

***CITY OF NORTHWOOD
WOOD COUNTY***

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

City Council
City of Northwood
6000 Wales Road
Northwood, Ohio 43619

We have reviewed the *Report of Independent Accountants* of the City of Northwood, Wood County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 16, 2009

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CITY OF NORTHWOOD
WOOD COUNTY, OHIO
AUDIT REPORT
For the Year Ended December 31, 2008

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Required by <i>Government Auditing Standards</i>	1 – 2
Schedule of Findings	3
Schedule of Prior Audit Findings	5

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Northwood
Wood County
6000 Wales Road
Northwood, Ohio 43619

To the City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's financial statements and have issued our report thereon dated June 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is disclosed in the accompanying schedule of findings as item 2008-Northwood-001.

We noted certain matters that we reported to management in a separate letter dated June 22, 2009.

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

Charles E. Harris and Associates, Inc.

June 22, 2009

**CITY OF NORTHWOOD
SCHEDULE OF FINDINGS
DECEMBER 31, 2008**

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

Finding Number: 2008-Northwood-001

Ohio Revised Code Section 5705.41 (D), requires in part, that no subdivision or taxing unit shall make any contract or order any expenditure unless there is attached thereto a certificate of the fiscal officer of the subdivision certifying that the amount required to meet the obligation has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement state above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing City entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the City can authorize the drawing of a warrant for the payment of the amount due. The City has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less that \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditure by the City.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative City against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The City may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predicable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**CITY OF NORTHWOOD
SCHEDULE OF FINDINGS – (continued)
DECEMBER 31, 2008**

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

Finding Number: 2008-Northwood-001 – (continued)

The City did not properly certify the availability of funds for 25 of 60 non-payroll expenditures tested for the audit period. Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances.

To improve controls over disbursements and to help reduce the possibility of the City's funds exceeding budgetary spending limitations, we recommend the Director of Finance certify the availability of funds prior to the commitment for the expenditure of City money. The City should consider the use of blanket purchase orders and "then and now" certificates to assist in complying with the above requirement.

Management Response:

Management will comply with the recommendation to certify the availability of funds prior to the commitment for the expenditure of City money.

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the year ending December 31, 2007, reported no material citations or recommendations.

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
NORTHWOOD, OHIO



For Fiscal Year Ended December 31, 2008



Unity thru Diversification

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008

Issued by:
Department of Finance
Toby Schroyer
Director



Unity thru Diversification

TABLE OF CONTENTS

CITY OF NORTHWOOD
WOOD COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittal v
B List of Principal Officials xvi
C City Organizational Chart xvii
D Certificate of Achievement for Excellence in Financial Reporting..... xviii

II FINANCIAL SECTION

A Independent Auditor’s Report..... 1
B Management’s Discussion and Analysis..... 3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets 12
 Statement of Activities 13
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet 14
 Reconciliation of Total Governmental Fund Balances to Net Assets of
 Governmental Activities 16
 Statement of Revenues, Expenditures and Changes in Fund Balances 18
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities 20
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis):
 General Fund 21
 Fiduciary Funds:
 Statement of Assets and Liabilities 22
Notes to the Basic Financial Statements 23

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	55
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	60
Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	

Major Governmental Funds:

<i>General Fund</i>	64
<i>Debt Service Fund:</i>	
General Obligation Debt Retirement Fund.....	70
<i>Capital Projects Fund:</i>	
Capital Improvement Fund.....	71
Capital Replacement Fund.....	72

Nonmajor Governmental Funds:

Special Revenue Funds:

Street Construction, Maintenance and Repair Fund.....	73
Motor Vehicle License Tax Fund.....	74
State Highway Improvement Fund.....	75
Northwood Waste/Environmental Fund.....	76
Drug Fine Fund.....	77
Special Law Enforcement Fund.....	78
Enforcement and Education Fund.....	79
Computerized Research Fund.....	80
CHIP CDBG Fund.....	81
CHIP HOME Fund.....	82
Water Fund.....	83
Sanitary Sewer Operation, Maintenance and Repair Fund.....	84
Keep Northwood Beautiful Fund.....	85
Water Maintenance – Homecraft Fund.....	86

Capital Projects Funds:
 Recreation Parks Combined Fund87

Fiduciary Funds – Agency Fund:
 Combining Statement of Changes in Assets and Liabilities.....89

