489,889</u>	<u>484,073</u>	<u>5,816</u>
Total community development	<u>1,179,457</u>	<u>1,196,657</u>	<u>1,143,926</u>	<u>52,731</u>
General government				
Council				
Personal services	182,745	186,045	183,615	2,430
Materials and supplies	6,566	7,066	5,849	1,217
Contractual services	2,400	1,900	523	1,377
Other	3,275	2,775	1,050	1,725
Total council	<u>194,986</u>	<u>197,786</u>	<u>191,037</u>	<u>6,749</u>
Mayor				
Personal services	157,860	159,680	157,074	2,606
Materials and supplies	6,211	6,191	5,214	977
Other	3,115	5,115	4,155	960
Total mayor	<u>167,186</u>	<u>170,986</u>	<u>166,443</u>	<u>4,543</u>
Finance				
Personal services	371,555	405,995	397,406	8,589
Materials and supplies	10,322	10,592	10,200	392
Contractual services	2,675	2,775	2,775	-
Capital outlay	-	-	-	-
Other	3,750	3,380	1,143	2,237
Total finance	<u>388,302</u>	<u>422,742</u>	<u>411,524</u>	<u>11,218</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund (Continued)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Law director				
Personal services	\$ 245,666	\$ 245,626	\$ 239,169	\$ 6,457
Materials and supplies	1,798	3,749	3,455	294
Contractual services	94,919	106,919	98,751	8,168
Other	4,339	4,329	4,309	20
Total law director	<u>346,722</u>	<u>360,623</u>	<u>345,684</u>	<u>14,939</u>
Computer services				
Personal services	121,335	124,205	121,041	3,164
Materials and supplies	49,103	48,993	42,289	6,704
Contractual services	42,891	42,892	30,334	12,558
Capital outlay	2,700	2,730	2,721	9
Other	8,054	8,064	3,092	4,972
Total computer services	<u>224,083</u>	<u>226,884</u>	<u>199,477</u>	<u>27,407</u>
Safety service director				
Personal services	88,740	90,150	90,136	14
Materials and supplies	2,659	2,579	2,577	2
Contractual services	831	531	523	8
Capital outlay	10,250	10,320	10,316	4
Other	980	1,280	1,279	1
Total safety service director	<u>103,460</u>	<u>104,860</u>	<u>104,831</u>	<u>29</u>
Civil services				
Personal services	16,710	23,960	8,812	15,148
Materials and supplies	6,750	-	5,967	(5,967)
Contractual services	6,817	6,818	817	6,001
Other	3,500	3,000	1,495	1,505
Total civil service	<u>33,777</u>	<u>33,778</u>	<u>17,091</u>	<u>16,687</u>
General government				
Personal services	52,560	52,960	51,727	1,233
Materials and supplies	500	500	418	82
Contractual services	158,233	148,233	114,398	33,835
Capital outlay	17,350	17,350	11,508	5,842
Other	256,417	406,967	291,313	115,654
Total general government	<u>485,060</u>	<u>626,010</u>	<u>469,364</u>	<u>156,646</u>
Public grounds/cemetery				
Personal services	226,070	246,910	241,160	5,750
Materials and supplies	53,296	55,327	50,055	5,272
Contractual services	4,665	5,110	4,859	251
Capital outlay	1,616	1,616	-	1,616
Other	10,846	2,130	2,000	130
Total public grounds/cemetery	<u>296,493</u>	<u>311,093</u>	<u>298,074</u>	<u>13,019</u>
Total general government	<u>2,240,069</u>	<u>2,454,762</u>	<u>2,203,525</u>	<u>251,237</u>
Total expenditures	<u>8,932,332</u>	<u>9,251,424</u>	<u>8,729,024</u>	<u>522,400</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund (Concluded)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ (6,348,474)	\$ (6,532,370)	\$ (5,920,688)	\$ 611,682
Other financing sources (uses)				
Transfers-in	5,902,000	6,111,000	6,111,000	-
Advances-in	-	117,804	117,804	-
Advances-out	-	(188,500)	(179,489)	9,011
Transfers-out	(230,000)	(190,000)	(159,000)	31,000
Total other financing sources (uses)	5,672,000	5,850,304	5,890,315	40,011
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(676,474)	(682,066)	(30,373)	651,693
Prior year encumbrances	75,449	75,449	75,449	-
Fund balances, beginning of year	612,855	612,855	612,855	-
Fund balances, end of year	\$ 11,830	\$ 6,238	\$ 657,931	\$ 651,693

