



**Auditor of State  
Betty Montgomery**



**CITY OF NORTH RIDGEVILLE  
LORAIN COUNTY**

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**CITY OF NORTH RIDGEVILLE  
LORAIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b> <i>Direct Grant</i>			
Assistance to Fire Fighters	N/A	85.554	<u>\$56,761</u>
Total Federal Emergency Management Agency			<u>56,761</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> <i>Passed through Western Reserve Area Agency on Aging</i>			
Special Programs for the Aging - Title III Part B	N/A	93.044	<u>31,578</u>
Total U.S. Department of Health and Human Services			<u>31,578</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b> <i>Passed through the Ohio Department of Development</i>			
HOME Investment Partnership Program	A-C-03-157-2	14.239	227,094
	A-C-05-157-2	14.239	<u>6,028</u>
Total HOME Investment Partnership Program			<u>233,122</u>
Community Development Block Grant Small Cities Formula Allocation	A-F-03-157-1	14.228	50,546
	A-F-04-157-1	14.228	68,312
	A-F-05-157-1	14.228	410
Small Cities Community Housing Improvement Program	A-C-03-157-1	14.228	55,705
	A-C-05-157-1	14.228	7,689
<i>Passed through the Lorain County Department of Development</i>			
Ohio Community Development Block Grant Formula Allocation	B-E-04-043-1	14.228	235,000
Economic Development	N/A	14.228	<u>100,000</u>
Total Community Development Block Grant			<u>517,662</u>
Total U.S. Department of Housing and Urban Development			<u>750,784</u>
<b>Total Federal Awards Expenditures</b>			<b><u><u>\$839,123</u></u></b>

*The accompanying notes are an integral part of this schedule.*

**CITY OF NORTH RIDGEVILLE  
LORAIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
DECEMBER 31, 2005**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable.



**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

To the Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Ridgeville, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2006. 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, 2006, 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, 2006, we reported other matters related to noncompliance we deemed immaterial.

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

We intend this report solely for the information and use of management, Council, federal awarding agencies, and pass-through entities. 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, 2006





## **Auditor of State Betty Montgomery**

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

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

To the Members of Council:

#### **Compliance**

We have audited the compliance of the City of North Ridgeville, Lorain County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended December 31, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of North Ridgeville complied, in all material respects, with the requirements referred to above apply to each of its major federal programs for the year ended December 31, 2005.

#### **Internal Control Over Compliance**

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

**Internal Control Over Compliance  
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by an error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Federal Awards Expenditures Schedule**

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, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 23, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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 intend this report solely for the information and use of management, Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

June 23, 2006

**CITY OF NORTH RIDGEVILLE  
LORAIN COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 Section .505**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant, CFDA # 14.228: Small Cities Formula Allocation, Small Cities Community Housing Improvement Program, Ohio Community Development Block Grant Formula Allocation, Economic Development
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	\$300,000
(d)(1)(ix)	Low Risk Auditee?	No

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.



# City of North Ridgeville, Ohio



**Comprehensive Annual Financial Report  
For the Year Ended December 31, 2005**



**CITY OF NORTH RIDGEVILLE, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

Prepared By:  
Office of the Auditor

Chris S. Costin, CPA, CGFM  
Auditor

Donna L. Kiraly  
Deputy Auditor

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# CITY OF NORTH RIDGEVILLE

Auditor's Office



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

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of the City of North Ridgeville, Ohio for its fiscal year ended December 31, 2005. 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 Accountants' 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 City has no component units.

## **CITY PROFILE**

### **The City**

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

The City is provided with banking and financial services by eight local commercial banks and savings and loan associations, operating a total of eight 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 from the at-large members for a two-year term.

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

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

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

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

## **CITY ECONOMIC CONDITION**

### **Economic Condition and Outlook**

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

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

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

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 \$ 3,630,000 and commercial improvements of \$ 3,353,000 in 2005.

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

Residential development continues at a torrid pace within 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 the subdivisions of Avalon, Windsor Point, Stone Creek and Hartford Oval, which together, represent approximately 750 homes. Elsewhere in the City, Ridgefield Homes, an approximately 1,000 home development is about fifty-five percent complete. Several other smaller subdivisions remain under development throughout the City. Altogether, the City's building department reflects over 5,000 residential units projected to be constructed within the various developments. Recently, these newly constructed homes have sold for up to \$ 980,000, with the median average price range between \$ 250,000 - \$ 300,000.

The estimated value of building permits issued by the City in recent years amounted to: 2005 - \$ 85,524,011, 2004 - \$ 75,415,931, 2003 - \$65,906,345, 2002 - \$ 65,506,373, 2001 - \$ 41,807,060.

## **Major Initiatives**

### **Police Department**

The Police department currently provides law enforcement services to this growing City with a staff of thirty-five sworn officers and eight dispatchers and support staff. The staff includes specially trained evidence technicians, voice stress analysts, technical investigators, state certified instructors and a dual trained narcotics and patrol K - 9 unit. 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 Anti-Terrorism 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 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 three staff positions consisting of Chief, two Assistant Chiefs 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 and Lorain County Technical Rescue Team. During 2005, nearly 2,500 students were taught fire safety classes. Additionally, the Department provides residents with home fire safety inspections, free smoke detectors, and CPR classes. In 2005, the Department responded to nearly 2,400 calls, of which 77% were medical emergencies.

### **Building Department**

The City's Building department consists 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 2005, building permits were issued for 561 residential dwellings and 10 commercial buildings, compared to 492 and 5 respectively, in 2004, and 396 and 14 respectively, in 2003.

### **Engineering Department**

The Engineering Department consists of six full-time and one part-time staff. In 2005, the department's duties have included plan review and inspection services for six new City projects, twenty new phases of residential subdivisions and twenty-one various individual commercial or residential projects. City projects included sanitary sewer main trunk installations, street repairs and improvements, sidewalk installations and development of an aggressive pollution/contamination control program for the City's water main system. A joint effort with the Ohio Department of Transportation resulted in resurfacing of 4.9 miles of State Route 20. In January 2005 construction began on the State Route 83 railroad overpass expected to be completed in June 2006.

### **Utilities Department**

The Utility department services over 10,100 water, sewer and sanitation accounts with five full-time employees and three part-time water meter readers. 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. In November 2005, the department began online billing collection. Under direction of the City's utilities supervisor, the City receives recycling grants from the Lorain County Solid Waste Management District. In 2005, the City received \$ 116,100 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, which 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 plant configuration has now been increased to 11.25 MGD. Average daily flow was 4.98 million gallons in 2005. The plant services the City, the City of Avon and the Village of Sheffield. The plant is in the process of enhanced computerization to further increase operating efficiency.

### **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 surrounding townships. In 2005, the Senior Center provided over 21,000 separate services to seniors, and seniors were transported over 18,000 miles to medical appointments, shopping, and activities at the Senior Center. The Senior Center provides a "CareCall" program, an automated telephone service to communicate with seniors and other needy citizens on a daily basis.

### **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 lake, a 37 acre baseball/softball complex, a 13 acre football complex and 12 acre soccer complex. In late 2005, the Parks and Recreation Commission approved the acquisition of 67 acres of land for a nominal cost for development of a new park.

### **Financial Information**

#### **Internal Control**

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

#### **Basis of Accounting**

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

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

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

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

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

## **Budgetary Controls**

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

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

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

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

## **Debt Administration**

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

## **Cash Management**

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

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

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



**Risk Management**

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

**Independent Audit**

The City's financial statements for the year ended December 31, 2005 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.

**AWARDS AND ACKNOWLEDGEMENTS****GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Ridgeville, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**Acknowledgments**

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

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

Respectfully submitted,



Chris S. Costin, CPA, CGFM  
City Auditor  
June 23, 2006

City of North Ridgeville, Ohio  
Principal City Officials  
December 31, 2005

**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

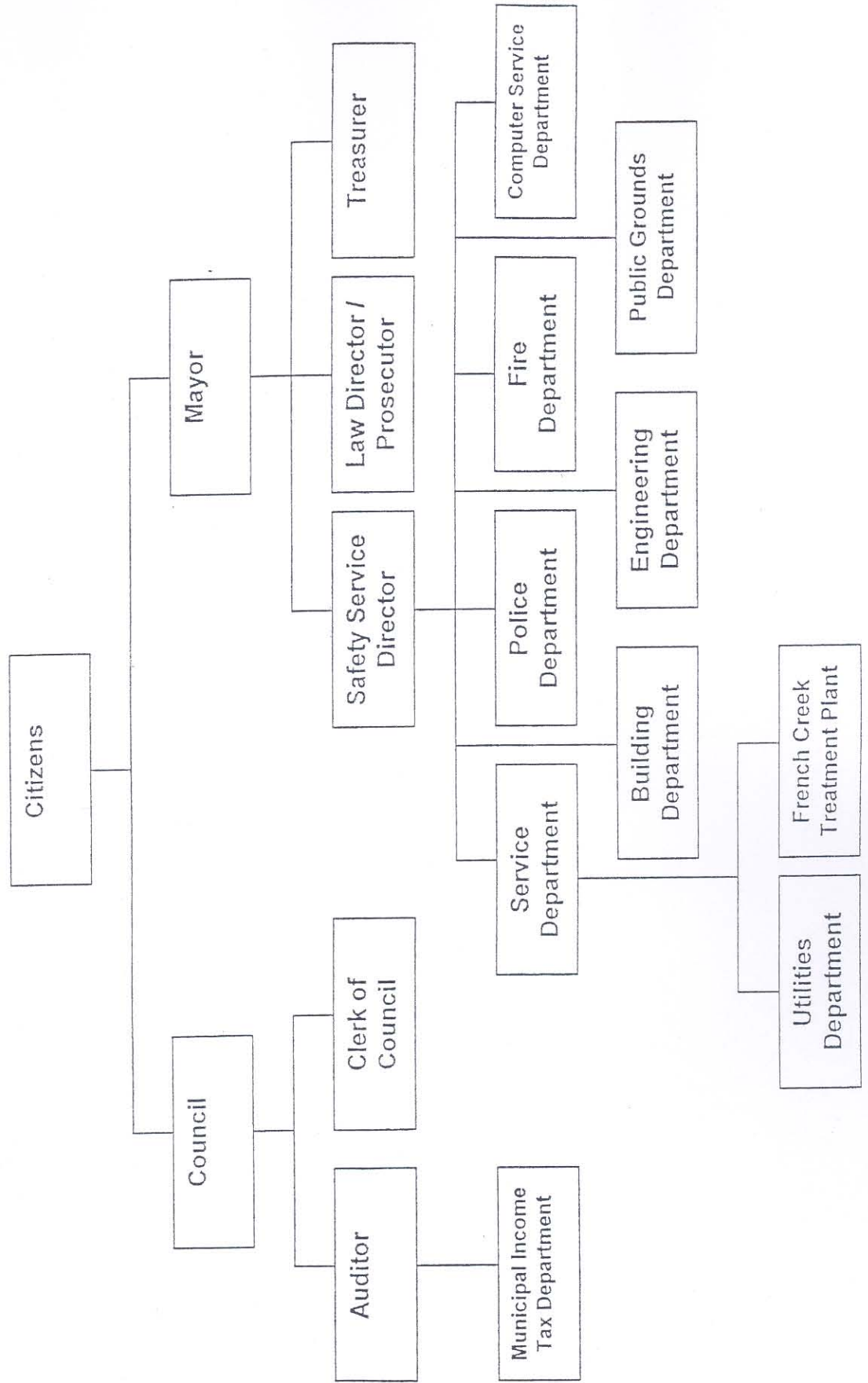
Dennis L. Johnson  
Andrew J. Crites, ESQ.  
Larry Griffith, P.E.  
Anthony L. Hatmaker  
Chris S. Costin, CPA, CGFM  
Donna L. Kiraly  
Laverne Porowski  
Richard D. Thomas  
Richard E. Miller  
Chris Rangus  
Guy M. Fursdon, C.B.O.  
James D. Spaulding  
Rita M. Price  
Rita Taylor  
James E. Whitlock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

**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  
James Hurst  
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, 2004

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.



*Carla E. Fudge*

President

*Jeffrey R. Emer*

Executive Director



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To The Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Ridgeville, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2005, 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, 2005, and the respective changes in financial position and where applicable cash flows, thereof and the budgetary comparison for the General Fund and Income Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2006, 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 of 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 financials statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables provides additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

**Betty Montgomery**  
Auditor of State

June 23, 2006

**CITY OF NORTH RIDGEVILLE, OHIO**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED DECEMBER 31, 2005*  
*UNAUDITED*

Management's discussion and analysis (MD&A) of the City of North Ridgeville's financial performance presents a narrative overview and analysis of the City's financial activities for the year ended December 31, 2005. The intent of the discussion and analysis is to present the City's financial performance as a whole. Readers are encouraged to consider this information in conjunction with the basic financial statements and notes to the basic financial statements for an enhanced understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2005 were as follows.

Total net assets increased by \$ 14,386,313 or 15.3% to \$ 108,279,916 at December 31, 2005.

Total assets increased by \$ 12,100,990 or 8.9% to \$ 148,873,876 at December 31, 2005.

Total liabilities (decreased) by (\$ 2,285,323) or (5.4%) to \$ 40,593,960 at December 31, 2005.

Total revenues increased by \$ 12,590,067 or 44% to \$ 41,392,022 in 2005.

Total program expenses increased by \$ 1,487,021 or 6% to \$27,005,709 in 2005.

As reflected in the above key financial highlights, the City's financial health improved in 2005. Following completion of the City's wastewater treatment facility expansion in 2004, and installation of westside sanitary sewer trunkline in 2003, residential new construction in the community has intensified, resulting in increased revenues to the City. These increased revenues include income taxes, licenses and fees, charges for services, tap-in fees and developer contributions.

**Overview of Financial Statements**

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

**Government-wide Financial Statements**

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

**CITY OF NORTH RIDGEVILLE, OHIO**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED DECEMBER 31, 2005*  
*UNAUDITED*

***Fund Financial Statements***

Governmental fund financial statements focus on the City's most significant, or major funds. The City's major governmental funds are the General Fund and Income Tax Fund. The remaining non-major funds are combined and reflected in one single column. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources 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, 2005 is presented. The City, similar to other local governments, uses fund accounting to ensure and demonstrate finance related legal requirements.

***Fund Categories***

The City's funds can be divided into three categories 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, 2005**  
**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 2005 compared to 2004.

Net Assets

	Governmental Activities		Business-type Activities		Total	
	2005	2004 (Restated)	2005	2004	2005	2004 (Restated)
<b>Assets</b>						
Current and other assets	\$ 19,742,909	\$ 15,740,309	\$ 14,529,356	\$ 19,774,835	\$ 34,272,265	\$ 35,515,144
Capital assets, net	47,463,868	40,955,307	66,796,543	59,961,235	114,260,411	100,916,542
Total assets	<u>67,206,777</u>	<u>56,695,616</u>	<u>81,325,899</u>	<u>79,736,070</u>	<u>148,532,676</u>	<u>136,431,686</u>
<b>Liabilities</b>						
Current liabilities	6,812,581	5,240,760	633,755	897,581	7,446,336	6,138,341
Long-term liabilities	7,997,167	7,844,748	24,809,257	28,554,994	32,806,424	36,399,742
Total liabilities	<u>14,809,748</u>	<u>13,085,508</u>	<u>25,443,012</u>	<u>29,452,575</u>	<u>40,252,760</u>	<u>42,538,083</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	42,063,301	35,374,469	42,496,786	37,810,231	84,560,087	73,184,700
Restricted	4,442,278	3,585,061	-	-	4,442,278	3,585,061
Unrestricted	5,891,450	4,650,578	13,386,101	12,473,264	19,277,551	17,123,842
Total net assets	<u>\$ 52,397,029</u>	<u>\$ 43,610,108</u>	<u>\$ 55,882,887</u>	<u>\$ 50,283,495</u>	<u>\$ 108,279,916</u>	<u>\$ 93,893,603</u>

Total assets increased by \$ 12,100,990 to \$ 148,532,676 in 2005. 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 capital assets, net increased by \$ 13,343,869 to \$ 114,260,411 in 2005. Developer contributions of infrastructure related to residential real estate development represented \$ 10,177,000 of that amount. The resurfacing of State Route 20, a major east-west thoroughfare, by the Ohio Department of Transportation, represented \$ 1,101,300, of which \$ 761,500 was funded through a Federal grant. Current assets decreased by \$ 1,242,879 to \$ 34,272,265 which included a decrease of \$ 5,592,387 in pooled cash of Business-type activities due to the expenditure of cash from previously issued bond anticipation notes to pay for sanitary sewer extension projects. Total liabilities decreased by \$ 2,285,323 to \$ 40,252,760 primarily resulting from pay down of bond anticipation notes for infrastructure projects. Total net assets increased by \$ 14,386,313 to \$ 108,279,916, with governmental net assets comprising \$ 52,397,029 and business-type net assets comprising \$ 55,882,887 of that amount.

**CITY OF NORTH RIDGEVILLE, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
**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

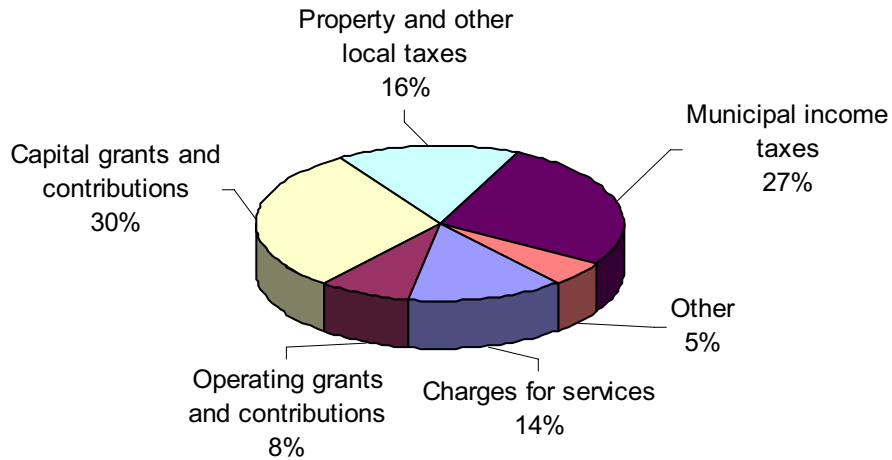
	Governmental Activities		Business-type Activities		Total	
	2005	2004 (Restated)	2005	2004	2005	2004 (Restated)
Revenues						
Program revenues						
Charges for services	\$ 3,820,811	\$ 3,482,805	\$ 7,220,582	\$ 6,105,162	\$ 11,041,393	\$ 9,587,967
Operating grants and contributions	2,228,487	1,661,075	-	-	2,228,487	1,661,075
Capital grants and contributions	8,418,961	1,707,417	5,956,054	3,606,568	14,375,015	5,313,985
Total program revenues	14,468,259	6,851,297	13,176,636	9,711,730	27,644,895	16,563,027
General revenues						
Property and other local taxes	4,487,783	3,853,427	-	-	4,487,783	3,853,427
Municipal income taxes	7,553,084	6,769,677	-	-	7,553,084	6,769,677
Grants and entitlements	805,251	1,314,266	-	-	805,251	1,314,266
Other	370,153	66,669	530,856	234,889	901,009	301,558
Total general revenues	13,216,271	12,004,039	530,856	234,889	13,747,127	12,238,928
Total revenues	27,684,530	18,855,336	13,707,492	9,946,619	41,392,022	28,801,955
Program expenses						
Security of persons and property	7,738,519	\$ 7,131,439	-	-	7,738,519	7,131,439
Public health and welfare	327,045	308,054	-	-	327,045	308,054
Leisure time activities	333,742	367,623	-	-	333,742	367,623
Community environment	1,208,247	1,184,649	-	-	1,208,247	1,184,649
Transportation	4,516,848	4,038,873	-	-	4,516,848	4,038,873
General government	4,657,496	4,258,749	-	-	4,657,496	4,258,749
Interest	115,712	216,487	-	-	115,712	216,487
Other operating	-	91,796	-	-	-	91,796
Water	-	-	2,828,087	2,692,597	2,828,087	2,692,597
Sewer	-	-	5,280,013	5,228,421	5,280,013	5,228,421
Total program expenses	18,897,609	17,597,670	8,108,100	7,921,018	27,005,709	25,518,688
Increase in net assets	8,786,921	1,257,666	5,599,392	2,025,601	14,386,313	3,283,267
Net assets, beginning of year, as restated	43,610,108	42,352,442	50,283,495	48,257,894	93,893,603	90,610,336
Net assets, end of year	\$ 52,397,029	\$ 43,610,108	\$ 55,882,887	\$ 50,283,495	\$ 108,279,916	\$ 93,893,603

**CITY OF NORTH RIDGEVILLE, OHIO**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED DECEMBER 31, 2005*  
*UNAUDITED*

**Governmental activities**

Revenues by source of governmental activities for 2005 were comprised of:

**Revenues by Source, Governmental Activities**



**Revenues**

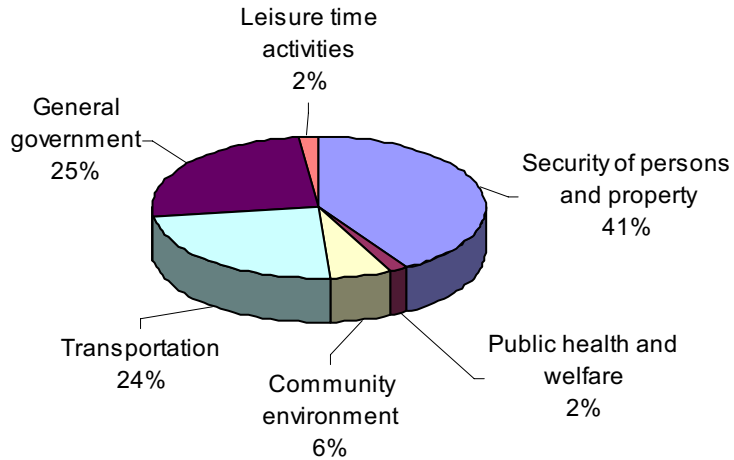
Municipal income taxes of \$ 7,553,084 represented the largest portion of general revenues and 27% of total revenues in 2005, followed by property and other local taxes of \$ 4,487,783 which represented 16% of total revenues in 2005. Municipal income tax revenues increased by \$ 783,407 or 12% in 2005 over 2004, due in part to a recovering economy and residential housing growth. Property and other taxes increased by \$ 634,356 or 16%, of which, nearly half was attributable to increased collections from a paramedic property tax replacement levy.