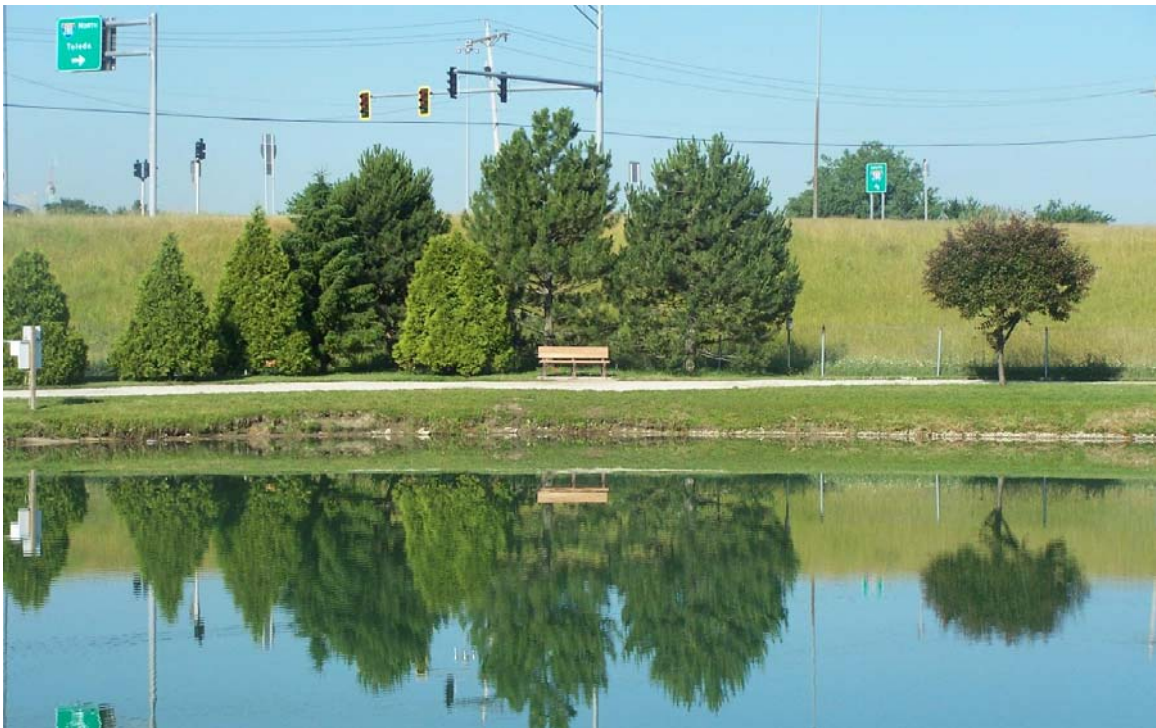
Capital Assets Used in the Operation of Governmental Funds:
 Schedule by Source.....91
 Schedule by Function and Activity.....92
 Schedule of Changes by Function and Activity.....94

III STATISTICAL SECTION

Net Assets by Component - Last Five Years..... S 2
 Changes in Net Assets - Last Five Years S 4
 Fund Balances, Governmental Funds - Last Ten Years S 6
 Changes in Fund Balances, Governmental Funds - Last Ten Years S 8
 Income Tax Revenues by Source, Governmental Funds - Last Ten Years S 12
 Income Tax Collections - Current Year and Two Years Ago S 15
 Ratio of Outstanding Debt By Type - Last Ten Years S 16
 Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 18
 Computation of Direct and Overlapping Debt Attributable to
 Governmental Activities - Current Year S 21
 Debt Limitations - Last Ten Years S 22
 Demographic and Economic Statistics - Last Ten Years S 24
 Principal Employers - Current Year and Nine Years Ago S 27
 Full Time Equivalent Employees by Function - Last Ten Years S 28
 Operating Indicators by Function - Last Ten Years S 30
 Capital Asset Statistics by Function - Last Ten Years S 32



INTRODUCTORY SECTION





Unity thru Diversification



City of Northwood, Ohio

6000 Wales Road

Northwood, Ohio 43619

Phone (419) 693-9328

Fax (419) 693-6705

June 22, 2009

Introduction

To the Honorable Mayor, Members of City Council and
All Citizens of the City of Northwood, Ohio:

I am pleased to present the tenth Comprehensive Annual Financial Report for the City of Northwood, Ohio for the fiscal year ended December 31, 2008. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Auditing Standards (GAAS) by Charles Harris and Associates, Inc. GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Report

State law, along with *Administrative Rules* of the Auditor of State, requires all city governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the CAFR of the City of Northwood, Ohio, for the fiscal year ended December 31, 2008.

While there is no legal requirement for the preparation of a CAFR, it represents a commitment by the City, and its officers, to conform to nationally recognized standards of excellence in financial reporting. This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the presented data and the completeness and reliability of the presentation, including all disclosures, rests with City management.

Management of the City has established various internal controls designed to compile reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's various internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

***Letter of Transmittal
For the Year Ended December 31, 2008***

The City's financial statements have been audited by the audit staff of Charles Harris and Associates, Inc. The Auditor issued an unqualified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2008. The report from the Auditor is presented as the first component of the financial section of this report.

PROFILE OF THE CITY OF NORTHWOOD

Early History

In 1846, John Mossler built a log cabin on the east side of Plank Road, later named Goss Road and now called East Broadway. This road was made of logs, smoothed on one side. The curved side sunk into mud. The road was maintained with dirt and stone. There were no school boundary lines and children could attend any place of learning that was desirable.