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Income Tax Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 5,992,500	\$ 6,284,000	\$ 6,327,277	\$ 43,277
Interest	7,200	14,200	18,674	4,474
Miscellaneous	300	1,800	1,768	(32)
Total revenues	<u>6,000,000</u>	<u>6,300,000</u>	<u>6,347,719</u>	<u>47,719</u>
Expenditures				
Current				
General government				
Personal services	160,110	164,910	161,433	3,477
Materials and supplies	48,533	52,713	49,754	2,959
Contractual services	28,815	23,315	22,517	798
Capital outlay	1,000	1,000	-	1,000
Other	121,445	199,965	108,177	91,788
Total expenditures	<u>359,903</u>	<u>441,903</u>	<u>341,881</u>	<u>100,022</u>
Excess (deficiency) of revenues over expenditures	<u>5,640,097</u>	<u>5,858,097</u>	<u>6,005,838</u>	<u>147,741</u>
Other financing sources (uses)				
Transfers-out	(5,750,000)	(5,970,000)	(5,970,000)	-
Total other financing sources (uses)	<u>(5,750,000)</u>	<u>(5,970,000)</u>	<u>(5,970,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(109,903)	(111,903)	35,838	147,741
Prior year encumbrances	24,647	24,647	24,647	-
Fund balances, beginning of year	<u>778,196</u>	<u>778,196</u>	<u>778,196</u>	<u>-</u>
Fund balances, end of year	<u>\$ 692,940</u>	<u>\$ 690,940</u>	<u>\$ 838,681</u>	<u>\$ 147,741</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 328,405	\$ 301,960	\$ 302,416	\$ 456
Intergovernmental revenue	8,754	105,869	107,640	1,771
Interest	52,071	6,507	6,753	246
Total revenues	<u>389,230</u>	<u>414,336</u>	<u>416,809</u>	<u>2,473</u>
Expenditures				
Current				
Other	4,700	7,200	6,451	749
Debt service				
Note principal	9,344,000	6,956,000	6,956,000	-
Bond principal	1,134,000	1,434,000	1,434,000	-
Interest and fiscal charges	304,372	243,718	243,223	495
Total expenditures	<u>10,787,072</u>	<u>8,640,918</u>	<u>8,639,674</u>	<u>1,244</u>
Excess (deficiency) of revenues over expenditures	<u>(10,397,842)</u>	<u>(8,226,582)</u>	<u>(8,222,865)</u>	<u>3,717</u>
Other financing sources (uses)				
Note proceeds	9,342,405	590,000	590,000	-
Bond proceeds	-	6,931,000	6,931,000	-
Transfers-in	688,310	459,795	457,888	(1,907)
Total other financing sources (uses)	<u>10,030,715</u>	<u>7,980,795</u>	<u>7,978,888</u>	<u>(1,907)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(367,127)</u>	<u>(245,787)</u>	<u>(243,977)</u>	<u>1,810</u>
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	<u>801,478</u>	<u>801,478</u>	<u>801,478</u>	<u>-</u>
Fund balances, end of year	<u>\$ 434,351</u>	<u>\$ 555,691</u>	<u>\$ 557,501</u>	<u>\$ 1,810</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Water Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 2,024,200	\$ 2,469,400	\$ 2,484,503	\$ 15,103
Miscellaneous	90,000	155,000	181,978	26,978
Interest income	15,300	25,140	31,480	6,340
Total revenues	<u>2,129,500</u>	<u>2,649,540</u>	<u>2,697,961</u>	<u>48,421</u>
Expenses				
Personal services	590,001	604,851	570,324	34,527
Materials and supplies	396,061	401,140	383,310	17,830
Contractual services	169,489	168,490	106,248	62,242
Capital outlay	1,408,105	1,346,245	1,019,508	326,737
Other non-operating expenses	1,029,592	1,096,013	954,083	141,930
Debt service				
Principal	209,717	209,717	209,717	-
Interest and fiscal charges	145,005	145,005	145,005	-
Total expenditures	<u>3,947,970</u>	<u>3,971,461</u>	<u>3,388,195</u>	<u>583,266</u>
Excess (deficiency) of revenues over expenses	<u>(1,818,470)</u>	<u>(1,321,921)</u>	<u>(690,234)</u>	<u>631,687</u>
Other financing sources (uses)				
Transfers-out	<u>(72,000)</u>	<u>(72,000)</u>	<u>(72,000)</u>	-
Total other financing sources (uses)	<u>(72,000)</u>	<u>(72,000)</u>	<u>(72,000)</u>	-
Excess (deficiency) of revenues over expenses and other financing sources (uses)	(1,890,470)	(1,393,921)	(762,234)	631,687
Prior year encumbrances	579,950	579,950	579,950	-
Fund balances, beginning of year	<u>1,854,049</u>	<u>1,854,049</u>	<u>1,854,049</u>	-
Fund balances, end of year	<u>\$ 543,529</u>	<u>\$ 1,040,078</u>	<u>\$ 1,671,765</u>	<u>\$ 631,687</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Sewer Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 5,510,100	\$ 6,865,300	\$ 7,040,840	\$ 175,540
Miscellaneous	1,000	3,900	3,555	(345)
Interest income	69,600	159,899	201,295	41,396
Total revenues	<u>5,580,700</u>	<u>7,029,099</u>	<u>7,245,690</u>	<u>216,591</u>
Expenses				
Personal services	1,683,993	1,707,683	1,643,387	64,296
Materials and supplies	433,104	405,744	373,038	32,706
Contractual services	2,141,111	2,933,493	2,710,202	223,291
Capital outlay	10,461,798	6,602,848	5,335,504	1,267,344
Other	1,225,137	11,378,138	6,279,680	5,098,458
Debt service				
Principal	405,000	405,000	405,000	-
Interest and fiscal charges	304,700	304,699	304,699	-
Total expenditures	<u>16,654,843</u>	<u>23,737,605</u>	<u>17,051,510</u>	<u>6,686,095</u>