Total program revenues increased by \$ 7,616,962 or 111% in 2005 over 2004. Of the \$ 8,418,961 of capital grants and contributions in 2005, \$ 6,766,700 was derived from developer contributions of road and storm drainage infrastructure, compared to \$ 1,707,400 in 2004, and \$ 1,220,300 was derived from capital grants in 2005 compared to \$ 0 in 2004.

**CITY OF NORTH RIDGEVILLE, OHIO**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED DECEMBER 31, 2005*  
*UNAUDITED*

Program expenses of governmental activities for 2005 were comprised of:

**Program Expenses, Governmental Activities**



**Program expenses**

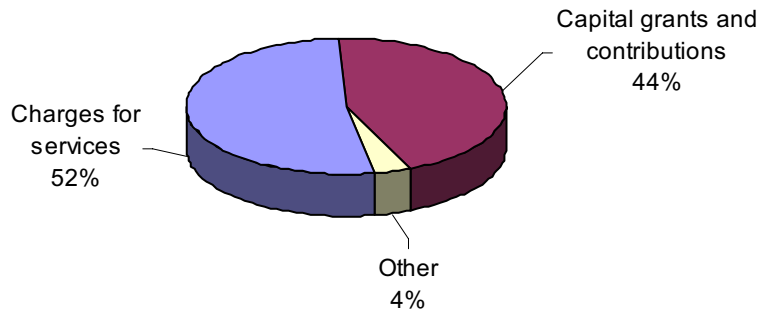
Program expenses amounted to \$ 18,897,609 in 2005, of which \$ 14,468,259 was provided by program revenue. Security of persons and property, which includes police, fire and paramedic services, represented \$ 7,738,519 or 41% of total program expenses. Transportation, which includes street maintenance, snow removal and storm channel maintenance, represented \$ 4,516,848 or 24% of program expenses. General government represented \$ 4,657,496 or 25% 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 \$ 1,208,247 or 6%, and includes refuse collection and community development. Leisure time activities represented \$ 333,742 or 2% of program expenses and includes recreation activities and maintenance of the City's park system. Public health and welfare represented \$ 327,045 or 2% of program expenses and include senior citizen programs, payments to the County health department and cemetery maintenance. Program expenses in 2005 were \$ 1,299,939 or 7% higher than 2004, of which \$ 607,080 was attributable to security of persons and property contractual and inflationary increases, and \$ 477,975 was attributable to higher transportation expenses including road and storm drainage maintenance.

**CITY OF NORTH RIDGEVILLE, OHIO**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED DECEMBER 31, 2005*  
*UNAUDITED*

***Business-type activities***

Revenues by source for business-type activities for 2005 were comprised of:

**Revenues by Source, Business-type Activities**

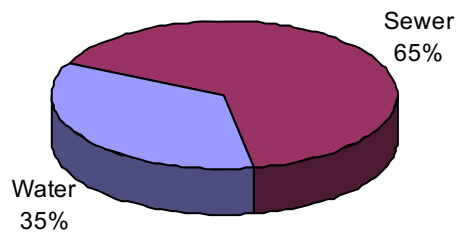


**Revenues**

Program revenues represented 96% of total revenues for business-type activities in 2005. Charges for services of \$ 7,220,582 represented 52% of total revenues while capital grants and contributions of \$ 5,956,054, which were primarily developer contributions, represented 44%. Other general revenues of \$ 530,586 represented the remaining 4% of total revenues, consisting primarily of interest income.

Program revenues were higher in 2005 due to a nine percent water rate increase in early 2005, increased charges for services related to housing growth within the City and the two communities serviced by the City's sanitary sewer system, and increased capital grants and developer residential infrastructure contributions.

**Expenses, Business-type Activities**



**Expenses**

Water operations expenses amounted to \$ 2,828,087 or 35% and sanitary sewer operations expenses amounted to \$ 5,280,013 or 65% 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. Combined water and sewer expenses increased by \$ 187,082 or 2% in 2005. Water is purchased from two sources while sewage is processed at the City's wastewater treatment facility.

**CITY OF NORTH RIDGEVILLE, OHIO**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED DECEMBER 31, 2005*  
*UNAUDITED*

**The City's Funds**

The City's governmental funds financial information begins at page 18. The City's major funds consisted of the General Fund and Income Tax Fund. General Fund revenues increased by 34% or \$ 1,107,274 to \$ 4,351,378 in 2005 compared to \$ 3,244,104 in 2004. Of that increase, \$ 761,500 represented a federal grant for street resurfacing and approximately \$ 220,000 resulted from licenses and fees related to residential construction. General Fund balance increased by \$ 83,968 to \$ 996,122 at year-end 2005 compared to \$ 912,136 at year-end 2004. The Income Tax (Special Revenue) Fund collects the City's one percent municipal income tax proceeds and, after payment of the department's operating expenses and refunds, transfers available monies ratably to the General Fund and Capital Projects Fund, at the discretion of City Council. Transfers made in 2005 were allocated 95% to the General Fund and 5% to the Capital Projects Fund. Income tax revenues exceeded expenditures by \$ 6,834,836 in 2005, compared to \$ 6,043,718 in 2004, which favorable increase is attributable to increased tax collections resulting from an improved economy and residential housing growth. Income Tax Fund balance increased to \$ 2,435,486 at year-end 2005. The combined cash balance of the General Fund and Income Tax Fund amounted to \$ 2,846,070 at year-end 2005 compared to \$ 1,692,063 at year-end 2004.

The City's proprietary funds information begins at page 24. Drinking water operations are reflected in the Water Fund. Water Fund net assets increased by \$ 2,076,854 to \$ 15,308,428 at year-end 2005. Charges for services included a nine percent water rate increase in January 2005 to offset the costs of purchased water and inflationary increases. Water consumption increased by 10.5% in 2005. Capital contributions were \$ 1,973,472 in 2005 compared to \$ 1,269,089 in 2004, which increase is attributable to residential housing growth. Sanitary sewer operations are reflected in the Sewer Fund. The City's wastewater treatment facility services the City, the City of Avon and Village of Sheffield. Sewer Fund net assets increased by \$ 3,375,016 to \$ 40,578,231 at year-end 2005. Operating revenues increased to \$ 4,344,005 in 2005 compared to \$ 3,727,577 in 2004, which increase is attributable to residential and commercial growth in the communities serviced by the treatment plant including the City. Capital contributions were \$ 3,982,582 in 2005 compared to \$ 2,337,479 in 2004. The City's water and sewer activities have historically been self-sufficient.

**CITY OF NORTH RIDGEVILLE, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
**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 \$ 2,622,090 and final budgeted receipts were \$ 3,206,090. The City actually received \$ 3,304,022. Receipts were greater than anticipated primarily due to higher building department and engineering department fees and permits, which were conservatively estimated, and reclassification of reimbursements of \$ 259,000 shown as transfers-in in previous years. Actual transfers-in of \$ 5,750,000 were from the Income Tax (Special Revenue) Fund (\$ 5,510,000) and Mayor's Court (Agency) Fund (\$ 240,000). Original appropriations, excluding other uses, were \$ 9,585,650. The City actually expended \$ 9,072,293 which was \$ 513,357 less than originally appropriated. The City historically spends less than appropriated. For 2005, actual expenditures were 91% of final appropriations. Although appropriated, actual expenditures were intentionally curtailed pending passage of a 1.9 mill police replacement levy in November 2005. (See "Economic Factors and Next Year's Budget" which follows in the MD&A.) Other financing sources (uses) included advances-in of \$ 344,009 primarily from the Federal Grants (Special Revenue) Fund and Self-Insurance (Internal Service) Fund, representing repayment of prior year advances, and advances-out of \$ 82,432 to the Federal Grants (Special Revenue) Fund.

**Capital Assets**

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

	Governmental Activities		Business-type Activities		Total	
	2005	2004 (Restated)	2005	2004	2005	2004 (Restated)
Land	\$ 376,731	\$ 345,107	\$ 838,417	\$ 673,384	\$ 1,215,148	\$ 1,018,491
Construction in progress	246,303	21,100	4,243,480	3,525,100	4,489,783	3,546,200
Buildings and improvements	2,966,897	2,983,400	257,419	236,259	3,224,316	3,219,659
Equipment and vehicles	1,224,898	1,463,181	7,640,275	6,970,015	8,865,173	8,433,196
Infrastructure	42,649,039	36,142,519	52,775,555	47,462,373	95,424,594	83,604,892
	<u>\$ 47,463,868</u>	<u>\$ 40,955,307</u>	<u>\$ 65,755,146</u>	<u>\$ 58,867,131</u>	<u>\$ 113,219,014</u>	<u>\$ 99,822,438</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 \$ 47,463,868 at December 31, 2005, which was \$ 6,508,561 higher than the previous year, since additions exceeded depreciation. Business-type capital assets, net of depreciation, increased by \$ 6,888,015 to \$ 65,755,146 primarily from developers' contributions and construction of waterlines and sewerlines.

For more information about the City's capital assets, see Note 2I and Note 8 of Notes to the Basic Financial Statements.

**CITY OF NORTH RIDGEVILLE, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
**UNAUDITED**

**Debt**

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

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 3,075,000	\$ 3,447,000	\$ 7,835,000	\$ 8,360,000	\$ 10,910,000	\$ 11,807,000
Special assessment bonds	-	288,000	-	-	-	288,000
Long-term notes	1,730,000	1,211,000	13,825,000	16,984,000	15,555,000	18,195,000
OWDA loan	-	-	2,517,220	2,626,317	2,517,220	2,626,317
OPWC loans	595,567	634,838	122,537	130,987	718,104	765,825
Leave benefits	2,596,600	2,263,910	509,500	453,690	3,106,100	2,717,600
	<u>\$ 7,997,167</u>	<u>\$ 7,844,748</u>	<u>\$ 24,809,257</u>	<u>\$ 28,554,994</u>	<u>\$ 32,806,424</u>	<u>\$ 36,399,742</u>

As of December 31, 2005, the City had \$ 32,806,424 of total debt outstanding with \$ 17,396,780 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 \$ 15,555,000 of bond anticipation notes (BAN's) outstanding at December 31, 2005, \$ 5,925,000 was for an interceptor trunk sewer for which debt charges are expected to be paid from special assessments and tap-in fees, \$ 7,900,000 was for sanitary sewer line extensions for which debt charges are expected to be paid from tap-in fees and user charges, \$ 590,000 was for various street or other projects for which debt charges will be paid from capital projects and street funds, \$ 240,000 was for capital equipment to be repaid from capital projects funds, and \$ 900,000 was for infrastructure improvements under a tax incremental financing (TIF) program for which debt charges are paid from property tax revenues generated from those projects. 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, 2005 was \$ 61,690,816, against which \$ 3,652,267 has been issued, leaving significant additional debt capacity within the debt limitation, after reduction of outstanding debt by \$ 196,530 in the City's debt service fund, of \$ 58,234,899.

For more information about the City's debt, see Note 2L, Note 10 and Note 11 of Notes to the Basic Financial Statements.

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.



**CITY OF NORTH RIDGEVILLE, OHIO**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED DECEMBER 31, 2005*  
*UNAUDITED*

**Economic Factors and Next Year's Budget**

During the years 2003 through 2005, the City reduced budgetary appropriations over controllable expenses and deferred non-critical capital equipment expenditures in reaction to the economic slowdown which occurred after "9/11." As result of City staff's co-operation during this period of belt-tightening, the City maintained its financial stability while City services were not significantly affected. Although the City continues to use a conservative economic forecast for revenue growth and a zero-based approach to expenditure appropriations for 2006, the economic outlook is quite positive.

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 over 5% or \$ 30,452,512 to \$ 587,531,586 in 2005 after an increase of 7% or \$ 38,371,804 to \$ 557,079,074 in 2004. Due to continued housing growth, the City's income tax revenue is anticipated to grow by 7% or \$ 400,000 in 2006.

Under current state statute, as property valuation increases, the tax millage rate decreases correspondingly, resulting in property tax collection of virtually the same amount each collection year. In May 2005, the City's voters passed a five year 1.9 mill fire levy and 1.9 mill roads levy and in November 2005 a 1.9 police levy, to replace current levies expiring in 2005. These replacement levies, for which collections will begin in 2006, are expected to generate an additional \$ 209,000, \$ 504,000 and \$ 812,000 respectively, of tax revenue annually through 2010.

In expectation of the \$ 1.9 million of new revenues, the City's 2006 appropriations will return to a normal level, and capital equipment acquisition program will be reinstated.

**Requests for Information**

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

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## CITY OF NORTH RIDGEVILLE, OHIO

## STATEMENT OF NET ASSETS

DECEMBER 31, 2005

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in pooled cash and equivalents	\$ 6,204,710	\$ 13,007,878	\$ 19,212,588
Accounts receivable	421,400	1,118,050	1,539,450
Due from other governments	1,511,027	155,400	1,666,427
Internal balances	3,772	(3,772)	-
Inventories and supplies	-	233,800	233,800
Prepaid and deferred expenses	91,000	18,000	109,000
Income taxes receivable	5,159,300	-	5,159,300
Taxes receivable - property and other	5,737,300	-	5,737,300
Special assessments receivable	306,200	-	306,200
Claims advance deposit	308,200	-	308,200
Capital assets			
Nondepreciable capital assets	623,034	5,081,897	5,704,931
Depreciable capital assets, net	46,840,834	60,673,249	107,514,083
Intangible assets, net	-	1,041,397	1,041,397
<b>Total assets</b>	<b>67,206,777</b>	<b>81,325,899</b>	<b>148,532,676</b>
<b>Liabilities</b>			
Accounts and contracts payable	239,517	341,091	580,608
Accrued salaries, wages and benefits	147,861	31,905	179,766
Accrued interest payable	15,600	196,000	211,600
Claims payable	220,000	-	220,000
Due to other governments	547,464	64,759	612,223
Deferred revenue	5,642,139	-	5,642,139
Long-term liabilities			
Due within one year	2,853,169	14,543,611	17,396,780
Due in more than one year	5,143,998	10,265,646	15,409,644
<b>Total liabilities</b>	<b>14,809,748</b>	<b>25,443,012</b>	<b>40,252,760</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	42,063,301	42,496,786	84,560,087
Restricted for:			
Debt service	1,066,235	-	1,066,235
Community environment	911,437	-	911,437
Highway and streets	1,256,715	-	1,256,715
Public safety	653,591	-	653,591
Recreation	341,103	-	341,103
Other purposes	213,197	-	213,197
Unrestricted	5,891,450	13,386,101	19,277,551
<b>Total net assets</b>	<b>\$ 52,397,029</b>	<b>\$ 55,882,887</b>	<b>\$ 108,279,916</b>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005

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	\$ 7,738,519	\$ 862,359	\$ 42,271	\$ 14,490
Public health and welfare	327,045	22,240	31,648	68,129
Leisure time activities	333,742	239,182	21,250	-
Community environment	1,208,247	908,381	282,675	-
Transportation	4,516,848	355,950	1,720,602	8,336,342
General government	4,657,496	1,432,699	130,041	-
Interest	115,712	-	-	-
Total governmental activities	<u>18,897,609</u>	<u>3,820,811</u>	<u>2,228,487</u>	<u>8,418,961</u>
Business-type activities:				
Water	2,828,087	2,897,841	-	1,973,472
Sewer	5,280,013	4,322,741	-	3,982,582
Total business-type activities	<u>8,108,100</u>	<u>7,220,582</u>	<u>-</u>	<u>5,956,054</u>
Total	<u>\$ 27,005,709</u>	<u>\$ 11,041,393</u>	<u>\$ 2,228,487</u>	<u>\$ 14,375,015</u>

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

Change in net assets

Net assets at beginning of year, 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
\$ (6,819,399)	\$ -	\$ (6,819,399)
(205,028)	-	(205,028)
(73,310)	-	(73,310)
(17,191)	-	(17,191)
5,896,046	-	5,896,046
(3,094,756)	-	(3,094,756)
(115,712)	-	(115,712)
<u>(4,429,350)</u>	<u>-</u>	<u>(4,429,350)</u>
-	2,043,226	2,043,226
-	3,025,310	3,025,310
-	5,068,536	5,068,536
<u>(4,429,350)</u>	<u>5,068,536</u>	<u>639,186</u>
893,930	-	893,930
205,423	-	205,423
3,388,430	-	3,388,430
7,553,084	-	7,553,084
805,251	-	805,251
220,114	509,592	729,706
150,039	21,264	171,303
<u>13,216,271</u>	<u>530,856</u>	<u>13,747,127</u>
8,786,921	5,599,392	14,386,313
43,610,108	50,283,495	93,893,603
<u>\$ 52,397,029</u>	<u>\$ 55,882,887</u>	<u>\$ 108,279,916</u>