In 1896 Edward Ross Ford purchased property along the Maumee River. In 1898, Mr. Ford built the Edward Ford Plate Glass Factory, which is now situated in the City of Rossford. He also built rows of homes for his employees because of a lack of transportation. At that time the people did not want to be part of Perrysburg and Lake Townships so they petitioned the Wood County Commissioners and the State of Ohio to establish a new township. Ross Township was formed, bound by the Maumee River on the West, Lucas County on the North, Ottawa County on the East and Lake and Perrysburg Townships on the South. The Village of Northwood was incorporated at a special election on August 7, 1962 and comprises all of Ross Township. Northwood acquired its name by residents submitting suggestions. Larry Brough, editor of the Rossford Township News, said it was located in the "Northern" most part of "Wood" County, hence, the name "Northwood" was selected. The Village of Northwood became a City on January 1, 1982 as designated by the State of Ohio after the voters passed the Charter of the City of Northwood on November 3, 1981.

Location

Located in northern Wood County, Northwood occupies approximately eight square miles and is bounded by Rossford on the West, Lucas County (Oregon and Toledo) on the North, Ottawa County on the East and Lake and Perrysburg Townships on the South. Three highways pass through the City including State Route 51 (locally known as Woodville Road) and Interstates 280 and 75. I-280 connects with the Ohio Turnpike six miles south of the City, while I-75 joins I-80/90 three miles south of Northwood. The City is also served by Norfolk Southern and the CSX Transportation railroads as well as the Toledo Express Airport located 20 miles west and Metcalf Field 3 miles south, providing lighted and paved runways for private aircraft.

Form of Government

The City of Northwood is a home-rule municipal corporation created under the laws of the State of Ohio operating under its own Charter. The current charter, which was adopted in 1981 and became effective in 1982, provides for a Council/Mayor form of government.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Legislative authority is vested in a seven member City Council. Four members are elected at-large to four-year terms and the other three members are also elected at-large to staggered four year terms, with each term of office beginning January 1st, following the November election. The Council sets compensation of City Officials and employees, enacts ordinances and resolutions relating to City services and tax levies, appropriating and borrowing funds, licensing and regulating business and trades as well as other municipal purposes. The presiding officer is the Mayor who has no vote unless there is a tie in the votes cast by the members of City Council. The Charter establishes certain administrative departments and the City Council may establish various divisions of those departments.

The City's chief executive officer is the Mayor. The Mayor appoints, subject to the approval of City Council, the City Administrator and all Directors of the City's departments. The City Administrator serves as the Chief Administrative Officer and may appoint or remove subordinate officers or employees of the City under the direct supervision of the Mayor.

The Clerk of Council/City Clerk is appointed by City Council. The City Treasurer's role is assumed by the Finance & Revenue Director, who is appointed by the Mayor and confirmed by City Council.

City Services

Police:

The Northwood Police Department is a full-time department with an authorized strength of 21 sworn full-time positions. Current staffing includes the Chief, a Captain, 5 sergeants, 14 patrol officers, a secretary, a part-time animal control officer, a part-time traffic camera operator, and a seasonal crossing guard. The City receives partial grant funding for DARE, Third Grade Safety Belt programs, and OVI Enforcement.

The department includes dispatching services for police, fire, and public works and is staffed by 6 full-time dispatchers.

The Northwood Police Department serves the community in many different capacities. The police are involved in the protection of life and property, law enforcement and community education. Community service programs include D.A.R.E. (Drug Abuse Resistance Education), a Block Watch program, Wood County Youth Violence Prevention, Ohio Public Safety Department's Third Grade Safety Belt Program, A.L.E.I.A. (Area Law Enforcement Investigators Association), and Bike Patrol.

Fire:

The City maintains a paid on-call fire and emergency medical services operation. The Fire Chief is a full-time position with two part-time district chiefs appointed by City Council. The department provides fire suppression, fire prevention and inspection, and EMS services to the City of Northwood and its residents. Their equipment includes 3 ambulance units, 3 class-A pumpers, 2 mini pumpers, a paramedic unit, a 50ft. telesquirt, and 2 cruiser-type vehicles. Northwood has a Class 5 ISO rating.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Parks and Recreation:

The City owns four major parks. Nature Trails Park located on Curtice Road features a one mile walking or jogging trail that is partially wooded. Brentwood Park, located on Brentwood Road, features a shelter house, tennis courts, picnic facilities and playground equipment. Central Park, located on Wales Road, features a shelter house, picnic facilities, a baseball diamond, tennis courts and playground equipment. Ranger Park located on Curtice Road features a pond and walking trail. The City also has a Community Room within the Municipal Complex. Residents can rent the shelters and Community Room for various functions.

The City provides a Summer T-Ball, Softball and Baseball Recreation Program for boys and girls ages 6 to 16. The City contracts with the YMCA for a Senior Program.