Excess (deficiency) of revenues over expenses	<u>(11,074,143)</u>	<u>(16,708,506)</u>	<u>(9,805,820)</u>	<u>6,902,686</u>
Other financing sources (uses)				
Note proceeds	7,924,000	16,324,000	16,324,000	-
Advances-in	-	-	10,000	10,000
Transfers-in	713,000	719,883	719,883	-
Transfers-out	(970,754)	(899,343)	(899,343)	-
Total other financing sources (uses)	<u>7,666,246</u>	<u>16,144,540</u>	<u>16,154,540</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenses and other financing sources (uses)	<u>(3,407,897)</u>	<u>(563,966)</u>	<u>6,348,720</u>	<u>6,912,686</u>
Prior year encumbrances	1,732,791	1,732,791	1,732,791	-
Fund balances, beginning of year	<u>7,334,376</u>	<u>7,334,376</u>	<u>7,334,376</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,659,270</u>	<u>\$ 8,503,201</u>	<u>\$15,415,887</u>	<u>\$ 6,912,686</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Street Construction, Maintenance and Repair Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 646,900	\$ 773,700	\$ 844,822	\$ 71,122
Interest	100	170	185	15
Miscellaneous	3,000	2,430	2,376	(54)
Total revenues	<u>650,000</u>	<u>776,300</u>	<u>847,383</u>	<u>71,083</u>
Expenditures				
Current				
Transportation				
Streets				
Personal services	896,000	957,590	939,959	17,631
Traffic signals				
Materials and supplies	44,176	66,976	42,483	24,493
Total expenditures	<u>940,176</u>	<u>1,024,566</u>	<u>982,442</u>	<u>42,124</u>
Excess (deficiency) of revenues over expenditures	<u>(290,176)</u>	<u>(248,266)</u>	<u>(135,059)</u>	<u>113,207</u>
Other financing sources (uses)				
Transfers-in	230,000	230,000	159,000	(71,000)
Total other financing sources (uses)	<u>230,000</u>	<u>230,000</u>	<u>159,000</u>	<u>(71,000)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(60,176)	(18,266)	23,941	42,207
Prior year encumbrances	4,376	4,376	4,376	-
Fund balances, beginning of year	<u>56,622</u>	<u>56,622</u>	<u>56,622</u>	<u>-</u>
Fund balances, end of year	<u>\$ 822</u>	<u>\$ 42,732</u>	<u>\$ 84,939</u>	<u>\$ 42,207</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	State Highway Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 49,000	\$ 68,000	\$ 68,470	\$ 470
Interest	-	300	501	201
Total revenues	<u>49,000</u>	<u>68,300</u>	<u>68,971</u>	<u>671</u>
Expenditures				
Current				
Transportation				
Materials and supplies	46,000	61,000	60,001	999
Contractual services	9,000	9,000	8,629	371
Total expenditures	<u>55,000</u>	<u>70,000</u>	<u>68,630</u>	<u>1,370</u>
Excess (deficiency) of revenues over expenditures	(6,000)	(1,700)	341	2,041
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>6,609</u>	<u>6,609</u>	<u>6,609</u>	<u>-</u>
Fund balances, end of year	<u>\$ 609</u>	<u>\$ 4,909</u>	<u>\$ 6,950</u>	<u>\$ 2,041</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Motor Vehicle License Tax Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 374,300	\$ 385,900	\$ 386,108	\$ 208
Interest	200	200	514	314
Miscellaneous	500	1,500	1,167	(333)
Total revenues	<u>375,000</u>	<u>387,600</u>	<u>387,789</u>	<u>189</u>
Expenditures				
Current				
Transportation				
Personal services	84,789	84,799	80,462	4,337
Materials and supplies	223,869	236,749	218,483	18,266
Contractual services	52,603	59,913	58,872	1,041
Other	61,810	71,610	70,941	669
Total expenditures	<u>423,071</u>	<u>453,071</u>	<u>428,758</u>	<u>24,313</u>
Excess (deficiency) of revenues over expenditures	(48,071)	(65,471)	(40,969)	24,502
Prior year encumbrances	24,001	24,001	24,001	-
Fund balances, beginning of year	<u>43,533</u>	<u>43,533</u>	<u>43,533</u>	<u>-</u>
Fund balances, end of year	<u>\$ 19,463</u>	<u>\$ 2,063</u>	<u>\$ 26,565</u>	<u>\$ 24,502</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Street Levy Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 526,705	\$ 503,044	\$ 503,692	\$ 648
Intergovernmental revenue	26,936	63,417	63,449	32
Interest	4,001	7,481	7,703	222
Total revenues	<u>557,642</u>	<u>573,942</u>	<u>574,844</u>	<u>902</u>
Expenditures				
Current				
Transportation				
Materials and supplies	4,290	31,290	30,773	517
Contractual services	7,900	9,650	9,601	49
Capital outlay	752,696	740,546	596,704	143,842
Total expenditures	<u>764,886</u>	<u>781,486</u>	<u>637,078</u>	<u>144,408</u>
Excess (deficiency) of revenues over expenditures	<u>(207,244)</u>	<u>(207,544)</u>	<u>(62,234)</u>	<u>145,310</u>
Other financing sources (uses)				
Transfers-out	(164,903)	(164,903)	(164,903)	-
Total other financing sources (uses)	<u>(164,903)</u>	<u>(164,903)</u>	<u>(164,903)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(372,147)</u>	<u>(372,447)</u>	<u>(227,137)</u>	<u>145,310</u>
Prior year encumbrances	77,987	77,987	77,987	-
Fund balances, beginning of year	<u>294,533</u>	<u>294,533</u>	<u>294,533</u>	<u>-</u>