## CITY OF NORTH RIDGEVILLE, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS

DECEMBER 31, 2005

	General	Income Tax	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in pooled cash and equivalents	\$ 1,173,542	\$ 1,672,528	\$ 2,972,533	\$ 5,818,603
Income taxes receivable	-	5,159,300	-	5,159,300
Taxes receivable - property and other	954,800	-	4,782,500	5,737,300
Special assessments receivable	-	-	306,200	306,200
Due from other governments	359,900	-	1,151,127	1,511,027
Accounts receivable and other	151,250	2,625	267,525	421,400
Interfund receivables	19,909	-	-	19,909
Prepaid items	91,000	-	-	91,000
<b>Total assets</b>	<b>\$ 2,750,401</b>	<b>\$ 6,834,453</b>	<b>\$ 9,479,885</b>	<b>\$ 19,064,739</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts and contracts payable	\$ 17,951	\$ 4,044	\$ 217,193	\$ 239,188
Accrued wages and benefits	104,190	2,154	41,517	147,861
Accrued interest payable	-	-	3,000	3,000
Due to other governments	215,988	4,844	326,632	547,464
Interfund payables	-	-	19,909	19,909
Deferred revenue	1,416,150	4,387,925	6,219,000	12,023,075
Notes payable	-	-	1,730,000	1,730,000
<b>Total liabilities</b>	<b>1,754,279</b>	<b>4,398,967</b>	<b>8,557,251</b>	<b>14,710,497</b>
<b>Fund balances</b>				
Reserved for encumbrances	89,941	6,648	203,874	300,463
Reserved for prepaid items	91,000	-	-	91,000
Unreserved, reported in				
General Fund	815,181	-	-	815,181
Special Revenue Funds	-	2,428,838	1,978,055	4,406,893
Debt Service Funds	-	-	366,452	366,452
Capital Projects Funds	-	-	(1,625,747)	(1,625,747)
<b>Total fund balances</b>	<b>996,122</b>	<b>2,435,486</b>	<b>922,634</b>	<b>4,354,242</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,750,401</b>	<b>\$ 6,834,453</b>	<b>\$ 9,479,885</b>	<b>\$ 19,064,739</b>

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, 2005

Total governmental funds balances		\$	4,354,242
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.			47,463,868
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	317,936		
Municipal income tax	4,385,300		
Intergovernmental	1,233,850		
Special assessments	263,000		
Miscellaneous	180,850		
Total			6,380,936
In the statement of activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.			(12,600)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Loans payable	(595,567)		
General obligation bonds	(3,075,000)		
Compensated absences	(2,596,600)		
			(6,267,167)
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			473,978
Internal balances			3,772
Net assets of governmental activities		\$	<u>52,397,029</u>

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, 2005

	General	Income Tax	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and other local taxes	\$ 860,697	\$ -	\$ 3,436,326	\$ 4,297,023
Municipal income taxes	-	7,130,884	-	7,130,884
Intergovernmental	1,795,131	-	2,501,321	4,296,452
Special assessments	-	-	36,703	36,703
Charges for services	-	-	1,562,487	1,562,487
Fines, licenses and permits	1,075,552	-	167,487	1,243,039
Interest	14,615	60,397	130,058	205,070
Miscellaneous	605,383	550	579,531	1,185,464
<b>Total revenues</b>	<b>4,351,378</b>	<b>7,191,831</b>	<b>8,413,913</b>	<b>19,957,122</b>
<b>Expenditures</b>				
<b>Current</b>				
Security of persons and property	5,144,392	-	2,760,818	7,905,210
Public health and welfare	287,527	-	37,696	325,223
Leisure time activities	196,946	-	104,152	301,098
Community environment	1,244,413	-	-	1,244,413
Basic utility services	-	-	1,443,356	1,443,356
Transportation	761,524	-	2,426,281	3,187,805
General government	2,142,590	356,995	888,608	3,388,193
Capital outlay	-	-	944,268	944,268
Debt service				
Principal	-	-	1,056,000	1,056,000
Interest and fiscal charges	-	-	180,113	180,113
<b>Total expenditures</b>	<b>9,777,392</b>	<b>356,995</b>	<b>9,841,292</b>	<b>19,975,679</b>
Excess (deficiency) of revenues over expenditures	(5,426,014)	6,834,836	(1,427,379)	(18,557)
<b>Other financing sources (uses)</b>				
Transfers in	5,510,000	-	852,495	6,362,495
Transfers out	-	(5,800,000)	(562,495)	(6,362,495)
<b>Total other financing sources (uses)</b>	<b>5,510,000</b>	<b>(5,800,000)</b>	<b>290,000</b>	<b>-</b>
Net change in fund balances	83,986	1,034,836	(1,137,379)	(18,557)
Fund balances, beginning of year	912,136	1,400,650	2,060,013	4,372,799
Fund balances, end of year	\$ 996,122	\$ 2,435,486	\$ 922,634	\$ 4,354,242

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, 2005

Net change in fund balances - total governmental funds		\$ (18,557)
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	9,571,519
	Depreciation expense	<u>(3,062,958)</u>
		6,508,561
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
	Municipal income tax	422,200
	Property and other local taxes	190,760
	Miscellaneous	30,050
	Special assessments	(25,000)
	Intergovernmental	<u>119,523</u>
		737,533
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	396,000
	Loan principal paid	39,271
	Bond principal paid	<u>660,000</u>
		1,095,271
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		
		7,958
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	(332,690)
	Intergovernmental	<u>246,321</u>
		(86,369)
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	690,046
	Internal balances	<u>(147,522)</u>
		542,524
Change in net assets of governmental activities		<u>\$ 8,786,921</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, 2005

	General Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 870,378	\$ 861,433	\$ 860,697	\$ (736)
Intergovernmental revenue	888,701	913,297	988,207	74,910
Fines, licenses, and permits	561,800	820,350	834,852	14,502
Interest	5,000	13,100	14,883	1,783
Miscellaneous	296,211	597,890	605,383	7,493
Total revenues	<u>2,622,090</u>	<u>3,206,070</u>	<u>3,304,022</u>	<u>97,952</u>
Expenditures				
Current				
Security of persons and property	5,518,834	5,590,934	5,144,569	446,365
Public health and welfare	278,392	298,392	287,942	10,450
Leisure time activities	189,313	197,313	196,626	687
Community development	1,249,823	1,323,323	1,247,075	76,248
General government	2,349,288	2,560,031	2,196,081	363,950
Total expenditures	<u>9,585,650</u>	<u>9,969,993</u>	<u>9,072,293</u>	<u>897,700</u>
Excess (deficiency) of revenues over expenditures	<u>(6,963,560)</u>	<u>(6,763,923)</u>	<u>(5,768,271)</u>	<u>995,652</u>
Other financing sources (uses)				
Transfers-in	6,009,500	5,750,000	5,750,000	-
Advances-in	179,489	344,009	344,009	-
Advances-out	-	(150,000)	(82,432)	67,568
Total other financing sources (uses)	<u>6,188,989</u>	<u>5,944,009</u>	<u>6,011,577</u>	<u>67,568</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(774,571)</u>	<u>(819,914)</u>	<u>243,306</u>	<u>1,063,220</u>
Prior year encumbrances	163,289	163,289	163,289	-
Fund balances, beginning of year	<u>657,931</u>	<u>657,931</u>	<u>657,931</u>	<u>-</u>
Fund balances, end of year	<u>\$ 46,649</u>	<u>\$ 1,306</u>	<u>\$ 1,064,526</u>	<u>\$ 1,063,220</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, 2005

	Income Tax Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 6,200,000	\$ 6,530,000	\$ 7,001,784	\$ 471,784
Interest	13,000	13,000	60,665	47,665
Miscellaneous	1,000	1,000	550	(450)
Total revenues	<u>6,214,000</u>	<u>6,544,000</u>	<u>7,062,999</u>	<u>518,999</u>
Expenditures				
Current				
General government				
Personal services	171,975	177,040	174,464	2,576
Materials and supplies	57,702	58,437	50,461	7,976
Contractual services	27,800	30,500	30,180	320
Capital outlay	7,000	7,000	3,994	3,006
Other	229,484	245,984	212,107	33,877
Total expenditures	<u>493,961</u>	<u>518,961</u>	<u>471,206</u>	<u>47,755</u>
Excess (deficiency) of revenues over expenditures	<u>5,720,039</u>	<u>6,025,039</u>	<u>6,591,793</u>	<u>566,754</u>
Other financing sources (uses)				
Transfers-out	<u>(5,800,000)</u>	<u>(5,800,000)</u>	<u>(5,800,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,800,000)</u>	<u>(5,800,000)</u>	<u>(5,800,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(79,961)</u>	<u>225,039</u>	<u>791,793</u>	<u>566,754</u>
Prior year encumbrances	31,161	31,161	31,161	-
Fund balances, beginning of year	<u>838,681</u>	<u>838,681</u>	<u>838,681</u>	<u>-</u>
Fund balances, end of year	<u>\$ 789,881</u>	<u>\$ 1,094,881</u>	<u>\$ 1,661,635</u>	<u>\$ 566,754</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF FUND NET ASSETS -  
PROPRIETARY FUNDS

DECEMBER 31, 2005

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
<b>Assets</b>				
<b>Current assets</b>				
Equity in pooled cash and equivalents	\$ 2,468,749	\$ 10,539,129	\$ 13,007,878	\$ 386,107
Accounts receivable and other	448,500	650,000	1,098,500	-
Accrued interest receivable	3,900	15,650	19,550	-
Due from other governments	-	155,400	155,400	-
Inventories and supplies	223,600	10,200	233,800	-
Prepaid and deferred expenses	-	18,000	18,000	-
<b>Total current assets</b>	<u>3,144,749</u>	<u>11,388,379</u>	<u>14,533,128</u>	<u>386,107</u>
<b>Noncurrent assets</b>				
Nondepreciable capital assets	19,951	5,061,946	5,081,897	-
Depreciable capital assets	14,775,505	45,897,744	60,673,249	-
Intangible assets	1,041,397	-	1,041,397	-
Claims advance deposit	-	-	-	308,200
<b>Total noncurrent assets</b>	<u>15,836,853</u>	<u>50,959,690</u>	<u>66,796,543</u>	<u>308,200</u>
<b>Total assets</b>	<u>18,981,602</u>	<u>62,348,069</u>	<u>81,329,671</u>	<u>694,307</u>
<b>Liabilities</b>				
<b>Current</b>				
Accounts and contracts payable	3,717	337,374	341,091	329
Accrued salaries, wages, and benefits	10,237	21,668	31,905	-
Claims payable	-	-	-	220,000
Accrued interest payable	2,600	193,400	196,000	-
Due to other governments	19,700	45,059	64,759	-
Notes payable	-	13,825,000	13,825,000	-
Loans payable	113,660	8,451	122,111	-
General obligation bonds payable	105,000	425,000	530,000	-
Accrued leave benefits	23,800	42,700	66,500	-
<b>Total current liabilities</b>	<u>278,714</u>	<u>14,898,652</u>	<u>15,177,366</u>	<u>220,329</u>
<b>Long-term liabilities</b>				
Loans payable	2,403,560	114,086	2,517,646	-
General obligation bonds payable	840,000	6,465,000	7,305,000	-
Accrued leave benefits	150,900	292,100	443,000	-
<b>Total long-term liabilities</b>	<u>3,394,460</u>	<u>6,871,186</u>	<u>10,265,646</u>	<u>-</u>
<b>Total liabilities</b>	<u>3,673,174</u>	<u>21,769,838</u>	<u>25,443,012</u>	<u>220,329</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	12,374,633	30,122,153	42,496,786	-
Unrestricted	2,933,795	10,456,078	13,389,873	473,978
<b>Total net assets</b>	<u>\$ 15,308,428</u>	<u>\$ 40,578,231</u>	<u>55,886,659</u>	<u>\$ 473,978</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:

	(3,772)
Net assets business type activities	<u>\$ 55,882,887</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, 2005

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 2,668,240	\$ 4,271,497	\$ 6,939,737	\$ 2,055,105
Miscellaneous	229,601	72,508	302,109	-
Total operating revenues	<u>2,897,841</u>	<u>4,344,005</u>	<u>7,241,846</u>	<u>2,055,105</u>
Operating expenses				
Personal services	765,467	1,748,119	2,513,586	-
Contractual services	51,489	672,582	724,071	-
Supplies and materials	1,365,909	304,976	1,670,885	-
Other operating	74,190	610,773	684,963	1,374,653
Depreciation	416,850	1,352,242	1,769,092	-
Amortization	52,707	-	52,707	-
Total operating expenses	<u>2,726,612</u>	<u>4,688,692</u>	<u>7,415,304</u>	<u>1,374,653</u>
Operating income (loss)	<u>171,229</u>	<u>(344,687)</u>	<u>(173,458)</u>	<u>680,452</u>
Nonoperating revenues (expenses)				
Interest income	78,341	431,251	509,592	9,594
Loss on disposal of capital assets	(7,139)	-	(7,139)	-
Interest and fiscal charges	(139,049)	(694,130)	(833,179)	-
Total nonoperating revenues (expenses)	<u>(67,847)</u>	<u>(262,879)</u>	<u>(330,726)</u>	<u>9,594</u>
Income before contributions and transfers	<u>103,382</u>	<u>(607,566)</u>	<u>(504,184)</u>	<u>690,046</u>
Capital contributions	<u>1,973,472</u>	<u>3,982,582</u>	<u>5,956,054</u>	<u>-</u>
Change in net assets	2,076,854	3,375,016	5,451,870	690,046
Net assets, beginning of year	<u>13,231,574</u>	<u>37,203,215</u>		<u>(216,068)</u>
Net assets, end of year	<u>\$ 15,308,428</u>	<u>\$ 40,578,231</u>		<u>\$ 473,978</u>

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

Change in net assets business type activities	<u>147,522</u>
	<u>\$ 5,599,392</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, 2005

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,606,040	\$ 4,230,397	\$ 6,836,437	\$ 2,055,105
Cash payments to suppliers for materials and supplies	(1,623,205)	(321,124)	(1,944,329)	-
Cash payments for employee services and benefits	(730,716)	(1,715,769)	(2,446,485)	-
Cash payments for contractual services	(56,341)	(1,045,297)	(1,101,638)	(1,533,424)
Other operating revenues	229,601	51,244	280,845	-
Other operating expenses	(74,190)	(361,801)	(435,991)	-
Net cash provided by operating activities	<u>351,189</u>	<u>837,650</u>	<u>1,188,839</u>	<u>521,681</u>
Cash flows from noncapital financing activities:				
Tap-in fees	370,700	2,175,091	2,545,791	-
Advances out	-	(10,000)	(10,000)	(164,520)
Net cash provided by (used for) noncapital financing activities	<u>370,700</u>	<u>2,165,091</u>	<u>2,535,791</u>	<u>(164,520)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(80,932)	(5,159,664)	(5,240,596)	-
Issuance of notes	-	13,825,000	13,825,000	-
Note principal paid	-	(16,984,000)	(16,984,000)	-
Loan principal paid - OPWC	-	(8,451)	(8,451)	-
Loan principal paid - OWDA	(109,097)	-	(109,097)	-
Bond principal paid	(105,000)	(420,000)	(525,000)	-
Interest paid	(139,049)	(632,030)	(771,079)	-
Net cash (used for) capital and related financing activities	<u>(434,078)</u>	<u>(9,379,145)</u>	<u>(9,813,223)</u>	<u>-</u>
Cash flows from investing activities:				
Interest	75,111	421,095	496,206	9,594
Net cash provided by investing activities	<u>75,111</u>	<u>421,095</u>	<u>496,206</u>	<u>9,594</u>
Net increase (decrease) in cash and cash equivalents	362,922	(5,955,309)	(5,592,387)	366,755
Cash and cash equivalents, beginning of year	<u>2,105,827</u>	<u>16,494,438</u>	<u>18,600,265</u>	<u>19,352</u>
Cash and cash equivalents, end of year	<u>\$ 2,468,749</u>	<u>\$ 10,539,129</u>	<u>\$ 13,007,878</u>	<u>\$ 386,107</u>
Noncash transactions:				
Contributions of capital assets from contractors	<u>\$ 1,602,772</u>	<u>\$ 1,807,491</u>	<u>\$ 3,410,263</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, 2005

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 171,229	\$ (344,687)	\$ (173,458)	\$ 680,452
Adjustments:				
Depreciation	416,850	1,352,242	1,769,092	-
Amortization	52,707	-	52,707	-
Changes in net assets (increase) decrease and liabilities increase (decrease)				
Accounts receivable and other	(65,430)	(58,156)	(123,586)	(31,100)
Due from other governments	-	6,900	6,900	-
Inventories and supplies	(90,200)	900	(89,300)	-
Prepaid and deferred expenses	18,200	(1,600)	16,600	-
Accounts and contracts payable	(186,917)	(150,299)	(337,216)	329
Accrued salaries, wages, and benefits	1,025	1,365	2,390	-
Claims payable	-	-	-	(128,000)
Due to other governments	1,935	6,965	8,900	-
Accrued leave benefits	31,790	24,020	55,810	-
Net cash provided by operating activities	<u>\$ 351,189</u>	<u>\$ 837,650</u>	<u>\$ 1,188,839</u>	<u>\$ 521,681</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
DECEMBER 31, 2005

	<u>Agency Funds</u>
Assets	
Equity in pooled cash and equivalents	<u>\$ 1,158,037</u>
Liabilities	
Accounts and contracts payable	\$ 1,962
Accrued salaries, wages and benefits	802
Due to other governments	3,415
Due to others	1,151,858
Total liabilities	<u>\$ 1,158,037</u>

See accompanying notes to the basic financial statements.



CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 1 DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

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

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

The City is associated with the Lorain County General Health District, a jointly governed organization, which provides health services to the members of the Health District. The City does not have any financial interest in or responsibility for the Health District. The County Auditor serves as fiscal agent. See Note 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, 2005

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, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUND ACCOUNTING (continued)

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

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

Proprietary Funds

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

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

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

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

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

Fiduciary Funds

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

C. MEASUREMENT FOCUS

Government-wide Financial Statements

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

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS (continued)

Fund Financial Statements

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

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

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

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

D. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

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

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

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

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

Deferred Revenue

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

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

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

Expenses/Expenditures

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

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

E. BUDGETARY PROCESS

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

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

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, 2005.

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, 2005

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:

<u>Description</u>	<u>Estimated Lives</u>
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, 2005

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. All revenues and expenses not meeting this definition are reported as nonoperating.

P. CONTRIBUTIONS OF CAPITAL

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets (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.

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, 2005

NOTE 3 CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR YEAR ADJUSTMENT

A. CHANGE IN ACCOUNTING PRINCIPLES

For 2005, the City has implemented GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units," GASB Statement No. 40, "Deposit and Investment Risk Disclosures," GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries," GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers."

GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government.

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets.

GASB Statement No. 46 clarifies when net assets should be considered restricted based upon enabling legislation.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other post-employment benefit (OPEB) plans.

The implementation of GASB Statement No. 39, GASB Statement No. 42, GASB Statement No. 46 and GASB Technical Bulletin No. 2004-2 did not affect the presentation of the financial statements of the City.

B. PRIOR YEAR ADJUSTMENT

The City recently received cost information from the Ohio Department of Transportation related to an infrastructure project completed in 2002. This project cost was estimated in 2003, the initial year the City prepared its financial statements under the new reporting model required by Government Accounting Standards Board No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." The City's policy is to estimate infrastructure cost when actual cost is unavailable. Beginning net assets of governmental activities has been restated to reflect the unrecorded project cost including intergovernmental grant contribution, of \$ 3,156,223 net of accumulated depreciation of \$ 736,452, total \$ 2,419,771. In addition, beginning net assets of governmental activities has been adjusted to expense the City's portion of a railroad overpass, previously capitalized in the amount of \$ 329,000, which has been determined to be an asset of Lorain County, Ohio under state statute.

	Total Governmental Activities
Net assets, as previously reported	\$ 41,519,337
Capital assets adjustments	2,090,771
Restated net assets, at 12/31/04	\$ 43,610,108

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 4 COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statements are deficit fund balances of \$ 24,378 in the Special Revenue Fire Levy Fund, \$ 74,092 in the Special Revenue Police Pension Fund, \$ 74,096 in the Special Revenue Fire Pension Fund and \$ 1,625,696 in the Capital Projects Fund. These deficits result from reflecting expenditures in accordance with the modified accrual basis of accounting, which are larger than amounts recognized on the budget basis. The City, in accordance with its budget basis, will appropriate such expenditures from resources of the subsequent year.

NOTE 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	\$ 243,306	\$ 791,793
Adjustments, increase (decrease)		
Revenue accruals	463,347	128,832
Expenditure accruals	(622,667)	114,211
GAAP basis, as reported	\$ 83,986	\$ 1,034,836

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 6 POOLED CASH AND EQUIVALENTS, DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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

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

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

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

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

Interim monies may be invested in the following securities:

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

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

B. DEPOSITS AND CASH ON HAND

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy for custodial credit risk. At fiscal year-end, the carrying amount of the City's deposits was \$ 3,960,830 and the bank balance was \$ 5,100,881. Of the bank balance, \$ 100,000 was covered by federal depository insurance and \$ 5,000,881 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, 2005 amounted to \$ 2,175.