Public Works:

The Public Works Department maintains the 41 miles of streets in the City. The department's functions include repairs to City streets as well as cleaning and snow removal. Weekly refuse collection is provided through a contract with Waste Management, one of Northwood's largest employers. The Street Department provides a brush pick up service to the residents as well as a fall leaf collection and a Christmas tree recycling/mulching program. Tree maintenance and new tree plantings are planned each year.

Water and Wastewater:

The City of Northwood has separate water and wastewater services. The western portion of the City is served by water treated by the City of Toledo and purchased by the City of Northwood. The water is delivered through the distribution system owned and maintained by the City of Northwood. Wastewater treatment is provided by the City of Toledo on a contractual basis for this portion of the City. The eastern portion of the City is served by water treated by the City of Oregon and purchased through the Northwestern Water & Sewer District. The Northwestern Water & Sewer District also provides wastewater services.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Based on the foregoing, the reporting entity of the City has no component units but includes all funds, agencies, boards and commissions that are part of the primary government. The following services are provided by the City as authorized by its Charter: police and fire protection, emergency medical services, parks and recreation, planning and zoning, street maintenance and other governmental services. The City currently purchases water and wastewater treatment services from the City of Toledo and the Northwestern Water & Sewer District.

Accounting Controls

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition;
and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The Mayor, with the assistance of the Finance & Revenue Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by July 15 and to be submitted to the County Budget Commission by July 20 of each year. The Mayor, with the assistance of the Finance & Revenue Director, is required by Charter to submit to Council, on or before December 15 of each fiscal year, an appropriation ordinance, based on the tax budget, for the next succeeding fiscal year. Council is required to adopt the appropriation ordinance (the budget) in its original form or with those revisions as it may find proper, within thirty days of the beginning of the fiscal year covered by such ordinance.

***Letter of Transmittal
For the Year Ended December 31, 2008***

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, contractual services, supplies and materials, other expenditures, capital outlay, debt service and operating transfers. For management purposes, the major object level is further defined with budgeted amounts not to exceed the aggregate appropriated by Council.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are submitted to the Finance & Revenue Director for approval, preparation of a purchase order and certification, after approval by the appropriate Department Director. The purchase order is reviewed for the availability of funds and the estimated expenditure is encumbered against the available appropriation. Encumbrances, which would exceed the available appropriation, are not approved or recorded until City Council authorizes additional appropriations. Unencumbered appropriations lapse at the end of each year.

The City's accounting system provides interim financial reports which detail year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. The reports permit the Finance & Revenue Director and other city officials to ascertain the status of each department's appropriations at any time during the year.

INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Economic Outlook

The City of Northwood is a mile wide and located in the middle of the rapid economic growth of Wood County, in the northwestern corner of Ohio. Just across the river from the City of Toledo, the downtown skyline is visible from vantage points in Northwood. The Ohio Turnpike and I-75 intersect just a few miles south of the city limits – a major crossroads to consumer and industrial markets. 18,000,000 people are within a two-hour driving radius from the I-75 and I-80/90 link. There is easy access to the metropolitan areas of Detroit, Chicago, Cleveland, Cincinnati and beyond.

Numerous rail lines intersect Northwood and provide excellent access to local, state and national and international markets. In addition, an international seaport, an inland port, an air cargo hub and an international airport are all minutes away. Getting products to and from markets is a key focus with over 100 truck lines serving the area. A strong industrial base contributes to the economic stability for the City and schools. Several industrial parks for light or heavy industry offer available sites. Sites with high-tech infrastructure are available in a privately owned industrial park. Many businesses have been long time residents of Northwood, and two hospitals service the area and create employment opportunities.

The thing that sets Northwood apart from surrounding cities is its can-do attitude. Not only is the work force nearly 67,000 strong with a superior work ethic, but the City officials are cooperative and willing to make things happen. Many economic development opportunities and incentives are offered through the City and other helpful area organizations. The City of Northwood is happy to assist companies to locate here.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Over \$1.6 million dollars were spent for new construction projects in Northwood in 2008. The number of permits for commercial, industrial and residential totaled 363. Northwood welcomed 9 new commercial and industrial businesses in 2008 which included Back Alley Cyber Café, Dalton & Associates, Simply EZ Meals, M&B Tax, Sunoco-Wales Road, Sunoco-Woodville Road, UniFirst Corporation, Parker Hannifin and CSX Transportation. The Planning and Zoning Department will continue to work on economic development issues and plan for the future of the city through promotion of the Comprehensive Plan and will continue to support and encourage the necessary enforcement of our Zoning Code to promote the livability and desirability of Northwood.

City Council approved Phase I of the Central Business District (CBD) on December 4, 2008. Phase I includes all of Woodville Road, Commerce Park Blvd., The Woodville Mall and Great Eastern Shopping Center. There will be new zoning regulations for the CBD. Some regulations will include design standards, a stricter sign code and smaller front yard setbacks. The purpose of the CBD is to help make Woodville Road more aesthetically pleasing and pedestrian friendly, with the promotion design standards, uniform street lights and street trees.