Fund balances, end of year	<u>\$ 373</u>	<u>\$ 73</u>	<u>\$ 145,383</u>	<u>\$ 145,310</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Surface Drainage Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 2,400	\$ 3,900	\$ 5,357	\$ 1,457
Miscellaneous	167,600	252,600	264,967	12,367
Total revenues	<u>170,000</u>	<u>256,500</u>	<u>270,324</u>	<u>13,824</u>
Expenditures				
Current				
Basic utility services				
Personal services	53,115	53,115	53,077	38
Materials and supplies	149,722	153,121	75,992	77,129
Contractual services	26,800	28,400	12,637	15,763
Capital outlay	-	11,000	7,180	3,820
Other	56,335	66,736	51,337	15,399
Total expenditures	<u>285,972</u>	<u>312,372</u>	<u>200,223</u>	<u>112,149</u>
Excess (deficiency) of revenues over expenditures	(115,972)	(55,872)	70,101	125,973
Prior year encumbrances	18,121	18,121	18,121	-
Fund balances, beginning of year	<u>332,363</u>	<u>332,363</u>	<u>332,363</u>	<u>-</u>
Fund balances, end of year	<u>\$ 234,512</u>	<u>\$ 294,612</u>	<u>\$ 420,585</u>	<u>\$ 125,973</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Police Levy Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 234,654	\$ 244,507	\$ 244,544	\$ 37
Intergovernmental revenue	26,263	28,560	28,670	110
Interest	6,901	551	576	25
Miscellaneous	-	-	24	24
Total revenues	<u>267,818</u>	<u>273,618</u>	<u>273,814</u>	<u>196</u>
Expenditures				
Current				
Security of persons and property				
Personal services	266,150	262,585	223,780	38,805
Contractual services	4,000	7,565	7,565	-
Total expenditures	<u>270,150</u>	<u>270,150</u>	<u>231,345</u>	<u>38,805</u>
Excess (deficiency) of revenues over expenditures	(2,332)	3,468	42,469	39,001
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>6,978</u>	<u>6,978</u>	<u>6,978</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,646</u>	<u>\$ 10,446</u>	<u>\$ 49,447</u>	<u>\$ 39,001</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Police Pension Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 151,572	\$ 139,655	\$ 139,577	\$ (78)
Intergovernmental revenue	4,040	18,307	18,401	94
Interest	1,100	-	168	168
Miscellaneous	-	150	-	(150)
Total revenues	<u>156,712</u>	<u>158,112</u>	<u>158,146</u>	<u>34</u>
Expenditures				
Current				
Security of persons and property				
Personal services	156,600	156,290	156,250	40
Contractual services	2,000	2,310	2,310	-
Total expenditures	<u>158,600</u>	<u>158,600</u>	<u>158,560</u>	<u>40</u>
Excess (deficiency) of revenues over expenditures	(1,888)	(488)	(414)	74
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>-</u>
Fund balances, end of year	<u>\$ 92</u>	<u>\$ 1,492</u>	<u>\$ 1,566</u>	<u>\$ 74</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Law Enforcement Trust Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 100	\$ 300	\$ 376	\$ 76
Miscellaneous	3,900	16,300	16,710	410
Total revenues	<u>4,000</u>	<u>16,600</u>	<u>17,086</u>	<u>486</u>
Expenditures				
Current				
Security of persons and property				
Personal services	12,500	12,500	11,700	800
Materials and supplies	23,304	23,304	15,840	7,464
Capital outlay	6,000	6,000	4,000	2,000
Total expenditures	<u>41,804</u>	<u>41,804</u>	<u>31,540</u>	<u>10,264</u>
Excess (deficiency) of revenues over expenditures	(37,804)	(25,204)	(14,454)	10,750
Prior year encumbrances	13,804	13,804	13,804	-
Fund balances, beginning of year	<u>24,930</u>	<u>24,930</u>	<u>24,930</u>	<u>-</u>
Fund balances, end of year	<u>\$ 930</u>	<u>\$ 13,530</u>	<u>\$ 24,280</u>	<u>\$ 10,750</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Drug Law Enforcement Trust Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 3,900	\$ 500	\$ 500	\$ -
Interest	100	200	235	35
Total revenues	<u>4,000</u>	<u>700</u>	<u>735</u>	<u>35</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	3,500	3,500	2,714	786
Other	3,000	3,000	1,440	1,560
Total expenditures	<u>6,500</u>	<u>6,500</u>	<u>4,154</u>	<u>2,346</u>
Excess (deficiency) of revenues over expenditures	(2,500)	(5,800)	(3,419)	2,381
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>18,088</u>	<u>18,088</u>	<u>18,088</u>	-
Fund balances, end of year	<u>\$ 15,588</u>	<u>\$ 12,288</u>	<u>\$ 14,669</u>	<u>\$ 2,381</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	DUI Enforcement and Education Trust Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 3,950	\$ 690	\$ 725	\$ 35
Interest	50	150	147	(3)
Total revenues	4,000	840	872	32
Expenditures				
Current				
Security of persons and property				
Materials and supplies	13,000	13,000	6,929	6,071
Total expenditures	13,000	13,000	6,929	6,071
Excess (deficiency) of revenues over expenditures	(9,000)	(12,160)	(6,057)	6,103
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	12,530	12,530	12,530	-
Fund balances, end of year	\$ 3,530	\$ 370	\$ 6,473	\$ 6,103