C. INVESTMENTS

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2005, the City had the following investments:

	Maturities	Fair Value
State Treasurer's investment pool	n/a	\$ 16,407,620

D. INTEREST RATE RISK

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

E. CREDIT RISK

The City follows the Ohio Revised Code that limits its investment choices. As of December 31, 2005, the City's investments in StarOhio were rated AAA by Standard & Poor's.

F. CONCENTRATION OF CREDIT RISK

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

CITY OF NORTH RIDGEVILLE, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2005

NOTE 7 RECEIVABLES

Receivables at December 31, 2005, 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 \$ 306,200 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 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) is for 2005 taxes.

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

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

2005 tangible personal property taxes are levied after October 1, 2004 on the value as of December 31, 2004. Collections are made in 2005. 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, 2005 was \$ 13.56 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

	2005 Collection Year
Property valuation consisted of:	
Real property	\$ 516,494,650
Public utility property	13,397,310
Tangible personal property	27,187,114
Total valuation	\$ 557,079,074

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

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

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 7 RECEIVABLES (continued)

A. PROPERTY TAXES (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of North Ridgeville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 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 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. INCOME TAXES

The City levies an income tax of 1% on substantially all income earned within the City. In addition, residents are required to pay City income tax on income earned outside the City with a certain credit for income taxes paid to other municipalities. This tax is collected and administered by the City. Employers within the City are required to withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and file a final return annually. At December 31, 2005 the Income Tax fund balance amounted to \$ 2,435,486.

C. INTERGOVERNMENTAL RECEIVABLES

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local government assistance	\$ 307,800
Gasoline tax	579,700
Permissive tax	227,600
Homestead and rollback	285,650
Miscellaneous	4,800
CDBG	39,442
CHIP Grant	61,009
Title III Grant	5,026
Total governmental activities	1,511,027
Business-type Activities	
Sanitary sewer charges	155,400
Total business-type activities	155,400
Total	\$ 1,666,427

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 8 CAPITAL ASSETS

A summary of changes in capital assets during 2005 follows:

	As Restated, Balance January 1	Additions	Disposals	Balance December 31
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 345,107	\$ 31,624	\$ -	\$ 376,731
Construction in progress	21,100	1,326,503	1,101,300	246,303
Total capital assets, not being depreciated	<u>366,207</u>	<u>1,358,127</u>	<u>1,101,300</u>	<u>623,034</u>
Capital assets, being depreciated				
Buildings and improvements	4,345,062	71,795	-	4,416,857
Equipment and vehicles	5,529,695	182,282	92,532	5,619,445
Infrastructure	54,750,967	9,105,333	59,128	63,797,172
Total capital assets, being depreciated	<u>64,625,724</u>	<u>9,359,410</u>	<u>151,660</u>	<u>73,833,474</u>
Less accumulated depreciation				
Buildings and improvements	1,361,662	88,298	-	1,449,960
Equipment and vehicles	4,066,514	391,776	63,743	4,394,547
Infrastructure	18,608,448	2,582,884	43,199	21,148,133
Total accumulated depreciation	<u>24,036,624</u>	<u>3,062,958</u>	<u>106,942</u>	<u>26,992,640</u>
Total capital assets, being depreciated, net	<u>40,589,100</u>	<u>6,296,452</u>	<u>44,718</u>	<u>46,840,834</u>
Total governmental capital assets, net	<u>\$ 40,955,307</u>	<u>\$ 7,654,579</u>	<u>\$ 1,146,018</u>	<u>\$ 47,463,868</u>
<u>Business-type activities</u>				
Capital assets, not being depreciated				
Land	\$ 673,384	\$ 165,033	\$ -	\$ 838,417
Construction in progress	3,525,100	4,718,490	4,000,110	4,243,480
Total capital assets, not being depreciated	<u>4,198,484</u>	<u>4,883,523</u>	<u>4,000,110</u>	<u>5,081,897</u>
Capital assets, being depreciated				
Buildings and improvements	369,355	32,089	-	401,444
Equipment and vehicles	8,896,460	1,065,377	8,145	9,953,692
Infrastructure	62,608,393	6,683,367	25,666	69,266,094
Total capital assets, being depreciated	<u>71,874,208</u>	<u>7,780,833</u>	<u>33,811</u>	<u>79,621,230</u>
Less accumulated depreciation				
Buildings and improvements	133,096	10,929	-	144,025
Equipment and vehicles	1,926,445	395,117	8,145	2,313,417
Infrastructure	15,146,020	1,363,046	18,527	16,490,539
Total accumulated depreciation	<u>17,205,561</u>	<u>1,769,092</u>	<u>26,672</u>	<u>18,947,981</u>
Total capital assets, being depreciated, net	<u>54,668,647</u>	<u>6,011,741</u>	<u>7,139</u>	<u>60,673,249</u>
Total business-type capital assets, net	<u>\$ 58,867,131</u>	<u>\$ 10,895,264</u>	<u>\$ 4,007,249</u>	<u>\$ 65,755,146</u>

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 8 CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$	230,131
Public health and welfare		22,052
Leisure time activities		30,354
Transportation		2,715,311
General government		65,110
		\$ 3,062,958

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, 2005 consisted of:

Enterprise	Amortization Period	Balance
Waterway rights, at cost		\$ 1,581,209
Accumulated amortization	30 years	(539,812)
Intangible assets, net of accumulated amortization		\$ 1,041,397

NOTE 10 NOTES PAYABLE

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

	Balance 12/31/04	Additions	Repayments	Balance 12/31/05
<b>Governmental activities</b>				
Capital Improvements Fund				
2004, 1.49% various purpose	\$ 396,000	\$ -	\$ 396,000	\$ -
2004, 2.48% various purpose	565,000	-	565,000	-
2004, 2.83% street improvements	250,000	-	250,000	-
2005, 2.67% street improvements	-	900,000	900,000	-
2005, 3.14% various purpose	-	400,000	400,000	-
2005, 4.00% various purpose	-	1,730,000	-	1,730,000
<b>Business-type activities</b>				
Sanitary sewer fund				
2004, 1.52% sewer improvements	6,060,000	-	6,060,000	-
2004, 1.49% sewer improvements	2,524,000	-	2,524,000	-
2004, 2.83% sewer improvements	8,400,000	-	8,400,000	-
2005, 4.00% sewer improvements	-	13,825,000	-	13,825,000
	\$ 18,195,000	\$ 16,855,000	\$ 19,495,000	\$ 15,555,000



CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

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:

<u>Debt Issue</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
<u>Governmental activities</u>				
General obligation bonds				
French Creek acquisition	1986	2008	8.13%	\$ 6,180,000
Various purpose	2001	2011	3.15 - 4.10%	1,620,000
Refunding	2003	2013	1.50 - 3.75%	1,532,000
Special assessment bonds				
Refunding	2003	2015	1.50 - 4.00%	333,000
Bond anticipation note	2004	2005	1.49%	396,000
Bond anticipation note	2004	2005	2.48%	565,000
Bond anticipation note	2004	2005	2.83%	250,000
Bond anticipation note	2005	2005	2.67%	900,000
Bond anticipation note	2005	2005	3.14%	400,000
Bond anticipation note	2005	2006	4.00%	1,730,000
Ohio Public Works loan	1999	2019	0.00%	143,604
Ohio Public Works loan	2000	2020	0.00%	160,029
Ohio Public Works loan	2000	2020	0.00%	176,121
Ohio Public Works loan	2001	2021	0.00%	69,587
Ohio Public Works loan	2002	2024	0.00%	123,377
Ohio Public Works loan	2003	2023	0.00%	112,684
<u>Business-type activities</u>				
General obligation bonds				
Sanitary sewer	2001	2021	3.15 - 4.90%	6,180,000
Refunding - sewer	2003	2013	1.50 - 3.65%	2,165,000
Refunding - water	2003	2013	1.50 - 3.65%	1,260,000
Bond anticipation note	2004	2005	1.52%	6,060,000
Bond anticipation note	2004	2005	1.49%	2,524,000
Bond anticipation note	2004	2005	2.48%	8,400,000
Bond anticipation note	2005	2006	4.00%	5,925,000
Bond anticipation note	2005	2006	4.00%	7,900,000
Ohio Public Works loan	2000	2020	0.00%	169,017
Ohio Water Development Authority loan	2002	2022	4.14%	2,831,547

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 11 LONG-TERM DEBT (continued)

Changes in the City's long-term obligations during 2005 were as follows:

	Outstanding 12/31/04	Additions	Reductions	Outstanding 12/31/05	Due In One Year
<u>Governmental activities</u>					
General obligation bonds					
Sewage system acquisition (1986)					
8.125% through 2008	\$ 1,140,000	\$ -	\$ 285,000	\$ 855,000	\$ 285,000
Various purpose (2001)					
Varying % through 2021	1,105,000	-	185,000	920,000	190,000
Various purpose (2003)					
Varying % through 2013	1,202,000	-	165,000	1,037,000	145,000
Total general obligation bonds	<u>3,447,000</u>	<u>-</u>	<u>635,000</u>	<u>2,812,000</u>	<u>620,000</u>
Special assessment bonds					
Improvements (2003)					
Varying % through 2015	288,000	-	25,000	263,000	25,000
	<u>288,000</u>	<u>-</u>	<u>25,000</u>	<u>263,000</u>	<u>25,000</u>
Long-term notes payable	1,211,000	3,030,000	2,511,000	1,730,000	1,730,000
OPWC loans	634,837	-	39,270	595,567	39,269
Accrued leave benefits	2,263,910	722,460	389,770	2,596,600	438,900
Total governmental activities	<u>\$ 7,844,747</u>	<u>\$ 3,752,460</u>	<u>\$ 3,600,040</u>	<u>\$ 7,997,167</u>	<u>\$ 2,853,169</u>
<u>Business-type activities</u>					
General obligation bonds					
Waterline refunding (2003)					
Varying % through 2013	1,050,000	-	105,000	945,000	105,000
Sewer improvements (2001)					
Varying % through 2021	5,500,000	-	235,000	5,265,000	240,000
Sewer refunding (2003)					
Varying % through 2013	1,810,000	-	185,000	1,625,000	185,000
	<u>8,360,000</u>	<u>-</u>	<u>525,000</u>	<u>7,835,000</u>	<u>530,000</u>
Long-term notes payable	16,984,000	13,825,000	16,984,000	13,825,000	13,825,000
OPWC loans	130,988	-	8,451	122,537	8,451
OWDA loan	2,626,317	-	109,097	2,517,220	113,660
Accrued leave benefits	453,690	119,940	64,130	509,500	66,500
Total business-type activities	<u>\$ 28,554,995</u>	<u>\$ 13,944,940</u>	<u>\$ 17,690,678</u>	<u>\$ 24,809,257</u>	<u>\$ 14,543,611</u>

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

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 \$ 1,733,000 under Governmental activities outstanding at December 31, 2005, 900,000 will be repaid from property tax revenues generated from projects under Tax Incremental Financing (TIF) programs, \$ 590,000 will be repaid from street funds and the remaining \$ 240,000 will be repaid from capital projects funds. Of the long-term notes payable of \$ 13,825,000 under Business-type activities outstanding at December 31, 2005, \$ 5,925,000 will be ultimately paid from special assessment and tap-in fees and \$ 7,900,000 will be repaid from sanitary-sewer system revenues.

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 \$ 61,690,816 at December 31, 2005.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2005, excluding accrued leave benefits, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2006	\$ 620,000	\$ 133,937	\$ 25,000	\$ 8,614
2007	626,000	101,801	24,000	8,114
2008	651,000	68,435	24,000	7,574
2009	360,000	33,609	25,000	6,974
2010	215,000	19,898	25,000	6,037
2011-2015	340,000	22,854	140,000	16,580
2016-2020	-	-	-	-
2021-2024	-	-	-	-
	<u>\$ 2,812,000</u>	<u>\$ 380,534</u>	<u>\$ 263,000</u>	<u>\$ 53,893</u>

Year	Governmental Activities			Total	
	Bond Anticipation Notes		OPWC loans	Governmental Activities	
	Principal	Interest	Principal	Principal	Interest
2006	\$ 1,730,000	\$ 53,053	\$ 39,269	\$ 2,414,269	\$ 195,604
2007	-	-	39,269	689,269	109,915
2008	-	-	39,269	714,269	76,009
2009	-	-	39,269	424,269	40,583
2010	-	-	39,269	279,269	25,935
2011-2015	-	-	196,345	676,345	39,434
2016-2020	-	-	160,764	160,764	-
2021-2024	-	-	42,113	42,113	-
	<u>\$ 1,730,000</u>	<u>\$ 53,053</u>	<u>\$ 595,567</u>	<u>\$ 5,400,567</u>	<u>\$ 487,480</u>

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 11 LONG-TERM DEBT (continued)

Year	Business-Type Activities			
	General Obligation Bonds		Bond Anticipation Notes	
	Principal	Interest	Principal	Interest
2006	\$ 530,000	\$ 312,949	\$ 13,825,000	\$ 478,608
2007	545,000	299,469	-	-
2008	555,000	283,956	-	-
2009	590,000	267,021	-	-
2010	595,000	244,630	-	-
2011-2015	2,605,000	877,353	-	-
2016-2020	1,960,000	407,418	-	-
2021-2024	455,000	22,295	-	-
	<u>\$ 7,835,000</u>	<u>\$ 2,715,091</u>	<u>\$ 13,825,000</u>	<u>\$ 478,608</u>

Year	Business-Type Activities			Total	
	OWDA Loan		OPWC Loans	Business-Type Activities	
	Principal	Interest	Principal	Principal	Interest
2006	\$ 113,660	\$ 103,049	\$ 8,451	\$ 14,477,111	\$ 894,606
2007	118,415	98,294	8,451	671,866	397,763
2008	123,368	93,341	8,451	686,819	377,297
2009	128,528	88,181	8,451	726,979	355,202
2010	133,904	82,805	8,451	737,355	327,435
2011-2015	758,371	235,174	42,255	3,405,626	1,112,527
2016-2020	930,814	152,731	38,027	2,928,841	560,149
2021-2024	210,160	6,548	-	665,160	28,843
	<u>\$ 2,517,220</u>	<u>\$ 860,123</u>	<u>\$ 122,537</u>	<u>\$ 24,299,757</u>	<u>\$ 4,053,822</u>

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

**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 percent 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 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, 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 employer contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$ 507,000, \$ 473,400, and \$ 431,400 respectively. For 2005, \$ 439,800 (87%) has been contributed. The balance was subsequently contributed in 2006. The full amount has been contributed for 2004 and 2003.

**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.

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

B. OHIO POLICE AND FIRE PENSION FUND (continued)

Plan members are required to contribute 10 percent of their annual covered salary to fund pension benefits while the employer is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police and firefighters were \$ 257,100 and \$ 315,300 for the year ended December 31, 2005, \$ 237,400 and \$ 290,400 for the year ended December 31, 2004 and \$ 250,200 and \$ 293,300 for the year ended December 31, 2003. For 2005, \$ 143,500 (56%) and \$ 189,100 (60%) has been contributed for police and firefighters, respectively. The balance was subsequently contributed in 2006. The full amount has been contributed for 2004 and 2003.

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 benefit recipients and qualified survivor benefit 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 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

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 376,109. Actual City contributions for 2005 which were used to fund postemployment benefits were \$ 212,300. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$ 10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$ 29.5 billion and \$ 18.7 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 increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 13 – POSTEMPLOYMENT BENEFITS (continued)

B. OHIO POLICE AND FIRE PENSION FUND

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment health care benefits were \$ 169,500 for police and \$ 150,400 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$ 102,173,796, which was net of member contributions of \$ 55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 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.

CITY OF NORTH RIDGEVILLE, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2005

NOTE 14 RISK MANAGEMENT (continued)

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, 2005, 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, 2005 the self-insurance total net assets amounted to \$ 473,978 and cash held in reserve by the insurer for future claims payment amounted to \$ 308,200.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Changes in the balance of claims liability during the years ended December 31, 2005 and 2004 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.

	2005	2004
Unpaid claims, beginning of year	\$ 348,000	\$ 674,000
Incurred claims	1,071,410	935,325
Claims payment	(1,199,410)	(1,261,325)
Unpaid claims, end of year	\$ 220,000	\$ 348,000

NOTE 15 FEDERAL GRANTS AND ENTITLEMENTS

For the year ended December 31, 2005, the City recognized federal grants and entitlements revenue of \$ 850,249. 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, 2005.

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, 2005, 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.



CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

NOTE 17 CONTRACTUAL COMMITMENTS

As of December 31, 2005 the City had contractual commitments as follows:

Project	Projects Estimated Cost	City Share	Outstanding Commitments
Road project	\$ 2,262,000	\$ 605,000	\$ 605,000

The road project is financed by bond anticipation notes and ultimately general obligation bonds, which will be repaid from voted street tax levy collections.

NOTE 18 INTERFUND BALANCES AND TRANSFERS

At December 31, 2005 interfund balances consisted of \$ 19,909 due to the General Fund from the Federal Grants Fund (Special Revenue Fund). The General Fund advanced monies to the Federal Grants Fund which will be repaid upon collection of grant proceeds

Interfund transfers for the year ended December 31, 2005 consisted of the following:

Transferred to:	Transferred from:		
	Income Tax Fund	Nonmajor Governmental Funds	Total
General Fund	\$ 5,510,000	\$ -	\$ 5,510,000
Capital Projects Fund	290,000	-	290,000
General Obligation Bond Retirement Fund	-	562,495	562,495
	\$ 5,800,000	\$ 562,495	\$ 6,362,495

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. Monies are transferred to the General Obligation Bond Retirement Fund from various funds for payment of bonded debt.

CITY OF NORTH RIDGEVILLE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2005

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 \$ 74,152 during 2005 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.

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 2005. Financial information can be obtained by contacting the Treasurer, P.O. Box 609356, Cleveland, Ohio 44109.

NOTE 20 NEWLY ENACTED LEGISLATION

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

NOTE 21 SUBSEQUENT EVENTS

Subsequent to December 31, 2005, the city issued \$ 6,535,000 of bond anticipation notes (BAN's) of which \$ 5,090,000 was used to repay maturing BAN's related to sanitary sewer lines and \$ 1,445,000 was issued for equipment acquisitions. 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 equipment acquisitions will be ultimately repaid from general revenues of the City.