The City of Northwood has a J.E.D.Z. (Joint Economic Development Zone) agreement each with the Cities of Oregon and Rossford. The City of Northwood has established a Job Creation and Retention Grant Program (J.C.R.G.) as an economic development incentive tool. The City established a TIF (Tax Increment Financing) for the issuance and sale of bonds to pay for construction improvements to the Route 280 interchange at Curtice Road which revolves around the construction of a Menard's store on Curtice Road. The Cities of Oregon and Northwood have signed a cooperative tax sharing agreement and the Northwood and Oregon school systems have signed compensation agreements with Menard's.

The Planning Commission is working on formulating a new Central Business District and establishing an architectural standard for future construction in this area.

Unemployment Rates

According to the Ohio Bureau of Employment Services, the 2008 annual average unemployment rate for Wood County was 6.9%, which was higher than the state rate of 6.5% and higher than the national rate of 5.8%.

Employee Relations

The City has 50 full-time and 60 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining. There are three bargaining units representing 36 full-time employees. The A.F.S.C.M.E. (American Federation of State, County and Municipal Employees) Local 755 Ohio represents 11 full-time employees. The O.P.B.A. (Ohio Patrolmen's Benevolent Association) represents 14 patrol officers and 6 police dispatchers. The FOP/OLC represents 5 sergeants.

The City negotiated in 2006 with A.F.S.C.M.E. for a 3-year term ending on March 31, 2009. The contract with O.P.B.A. was negotiated in 2005 for a 3-year term ending December 31, 2008. The City reached agreement with FOP/OLC in 2007 for a 3-year term ending June 30, 2010.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Major City Initiatives

During 2008, the City continued focusing on improving the quality of life and employment opportunities for its residents and taxpayers. The City pursued possible assistance such as federal, state and local grant funds. In 2008 the City received the following Police related grants; DARE, EMA, Bulletproof Vest, and D.U.I. Task Force. The City also received grants from Wood County Recycling, Landfill Sponsorship, and a Fire Training Grant.

During 2008, the City began construction on a Salt Storage Building. The Rood Street Pavement & Drainage Improvements project, Bradner & Williston Intersection Improvements project, and Curtice & Coy Intersection Improvements project were completed in 2008.

Continuing and Future Projects

The City is constructing a retention pond at Brentwood Park. A new Ladder Fire Truck is being purchased. The City has been awarded a Grant from the OPWC for the Maryland Place Pavement & Drainage Improvements project. Other storm sewer improvements are also being considered.

Debt Administration

The debt service funds accumulate resources for the payment of principal, interest and associated administrative costs on the City's general obligation long-term debt. Resources are derived from property taxes (real and personal), income taxes, TIF payments and operating transfers. The total bonded debt of the City at December 31, 2008 was \$2,715,000. At December 31, 2008, the City had no long-term special assessment related debt. During the year the City retired \$75,000 in general obligation debt. General obligation bonds are retired from income tax collections.

Cash Management

Cash management is an integral component of the City's overall financial plan. The City attempts to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. Cash flow forecasting and the use of short-term investments, allows the City to earn interest on all funds. The City had its operating accounts at Huntington Bank as of December 31, 2008.

The City's investments comply with Section 135.14 of the Ohio Revised Code, and the maximum maturity is limited to five years. Most investments mature within the current fiscal year. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution, state statutes and local ordinances. As required by law, all deposits and repurchase agreements are covered by eligible collateral, while investment securities (treasuries and agency/instrumentality issues) are specifically permitted by the Ohio Revised Code and the City's investment policy.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Authorized investments are described in detail in Note 4 of the footnotes to the basic financial statements included within the financial section of this comprehensive annual financial report.

The City's cash resources had a balance of \$4,322,601 as of December 31, 2008.

The amount of interest earned for fiscal year 2008 was \$138,404. Interest earnings are credited to the Street Construction, Maintenance and Repair Fund, Motor Vehicle License Tax Fund, State Highway Improvement Fund, Northwood Waste and Environmental Fund, Special Law Enforcement Fund and the Sanitary Sewer Operation, Maintenance and Repairs Fund based on City ordinance. All other interest earnings are credited to the City's General Fund.

At December 31, 2008 the City had bank balances of \$450,475. Federal depository insurance covered \$250,000 of the bank balance. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

The primary objectives of the City's investment program, in order of priority, are as follows:

1. Safety – The safety of principal balances is the City's foremost objective and all investments are undertaken in a manner to insure the preservation of capital.
2. Liquidity – All investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment portfolio should consist of securities with active resale markets.
3. Yield – Return on investment is of least importance compared to the safety and liquidity objectives described above. Investments are limited to low risk securities with the expectation of earning market value.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Risk Management

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, fleet, and general liability coverage. The City also carries police professional and public official's liability insurance. The City provides a self-funded dental insurance program for its employees, which is funded through the general fund. See Note 15 to the basic financial statements for additional information.