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Clerk of Courts Computer Service Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 360	\$ 540	\$ 566	\$ 26
Miscellaneous	29,640	24,460	25,177	717
Total revenues	<u>30,000</u>	<u>25,000</u>	<u>25,743</u>	<u>743</u>
Expenditures				
Current				
Security of persons and property				
Personal services	43,610	44,010	43,328	682
Materials and supplies	200	119	-	119
Capital outlay	6,000	6,081	6,079	2
Other	2,175	2,175	1,572	603
Total expenditures	<u>51,985</u>	<u>52,385</u>	<u>50,979</u>	<u>1,406</u>
Excess (deficiency) of revenues over expenditures	(21,985)	(27,385)	(25,236)	2,149
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>55,261</u>	<u>55,261</u>	<u>55,261</u>	<u>-</u>
Fund balances, end of year	<u>\$ 33,276</u>	<u>\$ 27,876</u>	<u>\$ 30,025</u>	<u>\$ 2,149</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Court Computerization Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 14,140	\$ 10,290	\$ 10,785	\$ 495
Interest	360	710	869	159
Total revenues	<u>14,500</u>	<u>11,000</u>	<u>11,654</u>	<u>654</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	14,500	11,000	11,654	654
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>59,385</u>	<u>59,385</u>	<u>59,385</u>	<u>-</u>
Fund balances, end of year	<u>\$ 73,885</u>	<u>\$ 70,385</u>	<u>\$ 71,039</u>	<u>\$ 654</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Fire Levy Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 822,186	\$ 764,441	\$ 764,434	\$ (7)
Intergovernmental revenue	26,936	92,935	93,047	112
Interest	8,001	1,111	899	(212)
Miscellaneous	-	6,536	6,793	257
Total revenues	<u>857,123</u>	<u>865,023</u>	<u>865,173</u>	<u>150</u>
Expenditures				
Current				
Security of persons and property				
Personal services	847,240	854,540	853,320	1,220
Contractual services	11,800	12,700	12,697	3
Total expenditures	<u>859,040</u>	<u>867,240</u>	<u>866,017</u>	<u>1,223</u>
Excess (deficiency) of revenues over expenditures	(1,917)	(2,217)	(844)	1,373
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>2,251</u>	<u>2,251</u>	<u>2,251</u>	<u>-</u>
Fund balances, end of year	<u>\$ 334</u>	<u>\$ 34</u>	<u>\$ 1,407</u>	<u>\$ 1,373</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Fire Pension Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 151,572	\$ 139,590	\$ 139,576	\$ (14)
Intergovernmental revenue	4,040	18,267	18,403	136
Interest	1,100	255	168	(87)
Total revenues	<u>156,712</u>	<u>158,112</u>	<u>158,147</u>	<u>35</u>
Expenditures				
Current				
Security of persons and property				
Personal services	156,600	156,290	156,250	40
Contractual services	2,000	2,310	2,310	-
Total expenditures	<u>158,600</u>	<u>158,600</u>	<u>158,560</u>	<u>40</u>
Excess (deficiency) of revenues over expenditures	(1,888)	(488)	(413)	75
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>1,975</u>	<u>1,975</u>	<u>1,975</u>	<u>-</u>
Fund balances, end of year	<u>\$ 87</u>	<u>\$ 1,487</u>	<u>\$ 1,562</u>	<u>\$ 75</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Paramedic Levy Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 610,372	\$ 577,569	\$ 577,488	\$ (81)
Intergovernmental revenue	26,936	73,589	73,733	144
Interest	12,900	1,830	1,920	90
Miscellaneous	-	-	118	118
Total revenues	<u>650,208</u>	<u>652,988</u>	<u>653,259</u>	<u>271</u>
Expenditures				
Current				
Security of persons and property				
Personal services	689,045	698,525	672,444	26,081
Materials and supplies	27,001	27,651	22,286	5,365
Contractual services	13,700	14,360	13,259	1,101
Other	27,925	28,335	22,623	5,712
Total expenditures	<u>757,671</u>	<u>768,871</u>	<u>730,612</u>	<u>38,259</u>
Excess (deficiency) of revenues over expenditures	(107,463)	(115,883)	(77,353)	38,530
Prior year encumbrances	3,564	3,564	3,564	-
Fund balances, beginning of year	<u>119,264</u>	<u>119,264</u>	<u>119,264</u>	<u>-</u>
Fund balances, end of year	<u>\$ 15,365</u>	<u>\$ 6,945</u>	<u>\$ 45,475</u>	<u>\$ 38,530</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Ambulance Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 37,100	\$ 48,000	\$ 48,999	\$ 999
Interest	1,900	1,900	2,036	136
Total revenues	<u>39,000</u>	<u>49,900</u>	<u>51,035</u>	<u>1,135</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	22,448	23,348	22,795	553
Contractual services	2,660	2,980	2,980	-
Capital outlay	138,528	138,528	138,528	-
Other	23,000	21,780	5,109	16,671
Total expenditures	<u>186,636</u>	<u>186,636</u>	<u>169,412</u>	<u>17,224</u>
Excess (deficiency) of revenues over expenditures	(147,636)	(136,736)	(118,377)	18,359
Prior year encumbrances	138,776	138,776	138,776	-
Fund balances, beginning of year	<u>119,632</u>	<u>119,632</u>	<u>119,632</u>	<u>-</u>
Fund balances, end of year	<u>\$ 110,772</u>	<u>\$ 121,672</u>	<u>\$ 140,031</u>	<u>\$ 18,359</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	State Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 77,500	\$ 100,685	\$ 100,685	\$ -
Total revenues	<u>77,500</u>	<u>100,685</u>	<u>100,685</u>	<u>-</u>
Expenditures				
Current				
General government				
Contractual services	82,904	100,164	99,408	756
Total expenditures	<u>82,904</u>	<u>100,164</u>	<u>99,408</u>	<u>756</u>
Excess (deficiency) of revenues over expenditures	(5,404)	521	1,277	756
Prior year encumbrances	904	904	904	-
Fund balances, beginning of year	<u>89,238</u>	<u>89,238</u>	<u>89,238</u>	<u>-</u>
Fund balances, end of year	<u>\$ 84,738</u>	<u>\$ 90,663</u>	<u>\$ 91,419</u>	<u>\$ 756</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 535,674	\$ 411,723	\$ 411,723	\$ -
Interest	-	3,000	2,982	(18)
Total revenues	<u>535,674</u>	<u>414,723</u>	<u>414,705</u>	<u>(18)</u>
Expenditures				
Current				
Community development				
Contractual services	594,037	514,935	507,745	7,190
Total expenditures	<u>594,037</u>	<u>514,935</u>	<u>507,745</u>	<u>7,190</u>
Excess (deficiency) of revenues over expenditures	<u>(58,363)</u>	<u>(100,212)</u>	<u>(93,040)</u>	<u>7,172</u>
Other financing sources (uses)				
Advances in	-	159,653	159,688	35
Advances-out	-	(117,804)	(117,804)	-
Total other financing sources (uses)	<u>-</u>	<u>41,849</u>	<u>41,884</u>	<u>35</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(58,363)</u>	<u>(58,363)</u>	<u>(51,156)</u>	<u>7,207</u>
Prior year encumbrances	7,600	7,600	7,600	-
Fund balances, beginning of year	<u>50,763</u>	<u>50,763</u>	<u>50,763</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,207</u>	<u>\$ 7,207</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Cemetery Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 23,640	\$ 18,340	\$ 22,538	\$ 4,198
Interest	360	360	768	408
Total revenues	<u>24,000</u>	<u>18,700</u>	<u>23,306</u>	<u>4,606</u>
Expenditures				