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

**NONMAJOR SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **NONMAJOR SPECIAL REVENUE FUNDS (Continued)**

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

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

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

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

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

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

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

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

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

## **NONMAJOR DEBT SERVICE FUND**

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

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

## **NONMAJOR CAPITAL PROJECTS FUNDS**

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

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

**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, 2005

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
<b>Assets</b>				
Equity in pooled cash	\$ 2,487,540	\$ 366,452	\$ 118,541	\$ 2,972,533
Taxes receivable - property and other	4,414,000	368,500	-	4,782,500
Special assessments receivable	-	306,200	-	306,200
Due from other governments	1,133,077	18,050	-	1,151,127
Accounts receivable and other	267,525	-	-	267,525
<b>Total assets</b>	<b>\$ 8,302,142</b>	<b>\$ 1,059,202</b>	<b>\$ 118,541</b>	<b>\$ 9,479,885</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts and contracts payable	\$ 205,956	\$ -	\$ 11,237	\$ 217,193
Accrued wages and benefits	41,517	-	-	41,517
Accrued interest payable	-	-	3,000	3,000
Due to other governments	326,632	-	-	326,632
Interfund payable	19,909	-	-	19,909
Deferred revenue	5,526,250	692,750	-	6,219,000
Note payable	-	-	1,730,000	1,730,000
<b>Total liabilities</b>	<b>6,120,264</b>	<b>692,750</b>	<b>1,744,237</b>	<b>8,557,251</b>
<b>Fund balances</b>				
Reserved for encumbrances	203,823	-	51	203,874
Unreserved, reported in				
Special Revenue Funds	1,978,055	-	-	1,978,055
Debt Service Funds	-	366,452	-	366,452
Capital Projects Funds	-	-	(1,625,747)	(1,625,747)
<b>Total fund balances</b>	<b>2,181,878</b>	<b>366,452</b>	<b>(1,625,696)</b>	<b>922,634</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,302,142</b>	<b>\$ 1,059,202</b>	<b>\$ 118,541</b>	<b>\$ 9,479,885</b>

CITY OF NORTH RIDGEVILLE, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
<b>Revenues</b>				
Property and other local taxes	\$ 3,113,417	\$ 192,717	\$ 130,192	\$ 3,436,326
Intergovernmental	2,390,238	111,083	-	2,501,321
Special assessments	-	36,703	-	36,703
Charges for services	1,562,487	-	-	1,562,487
Fines, licenses and permits	167,487	-	-	167,487
Interest	85,644	12,391	32,023	130,058
Miscellaneous	537,936	40,829	766	579,531
<b>Total revenues</b>	<b>7,857,209</b>	<b>393,723</b>	<b>162,981</b>	<b>8,413,913</b>
<b>Expenditures</b>				
<b>Current</b>				
Security of persons and property	2,760,818	-	-	2,760,818
Public health and welfare	37,696	-	-	37,696
Leisure time activities	104,152	-	-	104,152
Basic utility services	1,443,356	-	-	1,443,356
Transportation	2,426,281	-	-	2,426,281
General government	881,098	7,510	-	888,608
Capital outlay	-	-	944,268	944,268
<b>Debt service</b>				
Principal	-	1,056,000	-	1,056,000
Interest and fiscal charges	-	133,814	46,299	180,113
<b>Total expenditures</b>	<b>7,653,401</b>	<b>1,197,324</b>	<b>990,567</b>	<b>9,841,292</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>203,808</b>	<b>(803,601)</b>	<b>(827,586)</b>	<b>(1,427,379)</b>
<b>Other financing sources (uses)</b>				
Transfers-in	-	773,028	79,467	852,495
Transfers-out	(226,495)	-	(336,000)	(562,495)
<b>Total other financing sources (uses)</b>	<b>(226,495)</b>	<b>773,028</b>	<b>(256,533)</b>	<b>290,000</b>
<b>Excess (deficiency) of revenues over expenditures and other sources (uses)</b>	<b>(22,687)</b>	<b>(30,573)</b>	<b>(1,084,119)</b>	<b>(1,137,379)</b>
<b>Fund balances, beginning of year</b>	<b>2,204,565</b>	<b>397,025</b>	<b>(541,577)</b>	<b>2,060,013</b>
<b>Fund balances, end of year</b>	<b>\$ 2,181,878</b>	<b>\$ 366,452</b>	<b>\$ (1,625,696)</b>	<b>\$ 922,634</b>

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

DECEMBER 31, 2005

	SCMR	State Highway	Motor Vehicle License Tax	Street Levy	Surface Drainage
<u>Assets</u>					
Equity in pooled cash	\$ 94,187	\$ 22,486	\$ 115,682	\$ 295,117	\$ 611,401
Taxes receivable - property and other	-	-	-	1,037,100	-
Due from other governments	536,800	42,900	227,600	51,850	-
Accounts receivable and other	-	-	-	-	975
Total assets	<u>\$ 630,987</u>	<u>\$ 65,386</u>	<u>\$ 343,282</u>	<u>\$ 1,384,067</u>	<u>\$ 612,376</u>
<u>Liabilities</u>					
Accounts and contracts payable	\$ -	\$ -	\$ 7,707	\$ 132,732	\$ 35,349
Accrued salaries, wages, and benefits	10,926	-	2,624	-	927
Due to other governments	26,982	-	2,496	-	926
Due to other funds	-	-	-	-	-
Deferred revenue	454,900	36,300	194,200	1,088,950	975
Total liabilities	<u>492,808</u>	<u>36,300</u>	<u>207,027</u>	<u>1,221,682</u>	<u>38,177</u>
<u>Fund balances</u>					
Reserved for encumbrances	12,234	10,345	10,454	90,969	4,676
Unreserved	125,945	18,741	125,801	71,416	569,523
Total fund balances	<u>138,179</u>	<u>29,086</u>	<u>136,255</u>	<u>162,385</u>	<u>574,199</u>
Total liabilities and fund balances	<u>\$ 630,987</u>	<u>\$ 65,386</u>	<u>\$ 343,282</u>	<u>\$ 1,384,067</u>	<u>\$ 612,376</u>



Police Levy	Police Pension	Law Enforcement Trust	Drug Law Enforcement Trust	DUI Enforcement and Education Trust	Clerk of Courts Computer Service	Court Computerization
\$ 70,635	\$ 3,508	\$ 11,770	\$ 13,728	\$ 17,018	\$ 4,780	\$ 69,696
1,045,300	168,500	-	-	-	-	-
53,200	8,350	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,169,135</u>	<u>\$ 180,358</u>	<u>\$ 11,770</u>	<u>\$ 13,728</u>	<u>\$ 17,018</u>	<u>\$ 4,780</u>	<u>\$ 69,696</u>
\$ -	\$ -	\$ 116	\$ -	\$ -	\$ -	\$ -
4,828	-	-	-	-	578	-
36,627	77,600	-	-	-	1,260	-
-	-	-	-	-	-	-
1,098,500	176,850	-	-	-	-	-
<u>1,139,955</u>	<u>254,450</u>	<u>116</u>	<u>-</u>	<u>-</u>	<u>1,838</u>	<u>-</u>
-	-	-	-	-	86	-
29,180	(74,092)	11,654	13,728	17,018	2,856	69,696
29,180	(74,092)	11,654	13,728	17,018	2,942	69,696
<u>\$ 1,169,135</u>	<u>\$ 180,358</u>	<u>\$ 11,770</u>	<u>\$ 13,728</u>	<u>\$ 17,018</u>	<u>\$ 4,780</u>	<u>\$ 69,696</u>

(Continued)

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

DECEMBER 31, 2005

(Concluded)

	Fire Levy	Fire Pension	Paramedic Levy	Ambulance	State Grants
<u>Assets</u>					
Equity in pooled cash	\$ 36,294	\$ 3,504	\$ 121,821	\$ 159,068	\$ 110,440
Taxes receivable - property and other	1,047,400	168,500	947,200	-	-
Due from other governments	51,850	8,350	46,700	-	-
Accounts receivable and other	-	-	-	-	8,750
Total assets	<u>\$ 1,135,544</u>	<u>\$ 180,354</u>	<u>\$ 1,115,721</u>	<u>\$ 159,068</u>	<u>\$ 119,190</u>
<u>Liabilities</u>					
Accounts and contracts payable	\$ -	\$ -	\$ 5	\$ 648	\$ 12,405
Accrued salaries, wages, and benefits	10,058	-	10,548	-	-
Due to other governments	50,614	77,600	48,893	-	1,328
Due to other funds	-	-	-	-	-
Deferred revenue	1,099,250	176,850	993,900	-	-
Total liabilities	<u>1,159,922</u>	<u>254,450</u>	<u>1,053,346</u>	<u>648</u>	<u>13,733</u>
<u>Fund balances</u>					
Reserved for encumbrances	-	-	1,013	-	7,026
Unreserved	(24,378)	(74,096)	61,362	158,420	98,431
Total fund balances	<u>(24,378)</u>	<u>(74,096)</u>	<u>62,375</u>	<u>158,420</u>	<u>105,457</u>
Total liabilities and fund balances	<u>\$ 1,135,544</u>	<u>\$ 180,354</u>	<u>\$ 1,115,721</u>	<u>\$ 159,068</u>	<u>\$ 119,190</u>

Federal Grants	Cemetery	Park and Recreation Trust	Park and Recreation Improvement	Senior Citizens Title III	Solid Waste Management	Totals
\$ 83,030	\$ 77,662	\$ 58,093	\$ 283,732	\$ 2,728	\$ 221,160	\$ 2,487,540
-	-	-	-	-	-	4,414,000
100,451	-	-	-	5,026	-	1,133,077
139,800	-	-	-	-	118,000	267,525
<u>\$ 323,281</u>	<u>\$ 77,662</u>	<u>\$ 58,093</u>	<u>\$ 283,732</u>	<u>\$ 7,754</u>	<u>\$ 339,160</u>	<u>8,302,142</u>
\$ 16,057	\$ -	\$ 722	\$ -	\$ -	\$ 215	\$ 205,956
-	-	-	-	161	867	41,517
-	-	-	-	491	1,815	326,632
19,909	-	-	-	-	-	19,909
179,575	-	-	-	-	26,000	5,526,250
<u>215,541</u>	<u>-</u>	<u>722</u>	<u>-</u>	<u>652</u>	<u>28,897</u>	<u>6,120,264</u>
57,153	-	1,055	8,812	-	-	203,823
50,587	77,662	56,316	274,920	7,102	310,263	1,978,055
107,740	77,662	57,371	283,732	7,102	310,263	2,181,878
<u>\$ 323,281</u>	<u>\$ 77,662</u>	<u>\$ 58,093</u>	<u>\$ 283,732</u>	<u>\$ 7,754</u>	<u>\$ 339,160</u>	<u>\$ 8,302,142</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, 2005

	SCMR	State Highway	Motor Vehicle License Tax	Street Levy	Surface Drainage
<b>Revenues</b>					
Property and other local taxes	\$ -	\$ -	\$ 392,790	\$ 522,949	\$ -
Intergovernmental revenue	966,550	78,358	3,600	66,143	-
Charges for services	-	-	-	-	-
Fines, licenses, and permits	-	-	-	-	-
Interest	3,747	629	2,248	17,629	16,419
Miscellaneous	9,062	109	178,873	-	320,168
<b>Total revenues</b>	<u>979,359</u>	<u>79,096</u>	<u>577,511</u>	<u>606,721</u>	<u>336,587</u>
<b>Expenditures</b>					
Current					
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Basic utility services	-	-	-	-	35,349
Transportation	975,476	63,959	568,478	653,120	165,248
General government	-	-	-	-	-
<b>Total expenditures</b>	<u>975,476</u>	<u>63,959</u>	<u>568,478</u>	<u>653,120</u>	<u>200,597</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,883</u>	<u>15,137</u>	<u>9,033</u>	<u>(46,399)</u>	<u>135,990</u>
<b>Other financing sources (uses)</b>					
Transfers-out	-	-	-	(154,625)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(154,625)</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures and other sources (uses)</b>	<u>3,883</u>	<u>15,137</u>	<u>9,033</u>	<u>(201,024)</u>	<u>135,990</u>
<b>Fund balances, beginning of year</b>	<u>134,296</u>	<u>13,949</u>	<u>127,222</u>	<u>363,409</u>	<u>438,209</u>
<b>Fund balances, end of year</b>	<u>\$ 138,179</u>	<u>\$ 29,086</u>	<u>\$ 136,255</u>	<u>\$ 162,385</u>	<u>\$ 574,199</u>

Police Levy	Police Pension	Law Enforcement Trust	Drug Law Enforcement Trust	DUI Enforcement and Education Trust	Clerk of Courts Computer Service	Court Computerization
\$ 249,377	\$ 149,035	\$ -	\$ -	\$ -	\$ -	\$ -
29,620	19,637	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,501	12,745	-	12,039
2,730	425	582	400	315	615	2,112
-	-	435	-	-	28,068	-
<u>281,727</u>	<u>169,097</u>	<u>1,017</u>	<u>2,901</u>	<u>13,060</u>	<u>28,683</u>	<u>14,151</u>
298,079	244,756	13,956	5,391	2,515	53,928	15,494
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	358	-
<u>298,079</u>	<u>244,756</u>	<u>13,956</u>	<u>5,391</u>	<u>2,515</u>	<u>54,286</u>	<u>15,494</u>
(16,352)	(75,659)	(12,939)	(2,490)	10,545	(25,603)	(1,343)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(16,352)	(75,659)	(12,939)	(2,490)	10,545	(25,603)	(1,343)
45,532	1,567	24,593	16,218	6,473	28,545	71,039
<u>\$ 29,180</u>	<u>\$ (74,092)</u>	<u>\$ 11,654</u>	<u>\$ 13,728</u>	<u>\$ 17,018</u>	<u>\$ 2,942</u>	<u>\$ 69,696</u>

(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, 2005

(Concluded)

	Fire Levy	Fire Pension	Paramedic Levy	Ambulance	State Grants
<b>Revenues</b>					
Property and other local taxes	\$ 798,292	\$ 149,035	\$ 851,939	\$ -	\$ -
Intergovernmental revenue	103,931	19,636	112,941	-	139,573
Charges for services	-	-	-	37,228	-
Fines, licenses, and permits	-	-	-	-	-
Interest	3,434	425	5,930	4,719	-
Miscellaneous	-	-	-	-	372
<b>Total revenues</b>	<u>905,657</u>	<u>169,096</u>	<u>970,810</u>	<u>41,947</u>	<u>139,945</u>
<b>Expenditures</b>					
Current					
Security of persons and property	897,214	244,754	946,310	38,421	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Basic utility services	-	-	-	-	-
Transportation	-	-	-	-	-
General government	-	-	-	-	124,355
<b>Total expenditures</b>	<u>897,214</u>	<u>244,754</u>	<u>946,310</u>	<u>38,421</u>	<u>124,355</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>8,443</u>	<u>(75,658)</u>	<u>24,500</u>	<u>3,526</u>	<u>15,590</u>
<b>Other financing sources (uses)</b>					
Transfers-out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures and other sources (uses)</b>	<u>8,443</u>	<u>(75,658)</u>	<u>24,500</u>	<u>3,526</u>	<u>15,590</u>
<b>Fund balances, beginning of year</b>	<u>(32,821)</u>	<u>1,562</u>	<u>37,875</u>	<u>154,894</u>	<u>89,867</u>
<b>Fund balances, end of year</b>	<u>\$ (24,378)</u>	<u>\$ (74,096)</u>	<u>\$ 62,375</u>	<u>\$ 158,420</u>	<u>\$ 105,457</u>

Federal Grants	Cemetery	Park and Recreation Trust	Park and Recreation Improvement	Senior Citizens Title III	Solid Waste Management	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,113,417
818,601	-	-	-	31,648	-	2,390,238
-	21,420	98,980	-	-	1,404,859	1,562,487
-	-	-	140,202	-	-	167,487
4,483	2,114	2,179	6,827	3	7,679	85,644
-	820	-	-	-	29	537,936
<u>823,084</u>	<u>24,354</u>	<u>101,159</u>	<u>147,029</u>	<u>31,651</u>	<u>1,412,567</u>	<u>7,857,209</u>
-	-	-	-	-	-	2,760,818
-	10,041	-	-	27,655	-	37,696
-	-	88,276	15,876	-	-	104,152
-	-	-	-	-	1,408,007	1,443,356
-	-	-	-	-	-	2,426,281
755,886	-	-	-	-	499	881,098
<u>755,886</u>	<u>10,041</u>	<u>88,276</u>	<u>15,876</u>	<u>27,655</u>	<u>1,408,506</u>	<u>7,653,401</u>
<u>67,198</u>	<u>14,313</u>	<u>12,883</u>	<u>131,153</u>	<u>3,996</u>	<u>4,061</u>	<u>203,808</u>
-	-	-	(71,870)	-	-	(226,495)
-	-	-	(71,870)	-	-	(226,495)
67,198	14,313	12,883	59,283	3,996	4,061	(22,687)
40,542	63,349	44,488	224,449	3,106	306,202	2,204,565
<u>\$ 107,740</u>	<u>\$ 77,662</u>	<u>\$ 57,371</u>	<u>\$ 283,732</u>	<u>\$ 7,102</u>	<u>\$ 310,263</u>	<u>\$ 2,181,878</u>

CITY OF NORTH RIDGEVILLE, OHIO

BALANCE SHEET -  
NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2005

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
<b>Assets</b>			
Equity in pooled cash and equivalents	\$ 256,924	\$ 109,528	\$ 366,452
Taxes receivable - property and other	709,700	-	709,700
Special assessments receivable	-	306,200	306,200
Due from other governments	18,050	-	18,050
<b>Total assets</b>	<u>\$ 984,674</u>	<u>\$ 415,728</u>	<u>\$ 1,400,402</u>
<b>Liabilities</b>			
Deferred revenue	\$ 727,750	\$ 306,200	\$ 1,033,950
<b>Total liabilities</b>	<u>727,750</u>	<u>306,200</u>	<u>1,033,950</u>
<b>Fund balance</b>			
Reserved for debt service	256,924	109,528	366,452
<b>Total fund balance</b>	<u>256,924</u>	<u>109,528</u>	<u>366,452</u>
<b>Total liabilities and fund balance</b>	<u>\$ 984,674</u>	<u>\$ 415,728</u>	<u>\$ 1,400,402</u>



CITY OF NORTH RIDGEVILLE, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Revenues			
Property and other local taxes	\$ 192,717	\$ -	\$ 192,717
Intergovernmental	111,083	-	111,083
Special assessments	-	36,703	36,703
Interest	8,588	3,803	12,391
Miscellaneous	40,739	90	40,829
Total revenues	<u>353,127</u>	<u>40,596</u>	<u>393,723</u>
Expenditures			
Current			
General government	6,036	1,474	7,510
Debt service			
Bond principal	1,031,000	25,000	1,056,000
Interest and fiscal charges	124,699	9,115	133,814
Total expenditures	<u>1,161,735</u>	<u>35,589</u>	<u>1,197,324</u>
Excess of revenues over expenditures	<u>(808,608)</u>	<u>5,007</u>	<u>(803,601)</u>
Other financing sources (uses)			
Transfers in	773,028	-	773,028
Total other financing sources (uses)	<u>773,028</u>	<u>-</u>	<u>773,028</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(35,580)</u>	<u>5,007</u>	<u>(30,573)</u>
Fund balance, beginning of year	<u>292,504</u>	<u>104,521</u>	<u>397,025</u>
Fund balance, end of year	<u>\$ 256,924</u>	<u>\$ 109,528</u>	<u>\$ 366,452</u>

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

DECEMBER 31, 2005

	Capital Projects	Bainbridge Road Improvement	Totals
<b>Assets</b>			
Equity in pooled cash and equivalents	\$ 118,541	\$ -	\$ 118,541
<b>Total assets</b>	<b>\$ 118,541</b>	<b>\$ -</b>	<b>\$ 118,541</b>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 11,237	\$ -	\$ 11,237
Accrued interest payable	3,000	-	3,000
Note payable	1,730,000	-	1,730,000
<b>Total liabilities</b>	<b>1,744,237</b>	<b>-</b>	<b>1,744,237</b>
<b>Fund balances</b>			
Reserved for encumbrances	51	-	51
Unreserved	(1,625,747)	-	(1,625,747)
<b>Total fund balances</b>	<b>(1,625,696)</b>	<b>-</b>	<b>(1,625,696)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 118,541</b>	<b>\$ -</b>	<b>\$ 118,541</b>

CITY OF NORTH RIDGEVILLE, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Capital Projects	Bainbridge Road Improvement	Totals
Revenue			
Taxes	\$ 130,192	\$ -	\$ 130,192
Interest	31,898	125	32,023
Miscellaneous	766	-	766
Total revenue	<u>162,856</u>	<u>125</u>	<u>162,981</u>
Expenditures			
Capital outlay	940,577	3,691	944,268
Debt service			
Interest and fiscal charges	46,299	-	46,299
Total expenditures	<u>986,876</u>	<u>3,691</u>	<u>990,567</u>
Excess (deficiency) of revenue over expenditures	<u>(824,020)</u>	<u>(3,566)</u>	<u>(827,586)</u>
Other financing sources (uses)			
Transfers-in	79,467	-	79,467
Transfers-out	(336,000)	-	(336,000)
Total other financing sources (uses)	<u>(256,533)</u>	<u>-</u>	<u>(256,533)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(1,080,553)</u>	<u>(3,566)</u>	<u>(1,084,119)</u>
Fund balances, beginning of year	<u>(545,143)</u>	<u>3,566</u>	<u>(541,577)</u>
Fund balances, end of year	<u>\$ (1,625,696)</u>	<u>\$ -</u>	<u>\$ (1,625,696)</u>