The proactive approach that the administration employs in addressing its ongoing operations is reflected in the composition of the City's insurance protection package and its very favorable loss experience.

The City reduces exposure to risk through several initiatives. They include insurance coverages for vehicles, general liability, inland marine, building and contents and computer insurance, public officials and law enforcement liability coverages and boiler and machinery coverage.

The City contracted with Brooks Insurance Agency from January 1, 2008 through December 31, 2008 for various insurance coverages, as follows:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Auto Fleet Liability/Physical Damage	\$5,000,000	\$250/500
Law Enforcement Liability	\$5,000,000	\$5,000
General Liability	\$5,000,000	\$1,000
Stop Gap Liability	\$5,000,000	\$1,000
Real & Personal Property	\$7,020,000	\$1,000
Emergency Medical Services Liability	\$5,000,000	\$5,000
Inland Marine Equipment	\$1,483,884	\$1,000
Boiler & Machinery Property Damage	\$5,000,000	\$1,000
Demolition/Increased Cost-Construction	\$500,000	\$1,000
Public Officials Liability	\$5,000,000	\$5,000
Valuable Papers/EDP/Account Receivable	\$250,000	\$1,000
Extra Expense/Building Ordinance or Law	\$500,000	\$1,000
Employee Benefit Liability	\$5,000,000	\$1,000

***Letter of Transmittal
For the Year Ended December 31, 2008***

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governments who qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I believe this, our eleventh Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to the GFOA.

Public Disclosure

The publication of this report represents an important achievement in the ability of the City of Northwood to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City Administration and investors. In addition to the citizens of Northwood, the recipients of this report will include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City of Northwood to improve its overall financial accounting, management and reporting capabilities.

Acknowledgements

The City of Northwood is proud to be submitting this GAAP financial report utilizing the guidelines recommended by GFOA. This report is the result of continued cooperation, and combined services of the Mayor, City Council, Administrative Officials, City employees, the Wood County Auditor's Office and the Auditor's Division of the State of Ohio.

Sincere appreciation and acknowledgement is extended to Donald J. Schonhardt & Associates, Inc, for their guidance in the preparation of this report.

Respectfully,



Toby A. Schroyer
Finance & Revenue Director

CITY OF NORTHWOOD, OHIO

***List of Principal Officials
For the Year Ended December 31, 2008***

Elected Official

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Mark A. Stoner	Mayor	12/31/11
James D. Barton	City Council	12/31/09
David A. Gallaher	City Council	12/31/09
Connie S. Hughes	City Council	12/31/09
Randy Kozina	City Council	12/31/11
Edward Schimmel	City Council	12/31/11
Mike Myers	City Council, President	12/31/09
Dean Edwards	City Council	12/31/11

Administrative Personnel

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Surety</u>
Brian Ballenger	Director of Law	Indefinite	
Pat Bacon	City Administrator	Indefinite	\$50,000 Bond
Tom Cairl	Chief of Police	Indefinite	
Tim Romstadt	Chief of Fire	Indefinite	
Craig Meier	Director of Public Service	Indefinite	
Toby Schroyer	Director of Finance	Indefinite	\$50,000 Bond
Paul Gercak	Director of Recreation	Indefinite	
Kimberly Grames	Zoning Inspector	Interim	
Laura Schroeder	Clerk of Mayor's Courts	Indefinite	
C. Drew Griffith	Court Magistrate	Indefinite	