Current				
Public health and welfare				
Materials and supplies	6,100	10,900	6,433	4,467
Contractual services	-	1,800	1,776	24
Capital outlay	-	2,400	-	2,400
Total expenditures	<u>6,100</u>	<u>15,100</u>	<u>8,209</u>	<u>6,891</u>
Excess (deficiency) of revenues over expenditures	17,900	3,600	15,097	11,497
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>47,985</u>	<u>47,985</u>	<u>47,985</u>	<u>-</u>
Fund balances, end of year	<u>\$ 65,885</u>	<u>\$ 51,585</u>	<u>\$ 63,082</u>	<u>\$ 11,497</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Park and Recreation Trust Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 89,760	\$ 85,960	\$ 90,940	\$ 4,980
Interest	240	440	659	219
Total revenues	<u>90,000</u>	<u>86,400</u>	<u>91,599</u>	<u>5,199</u>
Expenditures				
Current				
Leisure time activities				
Personal services	8,600	8,600	1,976	6,624
Contractual services	28,000	33,000	30,950	2,050
Other	48,352	63,352	52,476	10,876
Total expenditures	<u>84,952</u>	<u>104,952</u>	<u>85,402</u>	<u>19,550</u>
Excess (deficiency) of revenues over expenditures	5,048	(18,552)	6,197	24,749
Prior year encumbrances	352	352	352	-
Fund balances, beginning of year	<u>30,986</u>	<u>30,986</u>	<u>30,986</u>	<u>-</u>
Fund balances, end of year	<u>\$ 36,386</u>	<u>\$ 12,786</u>	<u>\$ 37,535</u>	<u>\$ 24,749</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Park and Recreation Improvement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 73,800	\$ 119,300	\$ 123,250	\$ 3,950
Interest	1,200	2,200	2,777	577
Total revenues	<u>75,000</u>	<u>121,500</u>	<u>126,027</u>	<u>4,527</u>
Expenditures				
Current				
Leisure time activity				
Capital outlay	80,000	80,000	64,708	15,292
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>64,708</u>	<u>15,292</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>41,500</u>	<u>61,319</u>	<u>19,819</u>
Other financing sources (uses)				
Transfers-out	<u>(26,409)</u>	<u>(26,409)</u>	<u>(26,409)</u>	<u>-</u>
Total other financing sources (uses)	<u>(26,409)</u>	<u>(26,409)</u>	<u>(26,409)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(31,409)	15,091	34,910	19,819
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>187,057</u>	<u>187,057</u>	<u>187,057</u>	<u>-</u>
Fund balances, end of year	<u>\$ 155,648</u>	<u>\$ 202,148</u>	<u>\$ 221,967</u>	<u>\$ 19,819</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Senior Citizens Title III Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 32,300	\$ 27,300	\$ 28,183	\$ 883
Interest	-	-	5	5
Total revenues	<u>32,300</u>	<u>27,300</u>	<u>28,188</u>	<u>888</u>
Expenditures				
Current				
Public health and welfare				
Personal services	35,951	30,951	30,858	93
Total expenditures	<u>35,951</u>	<u>30,951</u>	<u>30,858</u>	<u>93</u>
Excess (deficiency) of revenues over expenditures	(3,651)	(3,651)	(2,670)	981
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>3,733</u>	<u>3,733</u>	<u>3,733</u>	-
Fund balances, end of year	<u>\$ 82</u>	<u>\$ 82</u>	<u>\$ 1,063</u>	<u>\$ 981</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Solid Waste Management Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 1,198,500	\$ 1,297,500	\$ 1,306,543	\$ 9,043
Interest	1,500	2,500	2,873	373
Miscellaneous	-	-	326	326
Total revenues	<u>1,200,000</u>	<u>1,300,000</u>	<u>1,309,742</u>	<u>9,742</u>
Expenditures				
Current				
Basic utility services				
Personal services	72,170	74,070	70,733	3,337
Materials and supplies	31,702	31,422	25,369	6,053
Contractual services	1,177,471	1,177,751	1,172,031	5,720
Other	7,505	7,505	2,448	5,057
Total expenditures	<u>1,288,848</u>	<u>1,290,748</u>	<u>1,270,581</u>	<u>20,167</u>
Excess (deficiency) of revenues over expenditures	<u>(88,848)</u>	<u>9,252</u>	<u>39,161</u>	<u>29,909</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)	(124,848)	(26,748)	3,161	29,909
Prior year encumbrances	4,038	4,038	4,038	-
Fund balance, beginning of year	<u>194,878</u>	<u>194,878</u>	<u>194,878</u>	<u>-</u>
Fund balance, end of year	<u>\$ 74,068</u>	<u>\$ 172,168</u>	<u>\$ 202,077</u>	<u>\$ 29,909</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Special Assessment Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Special assessments	\$ 55,930	\$ 46,260	\$ 45,789	\$ (471)
Interest	300	805	1,554	749
Miscellaneous	-	18,650	18,650	-
Total revenues	<u>56,230</u>	<u>65,715</u>	<u>65,993</u>	<u>278</u>
Expenditures				
Current				
Other	-	25,650	23,368	2,282
Debt service				
Bond principal	25,000	25,000	25,000	-
Interest and fiscal charges	9,490	9,490	9,490	-
Total expenditures	<u>34,490</u>	<u>60,140</u>	<u>57,858</u>	<u>2,282</u>
Excess (deficiency) of revenues over expenditures	21,740	5,575	8,135	2,560
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	<u>93,886</u>	<u>93,886</u>	<u>93,886</u>	<u>-</u>
Fund balances, end of year	<u>\$ 115,626</u>	<u>\$ 99,461</u>	<u>\$ 102,021</u>	<u>\$ 2,560</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 4,965	\$ 3,360	\$ 3,430	\$ 70
Total revenues	<u>4,965</u>	<u>3,360</u>	<u>3,430</u>	<u>70</u>
Expenditures				
Capital outlay	568,200	673,810	662,364	11,446
Total expenditures	<u>568,200</u>	<u>673,810</u>	<u>662,364</u>	<u>11,446</u>
Excess (deficiency) of revenues over expenditures	<u>(563,235)</u>	<u>(670,450)</u>	<u>(658,934)</u>	<u>11,516</u>
Other financing sources (uses)				
Advance-in	-	9,800	9,800	-
Transfers-in	297,500	298,500	298,500	-
Note proceeds	450,000	550,000	550,000	-
Transfers-out	<u>(237,728)</u>	<u>(238,618)</u>	<u>(238,618)</u>	<u>-</u>
Total other financing sources (uses)	<u>509,772</u>	<u>619,682</u>	<u>619,682</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(53,463)	(50,768)	(39,252)	11,516
Prior year encumbrances	6,501	6,501	6,501	-
Fund balances, beginning of year	<u>54,046</u>	<u>54,046</u>	<u>54,046</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,084</u>	<u>\$ 9,779</u>	<u>\$ 21,295</u>	<u>\$ 11,516</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Issue II Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 260,000	\$ 89,821	\$ 89,821	\$ -
Total revenues	<u>260,000</u>	<u>89,821</u>	<u>89,821</u>	<u>-</u>
Expenditures				
Capital outlay	260,000	89,821	89,821	-
Total expenditures	<u>260,000</u>	<u>89,821</u>	<u>89,821</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Bainbridge Road Improvement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ 244	\$ 244
Total revenues	-	-	244	244
Expenditures				
Capital outlay	3,322	3,322	-	3,322
Total expenditures	3,322	3,322	-	3,322
Excess (deficiency) of revenues over expenditures	(3,322)	(3,322)	244	(3,078)
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	3,322	3,322	3,322	-
Fund balances, end of year	\$ -	\$ -	\$ 3,566	\$ 3,566