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## COMBINING STATEMENTS - AGENCY FUNDS

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

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

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

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

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

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

CITY OF NORTH RIDGEVILLE, OHIO  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES -  
 AGENCY FUNDS  
 DECEMBER 31, 2005

	Board of Building Standards	Senior Citizens Multi-Trust	Mayor's Court Operating
<b>Assets</b>			
Equity in pooled cash and equivalents	\$ 54	\$ 9,268	\$ 124,541
<b>Liabilities</b>			
Accounts and contracts payable	\$ 54	\$ 1,829	\$ -
Accrued salaries, wages and benefits	-	-	802
Due to other governments	-	-	3,415
Due to others	-	7,439	120,324
<b>Total liabilities</b>	<b>\$ 54</b>	<b>\$ 9,268</b>	<b>\$ 124,541</b>

Mayor's Court Bail Trust	Trust Miscellaneous	Total
\$ 3,089	\$ 1,021,085	\$ 1,158,037
\$ -	\$ 79	\$ 1,962
-	-	802
-	-	3,415
3,089	1,021,006	1,151,858
<u>\$ 3,089</u>	<u>\$ 1,021,085</u>	<u>\$ 1,158,037</u>

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

FOR THE YEAR ENDED DECEMBER 31, 2005

	Beginning Balance 1/1/2005	Additions	Reductions	Ending Balance 12/31/2005
<b>Board of Building Standards</b>				
Assets				
Equity in pooled cash and equivalents	\$ -	\$ 2,016	\$ 1,962	\$ 54
Liabilities				
Accounts and contracts payable	\$ -	\$ 54	\$ -	\$ 54
Total liabilities	\$ -	\$ 54	\$ -	\$ 54

	Beginning Balance 1/1/2005	Additions	Reductions	Ending Balance 12/31/2005
<b>Senior Citizens Multi-Trust</b>				
Assets				
Equity in pooled cash and equivalents	\$ 12,843	\$ 47,183	\$ 50,758	\$ 9,268
Liabilities				
Accounts and contracts payable	\$ 290	\$ 1,829	\$ 290	\$ 1,829
Due to others	12,553	7,439	12,553	7,439
Total liabilities	\$ 12,843	\$ 9,268	\$ 12,843	\$ 9,268

	Beginning Balance 1/1/2005	Additions	Reductions	Ending Balance 12/31/2005
<b>Mayor's Court Operating</b>				
Assets				
Equity in pooled cash and equivalents	\$ 61,291	\$ 552,357	\$ 489,107	\$ 124,541
Liabilities				
Accounts and contracts payable	\$ 130	\$ -	\$ 130	\$ -
Accrued salaries, wages and benefits	1,298	802	1,298	802
Due to other governments	2,998	3,415	2,998	3,415
Due to others	56,865	120,324	56,865	120,324
Total liabilities	\$ 61,291	\$ 124,541	\$ 61,291	\$ 124,541

	Beginning Balance 1/1/2005	Additions	Reductions	Ending Balance 12/31/2005
<b>Mayor's Court Bail Trust</b>				
Assets				
Equity in pooled cash and equivalents	\$ 4,818	\$ 49,608	\$ 51,337	\$ 3,089
Liabilities				
Due to others	\$ 4,818	\$ 3,089	\$ 4,818	\$ 3,089
Total liabilities	\$ 4,818	\$ 3,089	\$ 4,818	\$ 3,089



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

FOR THE YEAR ENDED DECEMBER 31, 2005

	Beginning Balance 1/1/2005	Additions	Reductions	Ending Balance 12/31/2005
<b>Trust Miscellaneous</b>				
Assets				
Equity in pooled cash and equivalents	\$ 960,037	\$ 1,821,980	\$ 1,760,932	\$ 1,021,085
Liabilities				
Accounts and contracts payable	\$ 15,450	\$ 79	\$ 15,450	\$ 79
Due to others	944,587	1,021,006	944,587	1,021,006
Total liabilities	<u>\$ 960,037</u>	<u>\$ 1,021,085</u>	<u>\$ 960,037</u>	<u>\$ 1,021,085</u>
<b>Total All Agency Funds</b>				
Assets				
Equity in pooled cash and equivalents	\$ 1,038,989	\$ 2,473,144	\$ 2,354,096	\$ 1,158,037
Liabilities				
Accounts and contracts payable	\$ 15,870	\$ 1,962	\$ 15,870	\$ 1,962
Accrued salaries, wages and benefits	1,298	802	1,298	802
Due to other governments	2,998	3,415	2,998	3,415
Due to others	1,018,823	1,151,858	1,018,823	1,151,858
Total liabilities	<u>\$ 1,038,989</u>	<u>\$ 1,158,037</u>	<u>\$ 1,038,989</u>	<u>\$ 1,158,037</u>

**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, 2005

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 870,378	\$ 861,433	\$ 860,697	\$ (736)
Intergovernmental revenue	888,701	913,297	988,207	74,910
Fines, licenses, and permits	561,800	820,350	834,852	14,502
Interest	5,000	13,100	14,883	1,783
Miscellaneous	296,211	597,890	605,383	7,493
Total revenues	<u>2,622,090</u>	<u>3,206,070</u>	<u>3,304,022</u>	<u>97,952</u>
Expenditures				
Current				
Security of persons and property				
Police				
Personal services	3,323,054	3,371,953	3,333,005	38,948
Materials and supplies	205,823	233,523	190,935	42,588
Contractual services	99,537	92,637	71,981	20,656
Other	100,896	97,296	59,601	37,695
Total police	<u>3,729,310</u>	<u>3,795,409</u>	<u>3,655,522</u>	<u>139,887</u>
Humane officer				
Personal services	83,142	83,317	83,286	31
Materials and supplies	1,808	46,000	45,670	330
Total humane officer	<u>84,950</u>	<u>129,317</u>	<u>128,956</u>	<u>361</u>
Fire				
Personal services	1,490,530	1,435,931	1,186,155	249,776
Materials and supplies	163,239	201,839	148,357	53,482
Contractual services	10,805	10,805	8,195	2,610
Capital outlay	-	16,000	15,759	241
Total fire	<u>1,664,574</u>	<u>1,664,575</u>	<u>1,358,466</u>	<u>306,109</u>
Street lighting				
Materials and supplies	40,000	1,633	1,625	8
Total street lighting	<u>40,000</u>	<u>1,633</u>	<u>1,625</u>	<u>8</u>
Total security of persons and property	<u>5,518,834</u>	<u>5,590,934</u>	<u>5,144,569</u>	<u>446,365</u>
Public health and welfare				
General government				
Other	74,200	74,200	74,152	48
Total general government	<u>74,200</u>	<u>74,200</u>	<u>74,152</u>	<u>48</u>
Senior citizens				
Personal services	182,316	200,656	191,468	9,188
Materials and supplies	13,576	17,486	16,808	678
Contractual services	8,300	6,050	5,514	536
Total senior citizens	<u>204,192</u>	<u>224,192</u>	<u>213,790</u>	<u>10,402</u>
Total public health and welfare	<u>278,392</u>	<u>298,392</u>	<u>287,942</u>	<u>10,450</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, 2005

	General Fund (Continued)			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Leisure time activities				
Park and recreation				
Personal services	\$ 150,100	\$ 155,070	\$ 154,983	\$ 87
Materials and supplies	16,888	26,668	26,381	287
Contractual services	3,400	3,700	3,600	100
Other	18,925	11,875	11,662	213
Total leisure time activities	<u>189,313</u>	<u>197,313</u>	<u>196,626</u>	<u>687</u>
Community development				
Building				
Personal services	524,440	520,960	487,596	33,364
Materials and supplies	15,070	18,690	15,909	2,781
Contractual services	92,280	106,690	96,831	9,859
Capital outlay	1,000	250	-	250
Other	94,608	112,107	101,733	10,374
Total building	<u>727,398</u>	<u>758,697</u>	<u>702,069</u>	<u>56,628</u>
Engineer				
Personal services	473,800	500,850	488,236	12,614
Materials and supplies	9,098	17,388	16,027	1,361
Contractual services	38,177	45,548	39,995	5,553
Capital outlay	200	-	-	-
Other	1,150	840	748	92
Total engineer	<u>522,425</u>	<u>564,626</u>	<u>545,006</u>	<u>19,620</u>
Total community development	<u>1,249,823</u>	<u>1,323,323</u>	<u>1,247,075</u>	<u>76,248</u>
General government				
Council				
Personal services	194,465	194,755	194,554	201
Materials and supplies	8,101	7,846	5,322	2,524
Other	2,890	2,855	1,587	1,268
Total council	<u>205,456</u>	<u>205,456</u>	<u>201,463</u>	<u>3,993</u>
Mayor				
Personal services	169,005	169,505	169,396	109
Materials and supplies	6,401	7,351	6,350	1,001
Other	5,220	3,770	3,079	691
Total mayor	<u>180,626</u>	<u>180,626</u>	<u>178,825</u>	<u>1,801</u>
Finance				
Personal services	376,864	378,229	377,073	1,156
Materials and supplies	10,271	8,861	7,500	1,361
Contractual services	3,500	3,770	3,769	1
Other	2,043	2,350	1,261	1,089
Total finance	<u>392,678</u>	<u>393,210</u>	<u>389,603</u>	<u>3,607</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, 2005

	General Fund (Continued)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Law director				
Personal services	\$ 256,390	\$ 257,060	\$ 255,765	\$ 1,295
Materials and supplies	285	2,413	2,226	187
Contractual services	118,936	117,049	101,716	15,333
Other	4,325	3,415	2,998	417
Total law director	<u>379,936</u>	<u>379,937</u>	<u>362,705</u>	<u>17,232</u>
Computer services				
Personal services	131,170	131,190	125,948	5,242
Materials and supplies	55,569	52,369	37,945	14,424
Contractual services	41,074	46,074	34,388	11,686
Capital outlay	2,730	2,730	-	2,730
Other	6,060	4,240	858	3,382
Total computer services	<u>236,603</u>	<u>236,603</u>	<u>199,139</u>	<u>37,464</u>
Safety service director				
Personal services	99,305	99,715	99,707	8
Materials and supplies	2,990	2,990	1,890	1,100
Contractual services	539	539	386	153
Capital outlay	11,305	11,185	11,182	3
Other	1,280	1,000	503	497
Total safety service director	<u>115,419</u>	<u>115,429</u>	<u>113,668</u>	<u>1,761</u>
Civil services				
Personal services	9,330	9,370	9,369	1
Materials and supplies	13,520	33,520	20,737	12,783
Contractual services	1,000	1,000	-	1,000
Other	3,452	3,412	1,058	2,354
Total civil service	<u>27,302</u>	<u>47,302</u>	<u>31,164</u>	<u>16,138</u>
General government				
Personal services	51,950	61,395	60,992	403
Materials and supplies	500	1,100	949	151
Contractual services	124,501	151,801	73,782	78,019
Capital outlay	5,847	5,847	5,785	62
Other	314,507	429,362	245,785	183,577
Total general government	<u>497,305</u>	<u>649,505</u>	<u>387,293</u>	<u>262,212</u>
Public grounds/cemetery				
Personal services	240,655	276,605	270,305	6,300
Materials and supplies	65,638	69,688	57,112	12,576
Contractual services	5,170	5,170	4,804	366
Other	2,500	500	-	500
Total public grounds/cemetery	<u>313,963</u>	<u>351,963</u>	<u>332,221</u>	<u>19,742</u>
Total general government	<u>2,349,288</u>	<u>2,560,031</u>	<u>2,196,081</u>	<u>363,950</u>
Total expenditures	<u>9,585,650</u>	<u>9,969,993</u>	<u>9,072,293</u>	<u>897,700</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, 2005

	General Fund (Concluded)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ (6,963,560)	\$ (6,763,923)	\$ (5,768,271)	\$ 995,652
Other financing sources (uses)				
Transfers-in	6,009,500	5,750,000	5,750,000	-
Advances-in	179,489	344,009	344,009	-
Advances-out	-	(150,000)	(82,432)	67,568
Total other financing sources (uses)	6,188,989	5,944,009	6,011,577	67,568
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(774,571)	(819,914)	243,306	1,063,220
Prior year encumbrances	163,289	163,289	163,289	-
Fund balances, beginning of year	657,931	657,931	657,931	-
Fund balances, end of year	\$ 46,649	\$ 1,306	\$ 1,064,526	\$ 1,063,220

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, 2005

	Income Tax Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 6,200,000	\$ 6,530,000	\$ 7,001,784	\$ 471,784
Interest	13,000	13,000	60,665	47,665
Miscellaneous	1,000	1,000	550	(450)
Total revenues	<u>6,214,000</u>	<u>6,544,000</u>	<u>7,062,999</u>	<u>518,999</u>
Expenditures				
Current				
General government				
Personal services	171,975	177,040	174,464	2,576
Materials and supplies	57,702	58,437	50,461	7,976
Contractual services	27,800	30,500	30,180	320
Capital outlay	7,000	7,000	3,994	3,006
Other	229,484	245,984	212,107	33,877
Total expenditures	<u>493,961</u>	<u>518,961</u>	<u>471,206</u>	<u>47,755</u>
Excess (deficiency) of revenues over expenditures	<u>5,720,039</u>	<u>6,025,039</u>	<u>6,591,793</u>	<u>566,754</u>
Other financing sources (uses)				
Transfers-out	(5,800,000)	(5,800,000)	(5,800,000)	-
Total other financing sources (uses)	<u>(5,800,000)</u>	<u>(5,800,000)</u>	<u>(5,800,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(79,961)	225,039	791,793	566,754
Prior year encumbrances	31,161	31,161	31,161	-
Fund balances, beginning of year	<u>838,681</u>	<u>838,681</u>	<u>838,681</u>	<u>-</u>
Fund balances, end of year	<u>\$ 789,881</u>	<u>\$ 1,094,881</u>	<u>\$ 1,661,635</u>	<u>\$ 566,754</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, 2005

	Water Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 2,171,267	\$ 2,606,037	\$ 2,606,040	\$ 3
Tap in fees	221,000	355,330	370,700	15,370
Miscellaneous	160,733	228,443	229,601	1,158
Interest income	26,000	59,190	75,111	15,921
<b>Total revenues</b>	<b>2,579,000</b>	<b>3,249,000</b>	<b>3,281,452</b>	<b>32,452</b>
<b>Expenses</b>				
Personal services	787,405	793,505	731,299	62,206
Materials and supplies	522,229	532,930	429,336	103,594
Contractual services	156,430	147,431	63,729	83,702
Capital outlay	19,200	337,954	267,016	70,938
Other non-operating expenses	1,094,357	1,390,558	1,103,639	286,919
Debt service				
Principal	214,097	214,097	214,097	-
Interest and fiscal charges	211,029	139,049	139,049	-
<b>Total expenditures</b>	<b>3,004,747</b>	<b>3,555,524</b>	<b>2,948,165</b>	<b>607,359</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(425,747)</b>	<b>(306,524)</b>	<b>333,287</b>	<b>639,811</b>
Prior year encumbrances	433,912	433,912	433,912	-
Fund balances, beginning of year	1,671,765	1,671,765	1,671,765	-
<b>Fund balances, end of year</b>	<b>\$ 1,679,930</b>	<b>\$ 1,799,153</b>	<b>\$ 2,438,964</b>	<b>\$ 639,811</b>



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, 2005

	Sewer Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 5,518,820	\$ 5,847,450	\$ 5,897,997	\$ 50,547
Tap in fees	1,665,400	1,999,400	2,175,091	175,691
Miscellaneous	3,650	51,250	51,244	(6)
Interest income	143,031	371,646	442,359	70,713
Total revenues	<u>7,330,901</u>	<u>8,269,746</u>	<u>8,566,691</u>	<u>296,945</u>
Expenses				
Personal services	1,953,456	1,916,256	1,716,128	200,128
Materials and supplies	451,936	562,562	355,032	207,530
Contractual services	2,964,545	3,210,096	3,012,957	197,139
Capital outlay	8,568,862	8,719,538	5,864,707	2,854,831
Other	1,365,026	714,026	542,057	171,969
Debt service				
Principal	11,352,451	11,352,451	11,352,451	-
Interest and fiscal charges	294,831	540,430	540,430	-
Total expenditures	<u>26,951,107</u>	<u>27,015,359</u>	<u>23,383,762</u>	<u>3,631,597</u>
Excess (deficiency) of revenues over expenses	<u>(19,620,206)</u>	<u>(18,745,613)</u>	<u>(14,817,071)</u>	<u>3,928,542</u>
Other financing sources (uses)				
Note proceeds	10,900,000	7,900,000	7,900,000	-
Advances-out	(82,000)	(10,000)	(10,000)	-
Transfers-out	-	(226,600)	(226,600)	-
Total other financing sources (uses)	<u>10,818,000</u>	<u>7,663,400</u>	<u>7,663,400</u>	<u>-</u>
Excess (deficiency) of revenues over expenses and other financing sources (uses)	<u>(8,802,206)</u>	<u>(11,082,213)</u>	<u>(7,153,671)</u>	<u>3,928,542</u>
Prior year encumbrances	1,078,451	1,078,451	1,078,451	-
Fund balances, beginning of year	<u>15,415,887</u>	<u>15,415,887</u>	<u>15,415,887</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,692,132</u>	<u>\$ 5,412,125</u>	<u>\$ 9,340,667</u>	<u>\$ 3,928,542</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, 2005

	Street Construction, Maintenance and Repair Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 889,800	\$ 930,440	\$ 960,250	\$ 29,810
Interest	200	3,300	3,747	447
Miscellaneous	2,800	9,060	9,062	2
Total revenues	<u>892,800</u>	<u>942,800</u>	<u>973,059</u>	<u>30,259</u>
Expenditures				
Current				
Transportation				
Streets				
Personal services	920,100	888,205	868,466	19,739
Materials and supplies	-	96,895	91,000	5,895
Traffic signals				
Materials and supplies	61,453	46,453	20,531	25,922
Total expenditures	<u>981,553</u>	<u>1,031,553</u>	<u>979,997</u>	<u>51,556</u>
Excess (deficiency) of revenues over expenditures	<u>(88,753)</u>	<u>(88,753)</u>	<u>(6,938)</u>	<u>81,815</u>
Other financing sources (uses)				
Transfers-in	107,000	-	-	-
Total other financing sources (uses)	<u>107,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	18,247	(88,753)	(6,938)	81,815
Prior year encumbrances	3,953	3,953	3,953	-
Fund balances, beginning of year	<u>84,939</u>	<u>84,939</u>	<u>84,939</u>	<u>-</u>
Fund balances, end of year	<u>\$ 107,139</u>	<u>\$ 139</u>	<u>\$ 81,954</u>	<u>\$ 81,815</u>

CITY OF NORTH RIDGEVILLE, OHIO  
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CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2005

	State Highway Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 69,900	\$ 76,400	\$ 77,858	\$ 1,458
Interest	100	500	629	129
Miscellaneous	-	100	110	10
Total revenues	<u>70,000</u>	<u>77,000</u>	<u>78,597</u>	<u>1,597</u>
Expenditures				
Current				
Transportation				
Materials and supplies	79,931	84,931	82,511	2,420
Contractual services	10,033	5,034	3,960	1,074
Total expenditures	<u>89,964</u>	<u>89,965</u>	<u>86,471</u>	<u>3,494</u>
Excess (deficiency) of revenues over expenditures	(19,964)	(12,965)	(7,874)	5,091
Prior year encumbrances	13,065	13,065	13,065	-
Fund balances, beginning of year	<u>6,950</u>	<u>6,950</u>	<u>6,950</u>	<u>-</u>
Fund balances, end of year	<u>\$ 51</u>	<u>\$ 7,050</u>	<u>\$ 12,141</u>	<u>\$ 5,091</u>