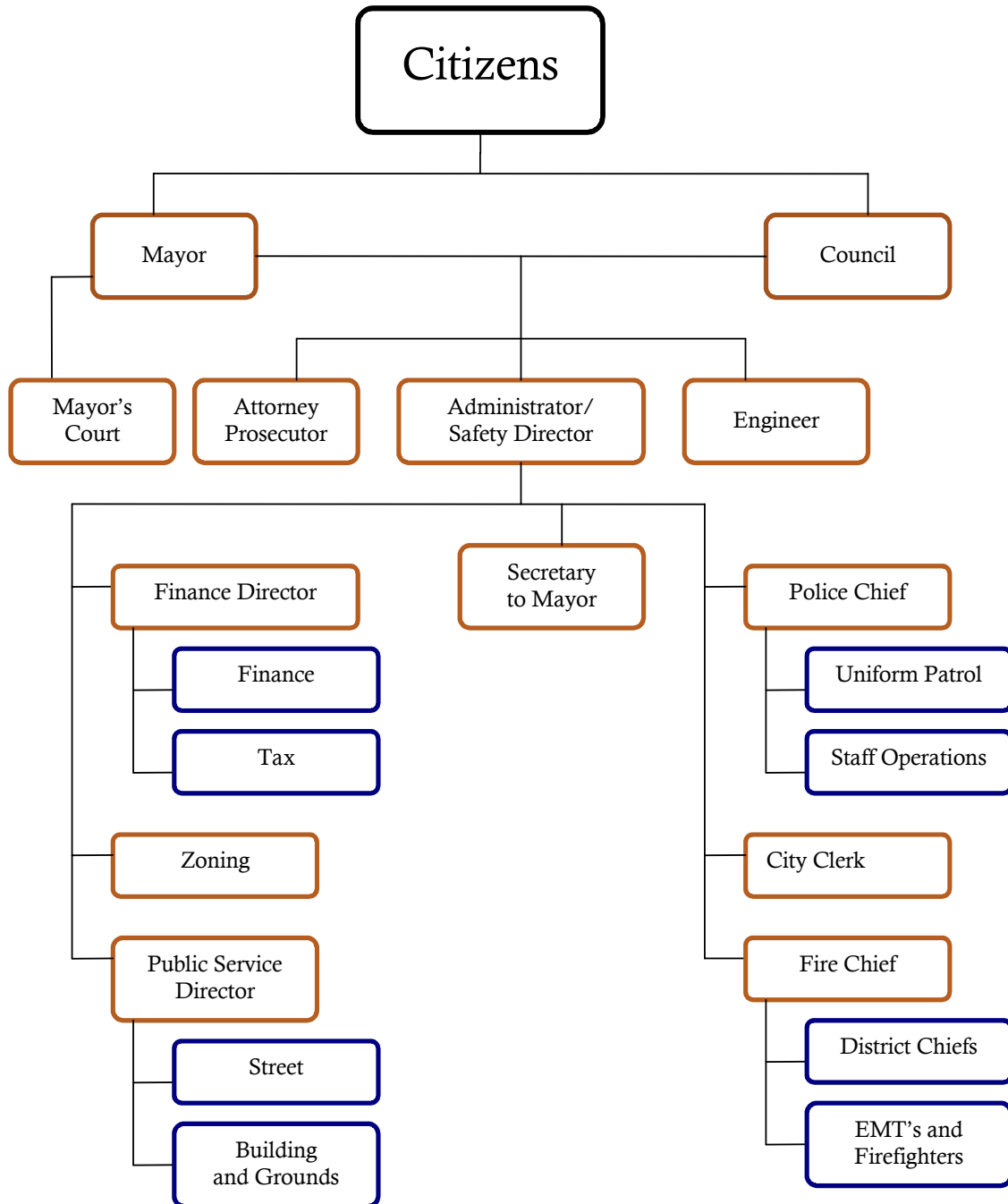
Applies to All Elected Officials

Public officials \$5 million/occurrence, \$7 million aggregate general liability.
Term July 9, 2008 to July 9, 2009

City Address:

City of Northwood
6000 Wales Road
Northwood, Ohio 43619-1480
419-693-9327 FAX 419-693-6705

*City Organizational Chart
For the Year Ended December 31, 2008*



*Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting*

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Northwood
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. R. M.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enner", positioned above the title "Executive Director".

Executive Director

FINANCIAL SECTION





Unity thru Diversification

Charles E. Harris & Associates, Inc.
Certified Public Accountants

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

REPORT OF INDEPENDENT ACCOUNTANTS

City of Northwood
Wood County
6000 Wales Road
Northwood, Ohio 43619

To the City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio, (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

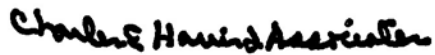
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Ohio, as of December 31, 2008, and the changes in financial position and the budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2009 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, 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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements, budgetary schedules, capital asset schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, capital asset schedules and budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express not opinion on them.

A handwritten signature in black ink that reads "Charles E. Harris". The signature is written in a cursive style.

Charles E. Harris & Associates, Inc.
June 22, 2009

The discussion and analysis of the City of Northwood's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2008 are as follows:

- ❑ In total, net assets increased \$276,417, which represents a 3% increase from 2007.
- ❑ General revenues accounted for \$5.6 million in revenue or 82% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 18% of total revenues of \$6.9 million.
- ❑ The City had \$6.6 million in expenses related to governmental activities; only \$1.3 million of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$4.6 million in revenues and \$5.4 million in expenditures. The general fund's fund balance decreased \$744,611 to \$986,738.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accepting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City has no business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net assets between 2008 and 2007:

	Governmental Activities	
	2008	2007
Current and other assets	\$6,485,718	\$6,726,235
Capital assets, Net	7,609,945	7,202,868
Total assets	14,095,663	13,929,103
Long-term debt outstanding	4,058,420	4,167,325
Other liabilities	600,806	601,758
Total liabilities	4,659,226	4,769,083
Net assets		
Invested in capital assets, net of related debt	6,116,752	5,587,177
Restricted	4,308,532	3,867,539
Unrestricted	(988,847)	(294,696)
Total net assets	\$9,436,437	\$9,160,020