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Self-Insurance Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 1,215,800	\$ 1,630,050	\$ 1,632,055	\$ 2,005
Interest income	-	9	9	-
Total revenues	<u>1,215,800</u>	<u>1,630,059</u>	<u>1,632,064</u>	<u>2,005</u>
Expenses				
Other operating expenses	1,216,146	1,626,916	1,616,027	10,889
Total expenses	<u>1,216,146</u>	<u>1,626,916</u>	<u>1,616,027</u>	<u>10,889</u>
Excess (deficiency) of revenues over expenses	(346)	3,143	16,037	12,894
Prior year encumbrances	346	346	346	-
Fund balances, beginning of year	<u>2,841</u>	<u>2,841</u>	<u>2,841</u>	-
Fund balances, end of year	<u>\$ 2,841</u>	<u>\$ 6,330</u>	<u>\$ 19,224</u>	<u>\$ 12,894</u>

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

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Local taxes										
Municipal income tax	\$ 6,435,424	\$ 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
Property and other taxes	3,865,599	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
Intergovernmental	2,846,164	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
Special assessments	45,789	235,000	57,629	59,505	69,604	105,379	98,437	107,695	99,003	64,758
Charges for services	1,476,481	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
Fines, licenses and permits	987,145	888,946	775,086	592,736	652,034	600,401	878,091	788,470	804,592	575,093
Interest	67,111	130,797	109,283	270,802	390,169	331,036	364,905	276,202	357,339	381,481
Miscellaneous	883,304	936,088	621,453	810,949	708,801	650,306	686,279	264,448	890,257	511,370
	<u>\$16,607,017</u>	<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>

Table includes all Governmental Funds

Source: City financial records

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

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Current										
Security of persons and property	\$ 6,989,755	\$ 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
Public health and welfare	296,422	287,622	109,703	83,983	117,926	106,724	337,224	269,746	262,160	248,066
Leisure time activities	335,089	330,359	264,472	377,159	446,836	382,651	375,438	334,983	256,701	278,081
Community environment (1)	1,204,651	1,103,637	-	-	-	-	-	-	-	-
Transportation	1,874,993	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
General government	4,103,322	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
Capital outlay	635,548	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
Debt service										
Principal	1,623,987	1,706,789	771,485	523,522	957,028	916,658	853,000	823,000	814,120	447,119
Interest and fiscal charges	228,029	431,120	344,466	383,214	410,911	434,267	444,388	489,817	577,232	605,164
	<u>\$17,291,796</u>	<u>\$17,290,571</u>	<u>\$17,223,532</u>	<u>\$15,510,760</u>	<u>\$16,000,942</u>	<u>\$14,743,406</u>	<u>\$13,667,217</u>	<u>\$13,114,885</u>	<u>\$12,705,968</u>	<u>\$14,343,233</u>

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

Table includes all Governmental Funds

Source: City financial records

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

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

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	
2004	\$ 479,530,600	\$ 1,370,087,429	\$ 13,468,230	N/AV	\$ 25,708,440	\$ 111,775,827	\$ 518,707,270	N/AV	N/AV
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%

Source: County Auditor, Lorain County, Ohio

Estimated actual value is calculated by dividing the assessed value by assessment percentage. The percentages for 2004 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
2004	\$ 81,447	\$ 62,395	76.6%
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%

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		Lorain County	Lorain County Joint		Total Direct and Overlapping Governments
	General Fund	Special Revenue Funds	Debt Service Fund	Agency Fund (1)		School District	Lorain County		Vocational School		
2004	1.70 (3)	8.55	0.65	2.46 (2)	13.36	44.79	12.89	2.45	2.45	73.49	
2003	1.42	8.83	0.70	2.46 (2)	13.41	46.47	12.89	2.45	2.45	75.22	
2002	1.42	8.83	0.70	2.46 (2)	13.41	46.47	12.89	2.45	2.45	75.22	
2001	1.42	8.83	0.85	2.46 (2)	13.56	47.25	10.79	2.45	2.45	74.05	
2000	1.42	8.83	1.00	2.46 (2)	13.71	48.95	10.79	2.45	2.45	75.90	
1999	1.42	9.83	1.00	1.00	13.25	49.44	10.79	2.45	2.45	75.93	
1998	1.42	9.83	1.20	1.00	13.45	50.19	10.79	2.45	2.45	76.88	
1997	1.42	9.83	1.50	1.00	13.75	53.19	12.69	2.45	2.45	82.08	
1996	1.42	9.83	1.50	1.00	13.75	53.54	12.69	2.45	2.45	82.43	
1995	1.42	9.83	2.00	1.00	14.25	43.89	11.49	2.45	2.45	72.08	

Source: County Auditor, Lorain County, Ohio

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

City of North Ridgeville, Ohio
 Computation of Legal Debt Margin
 December 31, 2004