CITY OF NORTH RIDGEVILLE, OHIO  
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CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Motor Vehicle License Tax Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 368,700	\$ 392,700	\$ 392,790	\$ 90
Interest	300	1,600	2,248	648
Miscellaneous	1,000	178,400	178,873	473
Total revenues	<u>370,000</u>	<u>572,700</u>	<u>573,911</u>	<u>1,211</u>
Expenditures				
Current				
Transportation				
Personal services	197,045	198,650	197,370	1,280
Materials and supplies	117,445	171,345	138,387	32,958
Contractual services	79,658	191,063	157,232	33,831
Capital outlay	-	-	-	-
Other	79,669	112,259	87,282	24,977
Total expenditures	<u>473,817</u>	<u>673,317</u>	<u>580,271</u>	<u>93,046</u>
Excess (deficiency) of revenues over expenditures	(103,817)	(100,617)	(6,360)	94,257
Prior year encumbrances	77,317	77,317	77,317	-
Fund balances, beginning of year	<u>26,565</u>	<u>26,565</u>	<u>26,565</u>	-
Fund balances, end of year	<u>\$ 65</u>	<u>\$ 3,265</u>	<u>\$ 97,522</u>	<u>\$ 94,257</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, 2005

	Street Levy Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 467,027	\$ 522,527	\$ 522,949	\$ 422
Intergovernmental revenue	115,190	65,890	66,143	253
Interest	4,000	9,800	17,629	7,829
Total revenues	<u>586,217</u>	<u>598,217</u>	<u>606,721</u>	<u>8,504</u>
Expenditures				
Current				
Transportation				
Materials and supplies	50,900	57,449	35,444	22,005
Contractual services	10,000	26,445	26,290	155
Capital outlay	720,158	709,163	591,251	117,912
Total expenditures	<u>781,058</u>	<u>793,057</u>	<u>652,985</u>	<u>140,072</u>
Excess (deficiency) of revenues over expenditures	<u>(194,841)</u>	<u>(194,840)</u>	<u>(46,264)</u>	<u>148,576</u>
Other financing sources (uses)				
Transfers-out	(181,961)	(169,952)	(154,625)	15,327
Total other financing sources (uses)	<u>(181,961)</u>	<u>(169,952)</u>	<u>(154,625)</u>	<u>15,327</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(376,802)</u>	<u>(364,792)</u>	<u>(200,889)</u>	<u>163,903</u>
Prior year encumbrances	231,419	231,419	231,419	-
Fund balances, beginning of year	<u>145,383</u>	<u>145,383</u>	<u>145,383</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 12,010</u>	<u>\$ 175,913</u>	<u>\$ 163,903</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, 2005

	Surface Drainage Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 4,000	\$ 4,000	\$ 16,418	\$ 12,418
Miscellaneous	166,000	301,000	320,168	19,168
Total revenues	<u>170,000</u>	<u>305,000</u>	<u>336,586</u>	<u>31,586</u>
Expenditures				
Current				
Basic utility services				
Personal services	54,870	56,870	55,674	1,196
Materials and supplies	160,351	156,761	40,754	116,007
Contractual services	31,340	31,340	3,000	28,340
Capital outlay	45,000	57,100	40,091	17,009
Other	92,916	84,406	66,810	17,596
Total expenditures	<u>384,477</u>	<u>386,477</u>	<u>206,329</u>	<u>180,148</u>
Excess (deficiency) of revenues over expenditures	(214,477)	(81,477)	130,257	211,734
Prior year encumbrances	20,533	20,533	20,533	-
Fund balances, beginning of year	<u>420,585</u>	<u>420,585</u>	<u>420,585</u>	<u>-</u>
Fund balances, end of year	<u>\$ 226,641</u>	<u>\$ 359,641</u>	<u>\$ 571,375</u>	<u>\$ 211,734</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, 2005

	Police Levy Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 219,126	\$ 249,378	\$ 249,378	\$ -
Intergovernmental revenue	54,481	29,616	29,620	4
Interest	6,900	2,415	2,730	315
Total revenues	<u>280,507</u>	<u>281,409</u>	<u>281,728</u>	<u>319</u>
Expenditures				
Current				
Security of persons and property				
Personal services	275,700	293,950	254,600	39,350
Contractual services	4,300	6,051	5,940	111
Total expenditures	<u>280,000</u>	<u>300,001</u>	<u>260,540</u>	<u>39,461</u>
Excess (deficiency) of revenues over expenditures	507	(18,592)	21,188	39,780
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>49,447</u>	<u>49,447</u>	<u>49,447</u>	<u>-</u>
Fund balances, end of year	<u>\$ 49,954</u>	<u>\$ 30,855</u>	<u>\$ 70,635</u>	<u>\$ 39,780</u>

CITY OF NORTH RIDGEVILLE, OHIO  
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CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Police Pension Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 145,319	\$ 148,783	\$ 149,035	\$ 252
Intergovernmental revenue	21,804	19,637	19,637	-
Interest	100	100	425	325
Total revenues	<u>167,223</u>	<u>168,520</u>	<u>169,097</u>	<u>577</u>
Expenditures				
Current				
Security of persons and property				
Personal services	164,800	164,800	164,760	40
Contractual services	2,400	2,400	2,395	5
Total expenditures	<u>167,200</u>	<u>167,200</u>	<u>167,155</u>	<u>45</u>
Excess (deficiency) of revenues over expenditures	23	1,320	1,942	622
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>1,566</u>	<u>1,566</u>	<u>1,566</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,589</u>	<u>\$ 2,886</u>	<u>\$ 3,508</u>	<u>\$ 622</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, 2005

	Law Enforcement Trust Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 300	\$ 560	\$ 582	\$ 22
Miscellaneous	4,700	440	435	(5)
Total revenues	<u>5,000</u>	<u>1,000</u>	<u>1,017</u>	<u>17</u>
Expenditures				
Current				
Security of persons and property				
Personal services	4,500	2,000	1,254	746
Materials and supplies	4,108	4,108	1,503	2,605
Capital outlay	9,000	11,500	11,494	6
Total expenditures	<u>17,608</u>	<u>17,608</u>	<u>14,251</u>	<u>3,357</u>
Excess (deficiency) of revenues over expenditures	(12,608)	(16,608)	(13,234)	3,374
Prior year encumbrances	608	608	608	-
Fund balances, beginning of year	<u>24,280</u>	<u>24,280</u>	<u>24,280</u>	<u>-</u>
Fund balances, end of year	<u>\$ 12,280</u>	<u>\$ 8,280</u>	<u>\$ 11,654</u>	<u>\$ 3,374</u>

CITY OF NORTH RIDGEVILLE, OHIO  
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CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Drug Law Enforcement Trust Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 4,700	\$ 2,260	\$ 2,501	\$ 241
Interest	300	340	400	60
Total revenues	<u>5,000</u>	<u>2,600</u>	<u>2,901</u>	<u>301</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	5,549	5,549	4,441	1,108
Other	1,500	1,500	950	550
Total expenditures	<u>7,049</u>	<u>7,049</u>	<u>5,391</u>	<u>1,658</u>
Excess (deficiency) of revenues over expenditures	(2,049)	(4,449)	(2,490)	1,959
Prior year encumbrances	1,549	1,549	1,549	-
Fund balances, beginning of year	<u>14,669</u>	<u>14,669</u>	<u>14,669</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,169</u>	<u>\$ 11,769</u>	<u>\$ 13,728</u>	<u>\$ 1,959</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, 2005

	DUI Enforcement and Education Trust Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 3,700	\$ 10,700	\$ 12,745	\$ 2,045
Interest	300	300	315	15
Total revenues	<u>4,000</u>	<u>11,000</u>	<u>13,060</u>	<u>2,060</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	4,000	4,000	2,515	1,485
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,515</u>	<u>1,485</u>
Excess (deficiency) of revenues over expenditures	-	7,000	10,545	3,545
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>6,473</u>	<u>6,473</u>	<u>6,473</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,473</u>	<u>\$ 13,473</u>	<u>\$ 17,018</u>	<u>\$ 3,545</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, 2005

	Clerk of Courts Computer Service Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 500	\$ 600	\$ 615	\$ 15
Miscellaneous	24,500	26,600	28,068	1,468
Total revenues	<u>25,000</u>	<u>27,200</u>	<u>28,683</u>	<u>1,483</u>
Expenditures				
Current				
Security of persons and property				
Personal services	42,680	49,515	48,415	1,100
Materials and supplies	200	200	165	35
Capital outlay	3,325	3,994	3,994	-
Other	2,375	2,270	1,440	830
Total expenditures	<u>48,580</u>	<u>55,979</u>	<u>54,014</u>	<u>1,965</u>
Excess (deficiency) of revenues over expenditures	(23,580)	(28,779)	(25,331)	3,448
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>30,025</u>	<u>30,025</u>	<u>30,025</u>	-
Fund balances, end of year	<u>\$ 6,445</u>	<u>\$ 1,246</u>	<u>\$ 4,694</u>	<u>\$ 3,448</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, 2005

	Court Computerization Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 10,500	\$ 11,500	\$ 12,039	\$ 539
Interest	500	1,500	2,112	612
Total revenues	<u>11,000</u>	<u>13,000</u>	<u>14,151</u>	<u>1,151</u>
Expenditures				
General government				
Capital outlay	45,000	45,000	15,494	29,506
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>15,494</u>	<u>29,506</u>
Excess (deficiency) of revenues over expenditures	(34,000)	(32,000)	(1,343)	30,657
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>71,039</u>	<u>71,039</u>	<u>71,039</u>	<u>-</u>
Fund balances, end of year	<u>\$ 37,039</u>	<u>\$ 39,039</u>	<u>\$ 69,696</u>	<u>\$ 30,657</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, 2005

	Fire Levy Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 756,094	\$ 794,664	\$ 798,292	\$ 3,628
Intergovernmental revenue	137,304	104,134	103,931	(203)
Interest	500	3,100	3,434	334
Total revenues	<u>893,898</u>	<u>901,898</u>	<u>905,657</u>	<u>3,759</u>
Expenditures				
Current				
Security of persons and property				
Personal services	881,075	879,525	856,547	22,978
Contractual services	12,700	14,250	14,223	27
Total expenditures	<u>893,775</u>	<u>893,775</u>	<u>870,770</u>	<u>23,005</u>
Excess (deficiency) of revenues over expenditures	123	8,123	34,887	26,764
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>1,407</u>	<u>1,407</u>	<u>1,407</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,530</u>	<u>\$ 9,530</u>	<u>\$ 36,294</u>	<u>\$ 26,764</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, 2005

	Fire Pension Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 145,319	\$ 148,919	\$ 149,035	\$ 116
Intergovernmental revenue	21,804	19,604	19,636	32
Interest	100	100	425	325
Total revenues	<u>167,223</u>	<u>168,623</u>	<u>169,096</u>	<u>473</u>
Expenditures				
Current				
Security of persons and property				
Personal services	164,800	164,800	164,760	40
Contractual services	2,400	2,400	2,394	6
Total expenditures	<u>167,200</u>	<u>167,200</u>	<u>167,154</u>	<u>46</u>
Excess (deficiency) of revenues over expenditures	23	1,423	1,942	519
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>1,562</u>	<u>1,562</u>	<u>1,562</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,585</u>	<u>\$ 2,985</u>	<u>\$ 3,504</u>	<u>\$ 519</u>

CITY OF NORTH RIDGEVILLE, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
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	Paramedic Levy Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 828,241	\$ 851,141	\$ 851,939	\$ 798
Intergovernmental revenue	126,936	113,036	112,941	(95)
Interest	2,200	2,200	5,930	3,730
Total revenues	<u>957,377</u>	<u>966,377</u>	<u>970,810</u>	<u>4,433</u>
Expenditures				
Current				
Security of persons and property				
Personal services	854,407	855,697	852,020	3,677
Materials and supplies	31,413	46,813	27,727	19,086
Contractual services	14,500	18,210	13,702	4,508
Other	32,397	31,997	10,970	21,027
Total expenditures	<u>932,717</u>	<u>952,717</u>	<u>904,419</u>	<u>48,298</u>
Excess (deficiency) of revenues over expenditures	24,660	13,660	66,391	52,731
Prior year encumbrances	8,937	8,937	8,937	-
Fund balances, beginning of year	<u>45,475</u>	<u>45,475</u>	<u>45,475</u>	<u>-</u>
Fund balances, end of year	<u>\$ 79,072</u>	<u>\$ 68,072</u>	<u>\$ 120,803</u>	<u>\$ 52,731</u>



CITY OF NORTH RIDGEVILLE, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
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	Ambulance Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 38,000	\$ 37,200	\$ 37,228	\$ 28
Interest	2,000	2,800	4,719	1,919
<b>Total revenues</b>	<u>40,000</u>	<u>40,000</u>	<u>41,947</u>	<u>1,947</u>
<b>Expenditures</b>				
<b>Current</b>				
Security of persons and property				
Materials and supplies	40,160	40,160	28,547	11,613
Contractual services	3,000	3,000	2,636	364
Capital outlay	60,000	60,000	-	60,000
Other	25,000	25,000	7,533	17,467
<b>Total expenditures</b>	<u>128,160</u>	<u>128,160</u>	<u>38,716</u>	<u>89,444</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(88,160)	(88,160)	3,231	91,391
<b>Prior year encumbrances</b>	15,158	15,158	15,158	-
<b>Fund balances, beginning of year</b>	<u>140,031</u>	<u>140,031</u>	<u>140,031</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 67,029</u></u>	<u><u>\$ 67,029</u></u>	<u><u>\$ 158,420</u></u>	<u><u>\$ 91,391</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, 2005

	State Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 77,300	\$ 114,603	\$ 128,600	\$ 13,997
Miscellaneous	200	372	372	-
Total revenues	<u>77,500</u>	<u>114,975</u>	<u>128,972</u>	<u>13,997</u>
Expenditures				
Current				
General government				
Contractual services	108,500	131,500	131,381	119
Total expenditures	<u>108,500</u>	<u>131,500</u>	<u>131,381</u>	<u>119</u>
Excess (deficiency) of revenues over expenditures	(31,000)	(16,525)	(2,409)	14,116
Prior year encumbrances	1,999	1,999	1,999	-
Fund balances, beginning of year	<u>91,419</u>	<u>91,419</u>	<u>91,419</u>	<u>-</u>
Fund balances, end of year	<u>\$ 62,418</u>	<u>\$ 76,893</u>	<u>\$ 91,009</u>	<u>\$ 14,116</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, 2005

	Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 764,843	\$ 811,544	\$ 734,365	\$ (77,179)
Interest	10,000	9,736	4,483	(5,253)
Total revenues	<u>774,843</u>	<u>821,280</u>	<u>738,848</u>	<u>(82,432)</u>
Expenditures				
Current				
Community development				
Contractual services	848,819	895,256	885,436	9,820
Total expenditures	<u>848,819</u>	<u>895,256</u>	<u>885,436</u>	<u>9,820</u>
Excess (deficiency) of revenues over expenditures	<u>(73,976)</u>	<u>(73,976)</u>	<u>(146,588)</u>	<u>(72,612)</u>
Other financing sources (uses)				
Advances-in	-	-	82,432	82,432
Advances-out	(159,689)	(159,689)	(159,689)	-
Total other financing sources (uses)	<u>(159,689)</u>	<u>(159,689)</u>	<u>(77,257)</u>	<u>82,432</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(233,665)	(233,665)	(223,845)	9,820
Prior year encumbrances	226,458	226,458	226,458	-
Fund balances, beginning of year	<u>7,207</u>	<u>7,207</u>	<u>7,207</u>	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,820</u>	<u>\$ 9,820</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, 2005

	Cemetery Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 19,300	\$ 22,900	\$ 21,420	\$ (1,480)
Interest	700	-	2,114	2,114
Miscellaneous	-	100	820	720
Total revenues	<u>20,000</u>	<u>23,000</u>	<u>24,354</u>	<u>1,354</u>
Expenditures				
Current				
Public health and welfare				
Materials and supplies	15,038	17,138	14,563	2,575
Contractual services	1,000	1,000	-	1,000
Capital outlay	5,000	2,900	-	2,900
Total expenditures	<u>21,038</u>	<u>21,038</u>	<u>14,563</u>	<u>6,475</u>
Excess (deficiency) of revenues over expenditures	(1,038)	1,962	9,791	7,829
Prior year encumbrances	4,789	4,789	4,789	-
Fund balances, beginning of year	<u>63,082</u>	<u>63,082</u>	<u>63,082</u>	<u>-</u>
Fund balances, end of year	<u>\$ 66,833</u>	<u>\$ 69,833</u>	<u>\$ 77,662</u>	<u>\$ 7,829</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, 2005

	Park and Recreation Trust Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 99,400	\$ 90,400	\$ 98,980	\$ 8,580
Interest	600	600	2,179	1,579
Total revenues	<u>100,000</u>	<u>91,000</u>	<u>101,159</u>	<u>10,159</u>
Expenditures				
Current				
Leisure time activities				
Personal services	2,100	2,100	-	2,100
Contractual services	32,556	12,856	8,200	4,656
Other	59,213	88,914	81,649	7,265
Total expenditures	<u>93,869</u>	<u>103,870</u>	<u>89,849</u>	<u>14,021</u>
Excess (deficiency) of revenues over expenditures	6,131	(12,870)	11,310	24,180
Prior year encumbrances	7,271	7,271	7,271	-
Fund balances, beginning of year	<u>37,535</u>	<u>37,535</u>	<u>37,535</u>	<u>-</u>
Fund balances, end of year	<u>\$ 50,937</u>	<u>\$ 31,936</u>	<u>\$ 56,116</u>	<u>\$ 24,180</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, 2005

	Park and Recreation Improvement Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 83,000	\$ 131,000	\$ 140,202	\$ 9,202
Interest	2,000	2,000	6,827	4,827
Total revenues	<u>85,000</u>	<u>133,000</u>	<u>147,029</u>	<u>14,029</u>
Expenditures				
Current				
Leisure time activity				
Capital outlay	127,727	80,857	28,063	52,794
Total expenditures	<u>127,727</u>	<u>80,857</u>	<u>28,063</u>	<u>52,794</u>
Excess (deficiency) of revenues over expenditures	<u>(42,727)</u>	<u>52,143</u>	<u>118,966</u>	<u>66,823</u>
Other financing sources (uses)				
Transfers-out	-	(71,870)	(71,870)	-
Total other financing sources (uses)	<u>-</u>	<u>(71,870)</u>	<u>(71,870)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(42,727)</u>	<u>(19,727)</u>	<u>47,096</u>	<u>66,823</u>
Prior year encumbrances	5,858	5,858	5,858	-
Fund balances, beginning of year	<u>221,967</u>	<u>221,967</u>	<u>221,967</u>	<u>-</u>
Fund balances, end of year	<u>\$ 185,098</u>	<u>\$ 208,098</u>	<u>\$ 274,921</u>	<u>\$ 66,823</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, 2005

	Senior Citizens Title III Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 32,290	\$ 26,790	\$ 29,301	\$ 2,511
Interest	10	10	3	(7)
Total revenues	<u>32,300</u>	<u>26,800</u>	<u>29,304</u>	<u>2,504</u>
Expenditures				
Current				
Public health and welfare				
Personal services	30,151	27,651	27,639	12
Total expenditures	<u>30,151</u>	<u>27,651</u>	<u>27,639</u>	<u>12</u>
Excess (deficiency) of revenues over expenditures	2,149	(851)	1,665	2,516
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>1,063</u>	<u>1,063</u>	<u>1,063</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,212</u>	<u>\$ 212</u>	<u>\$ 2,728</u>	<u>\$ 2,516</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, 2005

	Solid Waste Management Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 1,247,400	\$ 1,351,400	\$ 1,416,859	\$ 65,459
Interest	2,500	2,500	7,679	5,179
Miscellaneous	100	100	29	(71)
Total revenues	<u>1,250,000</u>	<u>1,354,000</u>	<u>1,424,567</u>	<u>70,567</u>
Expenditures				
Current				
Basic utility services				
Personal services	118,762	117,792	75,209	42,583
Materials and supplies	34,028	34,028	21,592	12,436
Contractual services	1,187,331	1,287,631	1,272,609	15,022
Capital outlay	-	670	666	4
Other	7,150	43,150	37,983	5,167
Total expenditures	<u>1,347,271</u>	<u>1,483,271</u>	<u>1,408,059</u>	<u>75,212</u>
Excess (deficiency) of revenues over expenditures	(97,271)	(129,271)	16,508	145,779
Other financing sources (uses)				
Transfers-out	(36,000)	-	-	-
Total other financing sources (uses)	<u>(36,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(133,271)	(129,271)	16,508	145,779
Prior year encumbrances	2,360	2,360	2,360	-
Fund balance, beginning of year	<u>202,077</u>	<u>202,077</u>	<u>202,077</u>	<u>-</u>
Fund balance, end of year	<u>\$ 71,166</u>	<u>\$ 75,166</u>	<u>\$ 220,945</u>	<u>\$ 145,779</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, 2005

	General Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 652,359	\$ 321,757	\$ 322,909	\$ 1,152
Intergovernmental revenue	47,242	108,694	111,083	2,389
Interest	10,000	13,800	15,391	1,591
Miscellaneous	-	41,418	41,420	2
Total revenues	<u>709,601</u>	<u>485,669</u>	<u>490,803</u>	<u>5,134</u>
Expenditures				
Debt service				
Principal	3,355,500	9,206,000	9,151,509	54,491
Interest and fiscal charges	235,770	320,948	320,806	142
Total expenditures	<u>3,591,270</u>	<u>9,526,948</u>	<u>9,472,315</u>	<u>54,633</u>
Excess (deficiency) of revenues over expenditures	<u>(2,881,669)</u>	<u>(9,041,279)</u>	<u>(8,981,512)</u>	<u>59,767</u>
Other financing sources (uses)				
Note proceeds	-	7,655,000	7,655,000	-
Transfers-in	2,871,285	1,025,935	1,025,935	-
Total other financing sources (uses)	<u>2,871,285</u>	<u>8,680,935</u>	<u>8,680,935</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(10,384)	(360,344)	(300,577)	59,767
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	<u>557,501</u>	<u>557,501</u>	<u>557,501</u>	<u>-</u>
Fund balances, end of year	<u>\$ 547,117</u>	<u>\$ 197,157</u>	<u>\$ 256,924</u>	<u>\$ 59,767</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, 2005

	Special Assessment Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Special assessments	\$ 55,930	\$ 38,400	\$ 36,703	\$ (1,697)
Interest	-	1,180	3,803	2,623
Miscellaneous	-	-	90	90
Total revenues	<u>55,930</u>	<u>39,580</u>	<u>40,596</u>	<u>1,016</u>
Expenditures				
Debt service				
Principal	25,000	25,000	25,000	-
Interest and fiscal charges	14,115	14,115	10,589	3,526
Total expenditures	<u>39,115</u>	<u>39,115</u>	<u>35,589</u>	<u>3,526</u>
Excess (deficiency) of revenues over expenditures	16,815	465	5,007	4,542
Prior year encumbrances	2,500	2,500	2,500	-
Fund balance, beginning of year	<u>102,021</u>	<u>102,021</u>	<u>102,021</u>	<u>-</u>
Fund balances, end of year	<u>\$ 121,336</u>	<u>\$ 104,986</u>	<u>\$ 109,528</u>	<u>\$ 4,542</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, 2005

	Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 439,200	\$ -	\$ -	\$ -
Interest	4,000	24,250	25,098	848
Miscellaneous	-	750	766	16
Total revenues	<u>443,200</u>	<u>25,000</u>	<u>25,864</u>	<u>864</u>
Expenditures				
Capital outlay	1,787,268	1,041,202	959,128	82,074
Total expenditures	<u>1,787,268</u>	<u>1,041,202</u>	<u>959,128</u>	<u>82,074</u>
Excess (deficiency) of revenues over expenditures	<u>(1,344,068)</u>	<u>(1,016,202)</u>	<u>(933,264)</u>	<u>82,938</u>
Other financing sources (uses)				
Transfers-in	290,000	290,000	290,000	-
Note proceeds	1,300,000	1,300,000	1,300,000	-
Transfers-out	(267,456)	(597,121)	(572,840)	24,281
Advances-out	(9,800)	(9,800)	(9,800)	-
Total other financing sources (uses)	<u>1,312,744</u>	<u>983,079</u>	<u>1,007,360</u>	<u>24,281</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(31,324)</u>	<u>(33,123)</u>	<u>74,096</u>	<u>107,219</u>
Prior year encumbrances	11,862	11,862	11,862	-
Fund balances, beginning of year	<u>21,295</u>	<u>21,295</u>	<u>21,295</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,833</u>	<u>\$ 34</u>	<u>\$ 107,253</u>	<u>\$ 107,219</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, 2005

	Bainbridge Road Improvement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ -	\$ 125	\$ 125	\$ -
Total revenues	-	125	125	-
Expenditures				
Capital outlay	-	3,691	3,691	-
Total expenditures	-	3,691	3,691	-
Excess (deficiency) of revenues over expenditures	-	(3,566)	(3,566)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	3,566	3,566	3,566	-
Fund balances, end of year	\$ 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, 2005

	Self-Insurance Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 2,014,720	\$ 2,055,140	\$ 2,055,105	\$ (35)
Interest income	100	5,380	9,594	4,214
Total revenues	<u>2,014,820</u>	<u>2,060,520</u>	<u>2,064,699</u>	<u>4,179</u>
Expenses				
Other operating expenses	1,632,430	1,632,430	1,533,753	98,677
Total expenses	<u>1,632,430</u>	<u>1,632,430</u>	<u>1,533,753</u>	<u>98,677</u>
Excess (deficiency) of revenues over expenses	<u>382,390</u>	<u>428,090</u>	<u>530,946</u>	<u>102,856</u>
Other financing sources (uses)				
Advances-out	-	(164,520)	(164,520)	-
Total other financing sources (uses)	<u>-</u>	<u>(164,520)</u>	<u>(164,520)</u>	<u>-</u>
Excess (deficiency) of revenues over expenses and other financing sources (uses)	382,390	263,570	366,426	102,856
Prior year encumbrances	128	128	128	-
Fund balances, beginning of year	<u>19,224</u>	<u>19,224</u>	<u>19,224</u>	<u>-</u>
Fund balances, end of year	<u>\$ 401,742</u>	<u>\$ 282,922</u>	<u>\$ 385,778</u>	<u>\$ 102,856</u>

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
<b>Local taxes</b>										
Municipal income tax	\$ 7,130,884	\$ 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
Property and other taxes	4,297,023	3,865,599	3,667,785	3,555,501	3,561,941	2,959,718	2,998,551	3,249,220	3,165,639	2,959,163
<b>Intergovernmental</b>	4,296,452	2,846,164	2,794,602	3,248,324	2,890,916	3,534,267	2,511,602	2,657,983	2,483,283	1,844,673
<b>Special assessments</b>	36,703	45,789	235,000	57,629	59,505	69,604	105,379	98,437	107,695	99,003
<b>Charges for services</b>	1,562,487	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
<b>Fines, licenses and permits</b>	1,243,039	987,145	888,946	775,086	592,736	652,034	600,401	878,091	788,470	804,592
<b>Interest</b>	205,070	67,111	130,797	109,283	270,802	390,169	331,036	364,905	276,202	357,339
<b>Miscellaneous</b>	1,185,464	883,304	936,088	621,453	810,949	708,801	650,306	686,279	264,448	890,257
	<u>\$ 19,957,122</u>	<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>

Table includes all Governmental Funds

Source: City financial records

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Current										
Security of persons and property	\$ 7,905,210	\$ 6,989,755	\$ 6,912,480	\$ 6,634,658	\$ 6,515,098	\$ 6,094,752	\$ 5,426,526	\$ 5,297,299	\$ 5,144,805	\$ 4,537,399
Public health and welfare	325,223	296,422	287,622	109,703	83,983	117,926	106,724	337,224	269,746	262,160
Leisure time activities	301,098	335,089	330,359	264,472	377,159	446,836	382,651	375,438	334,983	256,701
Community environment (1)	1,244,413	1,204,651	1,103,637	-	-	-	-	-	-	-
Transportation	3,188,942	1,874,993	2,119,863	1,832,069	1,876,313	1,499,137	1,390,157	1,159,999	1,309,403	972,968
General government	4,831,549	4,103,322	4,004,255	5,570,510	4,880,029	4,760,871	4,059,622	3,594,251	3,449,401	3,951,062
Capital outlay	943,131	635,548	394,446	1,696,169	871,442	1,713,481	2,026,801	1,605,618	1,293,730	1,334,326
Debt service										
Principal	1,056,000	1,623,987	1,706,789	771,485	523,522	957,028	916,658	853,000	823,000	814,120
Interest and fiscal charges	123,670	228,029	431,120	344,466	383,214	410,911	434,267	444,388	489,817	577,232
	<u>\$ 19,919,236</u>	<u>\$ 17,291,796</u>	<u>\$ 17,290,571</u>	<u>\$ 17,223,532</u>	<u>\$ 15,510,760</u>	<u>\$ 16,000,942</u>	<u>\$ 14,743,406</u>	<u>\$ 13,667,217</u>	<u>\$ 13,114,885</u>	<u>\$ 12,705,968</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 Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
2005	\$ 4,074,073	\$ 3,963,648	97.3%	\$ 105,337	\$ 4,068,985	99.9%	\$ 236,931	5.8%
2004	3,559,024	3,456,740	97.1%	102,848	3,559,588	100.0%	150,257	4.2%
2003	3,334,550	3,325,229	99.7%	15,137	3,340,366	100.2%	24,049	0.7%
2002	3,200,669	3,117,059	97.4%	93,570	3,210,629	100.3%	93,570	2.9%
2001	3,189,437	3,102,778	97.3%	85,616	3,188,394	100.0%	129,772	4.1%
2000	2,737,492	2,639,713	96.4%	59,563	2,699,276	98.6%	143,521	5.2%
1999	2,655,232	2,586,839	97.4%	55,518	2,642,357	99.5%	104,178	3.9%
1998	2,640,501	2,576,827	97.6%	58,454	2,635,281	99.8%	88,257	3.3%
1997	2,487,456	2,436,552	98.0%	46,136	2,482,688	99.8%	78,853	3.2%
1996	2,448,507	2,395,417	97.8%	41,073	2,436,490	99.5%	76,743	3.1%

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	
2005	\$ 516,494,650	\$ 1,475,699,000	\$ 13,397,310	N/AV	\$ 27,187,114	\$ 118,204,843	\$ 557,079,074	N/AV	N/AV
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	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%

Source: County Auditor, Lorain County, Ohio

Estimated actual value is calculated by dividing the assessed value by assessment percentage. The percentages for 2005 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

Note: In June 2005, the State of Ohio enacted legislation, portions of which take effect at various times, that phases out the taxation of tangible personal property used in business (other than certain public utility tangible personal property) over four years from tax year 2006 to tax year 2009. To compensate local government units for the foregone revenue, the legislation provides for State distributions from revenue generated by a newly enacted commercial activities tax. Generally, these distributions will fully reimburse the local governments through 2010 and then in declining amounts from 2011 through 2017.

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

Collection Year	Amount Billed	Amount Collected	Percent Collected
2005	\$ 82,313	\$ 65,834	80.0%
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%

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		Lorain County		Total Direct and Overlapping Governments
	General Fund	Special Revenue Funds	Debt Service Fund	Agency Fund (1)	Total City		North Ridgeville City School District	Lorain County	Lorain County Joint Vocational School		
2005	1.70 (3)	8.30	0.65	2.91 (2)	13.56	44.04	13.19	2.45	73.24		
2004	1.70 (3)	8.55	0.65	2.46 (2)	13.36	44.79	12.89	2.45	73.49		
2003	1.42	8.83	0.70	2.46 (2)	13.41	46.47	12.89	2.45	75.22		
2002	1.42	8.83	0.70	2.46 (2)	13.41	46.47	12.89	2.45	75.22		
2001	1.42	8.83	0.85	2.46 (2)	13.56	47.25	10.79	2.45	74.05		
2000	1.42	8.83	1.00	2.46 (2)	13.71	48.95	10.79	2.45	75.90		
1999	1.42	9.83	1.00	1.00	13.25	49.44	10.79	2.45	75.93		
1998	1.42	9.83	1.20	1.00	13.45	50.19	10.79	2.45	76.88		
1997	1.42	9.83	1.50	1.00	13.75	53.19	12.69	2.45	82.08		
1996	1.42	9.83	1.50	1.00	13.75	53.54	12.69	2.45	82.43		

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 1.91 in 2005 and 1.46 in 2000 through 2003 collected 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, 2005

Assessed value	\$ 587,531,586
<b>Legal Debt Margin:</b>	
Debt limitation - 10.5 percent of assessed value	61,690,816
Debt applicable to limitation	
General obligation bonds	\$ 10,647,000
Special assessment bonds	263,000
Bond anticipation notes	15,555,000
Gross indebtedness	26,465,000
(Total Voted and Unvoted Debt)	26,465,000
Less: Debt outside limitations	
Self-supporting GO Water	945,000
Self-supporting GO Sewer	16,532,576
Special assessment	4,435,157
Tax increment financing	900,000
Total Debt Outside Limitations	22,812,733
Total nonexempt debt	3,652,267
Less: Amount available in debt service fund to pay debt applicable to limitation	196,350
Net debt w ithin 10.5% limitation	3,455,917
Debt leeway w ithin 10.5% limitation	\$ 58,234,899
<hr/>	
Unvoted debt limitation - 5.5% of assessed valuation	
Debt limitation: 5.5% of assessed value	\$ 32,314,237
Gross indebtedness authorized by City Council	
Debt outside limitations	\$ 26,465,000
Voted debt	22,812,733
Debt w ithin 5.5% limitation	855,000
Less: Amount available in debt service fund to pay debt applicable to limitation	23,667,733
Net debt w ithin 5.5% limitation	2,797,267
Debt leeway w ithin 5.5% limitation	93
Net debt w ithin 5.5% limitation	2,797,174
Debt leeway w ithin 5.5% unvoted debt limitation	\$ 29,517,063

Source: City Financial Records

City of North Ridgeville, Ohio

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

Last Ten Years

Year	Gross Debt Value (1)	Debt Service Funds Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per capita
2005	\$ 10,647,000	\$ 196,350	\$ 7,835,000	\$ 2,615,650	\$ 557,079,074	22,338	0.47%	\$ 117
2004	11,807,000	223,517	8,360,000	3,223,483	518,707,270	22,338	0.62%	144
2003	12,947,000	801,478	8,870,000	3,275,522	467,411,050	22,338	0.70%	147
2002	13,760,000	450,827	9,170,000	4,139,173	446,688,410	22,338	0.93%	185
2001	14,720,000	617,958	9,560,000	4,542,042	430,844,030	22,338	1.05%	203
2000	7,580,000	718,734	3,640,000	3,221,266	376,589,994	22,338	0.86%	144
1999	8,610,000	820,366	3,840,000	3,949,634	361,860,630	21,564	1.09%	183
1998	9,610,000	708,109	4,035,000	4,866,891	346,970,830	21,564	1.40%	226
1997	10,585,000	772,138	4,220,000	5,592,862	289,252,790	21,564	1.93%	259
1996	11,530,000	850,549	4,405,000	6,274,451	283,604,015	21,564	2.21%	291

(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			
2005	\$ 635,000	\$ 166,313	\$ 801,313	\$ 19,919,236	4.0%
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%

(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, 2005

	General Tax Supported Debt Outstanding	Overlapping Percentage Applicable to City (1)	Amount Applicable to City	Amount Per Capita (2)	% of City's Current Assessed Valuation (3)
City of North Ridgeville	\$ 3,652,267	100.00%	\$ 3,652,267	\$ 163.50	0.62%
Lorain County (4)	\$ 36,183,893	9.01%	\$ 3,260,169	\$ 145.95	0.55%
North Ridgeville City Schools (5)	\$ 2,754,550	100.00%	\$ 2,754,550	\$ 123.31	0.47%
	<u>\$ 42,590,710</u>		<u>\$ 9,666,986</u>	<u>\$ 432.76</u>	<u>1.64%</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 \$ 587,531,586 (collection year 2006) and \$ 557,070,074 (collection year 2005).

(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)
2005	\$ 557,079,074	\$ 85,524,011	\$ 738,948
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

- 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
2005	22,338	3,579	5.8%	5.9%
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%

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

(2) North Ridgeville Board of Education

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

City of North Ridgeville, Ohio  
Principal Taxpayers  
December 31, 2005

Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
<u>Real Property Taxpayers</u>			
FJD Properties LLC	Residential land developer	\$ 3,228,040	0.57%
Rini Realty Company	Commercial retail property	2,003,330	0.36%
Invacare Corporation	Manufacturer	1,838,880	0.33%
Oster Construction	Residential construction	1,730,330	0.31%
R. W. Beckett Corporation	Manufacturer	1,412,520	0.25%
All Purpose Construction	Residential construction	1,379,350	0.25%
R. W. Beckett	Commercial property	1,316,020	0.24%
Lake Ridge Holding Ltd.	Nursing home	1,292,740	0.23%
Bob Schmitt Homes, Inc.	Residential developer	1,171,740	0.21%
Starland Investment	Commercial property	1,138,080	0.20%
<u>Tangible Personal Property Taxpayers</u>			
R. W. Beckett Corporation	Manufacturer	\$ 2,215,950	0.40%
Invacare Corporation	Manufacturer	2,057,500	0.37%
Morris Pontiac GMC Inc.	Automobile dealer	1,634,230	0.29%
Beckett Gas, Inc.	Manufacturer	1,526,950	0.27%
Beckett Air, Inc.	Manufacturer	1,176,480	0.21%
Riser Foods Company	Retail grocery	720,430	0.13%
Norlake Manufacturing Co.	Manufacturer	719,170	0.13%
Comcast of Massachusetts	Cable services	668,530	0.12%
Tops Markets, LLC	Retail grocery	658,860	0.12%
Dreco, Inc.	Manufacturer	705,070	0.13%
<u>Public Utility</u>			
Ohio Edison Company (a)	Electric	\$ 4,504,900	0.80%
Alltel Ohio	Communications	2,503,430	0.40%
Cleveland Electric Illuminating Company (a)	Electric	1,204,680	0.20%
Columbia Gas of Ohio Inc.	Natural gas	978,310	0.20%
Columbia Gas Transmission	Natural gas	892,950	0.20%
American Transmission	Natural gas	793,020	0.10%

(a) Subsidiaries of First Energy Corp.

Source: County Auditor, Lorain County, Ohio

City of North Ridgeville, Ohio  
 Principal Employers  
 December 31, 2005

Employer	Nature of Activity or Business	Approximate Number of Employees (1)
Invacare Corporation	Manufacturer of wheelchairs	500
North Ridgeville City School District	Public education	450
Beckett Gas, Inc.	Manufacturer of gas burners	230
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	200
Northridge Health Center	Skilled nursing home facility	150
Beckett Air, Inc.	Manufacturer of blower wheels	140
Lake Ridge Academy	Education	130
Estes Express Lines	Freight terminal	120

(1) Approximate number of employees within the City.

Sources: "2006 Harris Ohio Industrial Directory" in cooperation with the Ohio Department of Development; respective employers.

City of North Ridgeville, Ohio  
 Miscellaneous Statistics  
 December 31, 2005

Date of incorporation as a Village	1958
Date of incorporation as a City	1960
Form of government	Charter; Mayor/Council
Area (square miles)	25
Population (2000 Census)	22,338
2000 Median value of owner-occupied homes	\$ 135,000
Fire protection and ambulatory	
Number of stations	2
Police protection	
Number of stations	1
Number of sworn policemen and officers	36
Number of full-time employees	177
Number of part-time employees	29
Parks and recreation	
Number of parks	4
Acreage of parkland	110
Number of libraries	1
Schools (public and parochial)	
Number of high schools	2
Number of elementary schools	5
Water lines	
Sanitary sewer lines	111 miles
Storm sewer	104 miles
Roads	80 miles 259 lane miles

(Front cover depicts the City's South Central Park.)

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*City of* **North Ridgeville, Ohio**

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**CITY OF NORTH RIDGEVILLE**

**LORAIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 11, 2006**