Assessed value	\$ 557,079,074
Legal Debt Margin:	
Debt limitation - 10.5 percent of assessed value	58,493,302
Debt applicable to limitation	
General obligation bonds	\$ 11,807,000
Special assessment bonds	288,000
Bond anticipation notes	18,195,000
Gross indebtedness	
(Total Voted and Unvoted Debt)	<u>30,290,000</u>
Less: Debt outside limitations	
Self-supporting GO Water	1,050,000
Self-supporting GO Sewer	20,066,013
Special assessment	4,504,744
Tax increment financing	590,000
Total Debt Outside Limitations	<u>26,210,757</u>
Total nonexempt debt	4,079,243
Less: Amount available in debt service fund to pay debt applicable to limitation	<u>223,517</u>
Net debt within 10.5% limitation	3,855,726
Debt leeway within 10.5% limitation	<u>\$ 54,637,576</u>
Unvoted debt limitation - 5.5% of assessed valuation	
Debt limitation: 5.5% of assessed value	\$ 30,639,349
Gross indebtedness authorized by City Council	
Less: Debt outside limitations	\$ 30,290,000
Voted debt	26,210,757
	1,140,000
	<u>27,350,757</u>
Debt within 5.5% limitation	2,939,243
Less: Amount available in debt service fund to pay debt applicable to limitation	30,546
Net debt within 5.5% limitation	2,908,697
Debt leeway within 5.5% unvoted debt limitation	<u>\$ 27,730,652</u>

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

(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 (1)	Total Governmental Expenditures (2)	Ratio of Debt Service to General Fund Expenditures
	Principal	Interest			
2004	\$ 630,000	\$ 197,278	\$ 827,278	\$ 17,291,796	4.8%
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%

(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, 2004

	General Tax Supported (Non-exempt) 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	\$ 4,079,243	100.00%	\$ 4,079,243	\$ 182.61	0.73%
Lorain County (4)	\$ 28,992,005	8.70%	\$ 2,522,304	\$ 112.92	0.45%
North Ridgeville City Schools (5)	\$ 3,024,550	100.00%	\$ 3,024,550	\$ 135.40	0.54%
	<u>\$ 36,095,798</u>		<u>\$ 9,626,097</u>	<u>\$ 430.93</u>	<u>1.72%</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 \$ 557,079,074 (collection year 2005) and \$ 518,707,270 (collection year 2004).

(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)
2004	\$ 518,707,270	\$ 75,415,931	\$ 685,900
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

- 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
2004	22,338	3,403	5.8%	6.1%
2003	22,338	3,366	7.3%	6.1%
2002	22,338	3,277	7.1%	5.7%
2001	22,338	3,309	5.6%	4.3%
2000	22,338	3,167	5.4%	4.1%
1999	21,564	3,153	5.0%	4.3%
1998	21,564	3,265	3.6%	4.3%
1997	21,564	3,359	6.1%	4.6%
1996	21,564	3,422	7.8%	4.9%
1995	21,564	3,511	5.1%	4.8%

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, 2004

Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
<u>Real Property Taxpayers</u>			
FJD Properties LLC	Residential land developer	\$ 2,979,810	0.57%
R. W. Beckett Corporation	Manufacturer	2,728,540	0.53%
Rini Realty Company	Commercial retail property	2,003,330	0.39%
Invacare Corporation	Manufacturer	1,838,880	0.35%
Oster Construction	Residential construction	1,799,360	0.35%
Bob Schmitt Homes, Inc.	Residential developer	1,775,710	0.34%
Sugar Chestnut LLC	Residential land developer	1,624,090	0.31%
All Purpose Construction	Residential construction	1,309,870	0.25%
Lake Ridge Holding Ltd.	Nursing home	1,292,740	0.25%
North Ridge Plaza	Commercial retail property	1,046,720	0.20%
<u>Tangible Personal Property Taxpayers</u>			
R. W. Beckett Corporation	Manufacturer	\$ 2,524,980	0.49%
Morris Pontiac GMC Inc.	Automobile dealer	1,953,360	0.38%
Invacare Corporation	Manufacturer	1,738,700	0.34%
Beckett Gas, Inc.	Manufacturer	1,503,040	0.29%
Beckett Air, Inc.	Manufacturer	1,030,320	0.20%
Riser Foods Company	Retail grocery	801,300	0.15%
Tops Markets, LLC	Retail grocery	711,700	0.14%
Dreco, Inc.	Manufacturer	683,400	0.13%
Kalt Manufacturing Co.	Manufacturer	599,490	0.12%
Comcast of Massachusetts	Cable services	662,040	0.12%
<u>Public Utility</u>			
Ohio Edison Company (a)	Electric	\$ 4,438,730	0.86%
Alltel Ohio	Communications	2,961,470	0.57%
Cleveland Electric Illuminating Company (a)	Electric	1,208,340	0.23%
Columbia Gas of Ohio Inc.	Natural gas	918,760	0.18%
Columbia Gas Transmission	Natural gas	885,980	0.17%
American Transmission	Natural gas	877,120	0.17%

(a) Subsidiaries of First Energy Corp.

Source: County Auditor, Lorain County, Ohio

City of North Ridgeville, Ohio
 Principal Employers
 December 31, 2004

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
R. W. Beckett Corporation	Manufacturer of oil burners	200
City of North Ridgeville, Ohio	Municipal government	200
Center Ridge Nursing Home, Inc.	Skilled nursing home facility	175
Beckett Air, Inc.	Manufacturer of blower wheels	150
Riser Foods, Inc.	Retail grocery	135
Lake Ridge Academy	Education	130
Northridge Health Center	Skilled nursing home facility	120
Dreco, Inc.	Manufacturer of plastic components	115
Norlake Manufacturing Company	Manufacturer of power supplies	100
Cuyahoga Group	Vending machine food preparation	100

Sources: "2005 Harris Ohio Industrial Directory" and "2005 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, 2004

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
Median value of homes (2003)	\$ 135,000
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	177
Number of part-time employees	28
Parks and recreation	
Number of parks	4
Acreage of parkland	110
Number of public libraries	1
Schools (public and parochial)	
Number of high schools	2
Number of elementary schools	5
Water lines	104 miles
Sanitary sewer lines	94 miles
Storm sewers	74 miles
Roads	247 lane miles

(Front cover depicts the City's *Olde Towne Hall* which now houses a theatre and historical museum.)

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF NORTH 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
JULY 12, 2005**