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***Management's Discussion and Analysis
For the Year Ended December 31, 2008***

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2008 and 2007:

	Governmental Activities	
	2008	2007
Revenues		
Program revenues:		
Charges for Services and Sales	\$859,914	\$1,186,809
Operating Grants and Contributions	380,473	810,546
Capital Grants and Contributions	34,912	96,445
General revenues:		
Property Taxes	360,753	349,006
Municipal Income Taxes	4,195,332	4,378,660
Other Local Taxes	48,851	61,285
Grants and Entitlements not Restricted to Specific Programs	785,185	1,156,122
Investment Earnings	138,404	217,168
Miscellaneous	94,557	68,091
Total revenues	<u>6,898,381</u>	<u>8,324,132</u>
Program Expenses		
Security of Persons and Property	2,926,916	2,891,340
Public Health and Welfare Services	8,164	7,869
Leisure Time Activities	82,278	98,108
Community Environment	201,995	582,567
Basic Utility Services	200,738	416,410
Transportation	873,865	3,152,393
General Government	2,250,336	1,765,444
Interest and Fiscal Charges	77,672	73,790
Total expenses	<u>6,621,964</u>	<u>8,987,921</u>
Total Change in Net Assets	276,417	(663,789)
Beginning Net Assets	<u>9,160,020</u>	<u>9,823,809</u>
Ending Net Assets	<u>\$9,436,437</u>	<u>\$9,160,020</u>

Governmental Activities

Net assets of the City's governmental activities increased by \$276,417. This was due primarily to a decrease in expenditures for basic utility services because the City completed less storm sewer projects in 2008 compared to 2007.

The City also receives an income tax, which is based on 1.5% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City. Residents who work outside the City and are subject to a municipal income tax receive a 100% credit against the income tax liability due to Northwood.

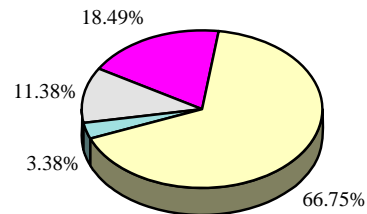
CITY OF NORTHWOOD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

Property taxes and income taxes made up 5.2% and 60.8% respectively of revenues for governmental activities for the City in fiscal year 2008. The City's reliance upon tax revenues is demonstrated by the following graph indicating 66.75% of total revenues from general tax revenues:

Revenue Sources	2008	Percent of Total
General Shared Revenues	\$785,185	11.38%
Program Revenues	1,275,299	18.49%
General Tax Revenues	4,604,936	66.75%
General Other	232,961	3.38%
Total Revenue	\$6,898,381	100.00%



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$4,947,739, which is a decrease from last year's balance of \$5,228,675. The schedule below indicates the fund balance and the total change in fund balance by major and nonmajor fund as of December 31, 2008 and 2007:

	Fund Balance December 31, 2008	Fund Balance December 31, 2007	Increase (Decrease)
General	\$986,738	\$1,731,349	(\$744,611)
General Obligation Debt Retirement	211,210	125,182	86,028
Capital Improvement	1,711,723	1,335,210	376,513
Capital Replacement	793,416	847,014	(53,598)
Other Governmental	1,244,652	1,189,920	54,732
Total	\$4,947,739	\$5,228,675	(\$280,936)

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CITY OF NORTHWOOD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

General Fund – The City's General Fund balance decrease is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2008	2007	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Property Taxes	\$258,146	\$264,876	(\$6,730)
Municipal Income Tax	2,934,919	3,045,387	(110,468)
Other Local Taxes	32,023	41,386	(9,363)
Intergovernmental Revenue	880,088	1,198,047	(317,959)
Charges for Services	65,931	74,094	(8,163)
Licenses and Permits	141,787	157,298	(15,511)
Investment Earnings	103,496	195,450	(91,954)
Special Assessments	54,702	68,259	(13,557)
Fines & Forfeitures	118,459	137,320	(18,861)
Donations	1,882	2,250	(368)
All Other Revenue	41,877	78,834	(36,957)
Total	<u>\$4,633,310</u>	<u>\$5,263,201</u>	<u>(\$629,891)</u>

General Fund revenues in 2008 decreased slightly compared to revenues in fiscal year 2007. The most significant factors contributing to this decrease were a decrease in municipal income tax collected, a decrease in investment earnings, and a decrease in estate and inheritance taxes compared to 2007.

	2008	2007	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$2,794,468	\$2,752,492	\$41,976
Public Health and Welfare Services	8,164	7,869	295
Leisure Time Activities	71,334	87,164	(15,830)
Community Development	175,164	165,474	9,690
Transportation	203,849	203,446	403
General Government	2,124,815	1,631,471	493,344
Total	<u>\$5,377,794</u>	<u>\$4,847,916</u>	<u>\$529,878</u>

General Fund expenditures increased by \$529,878 or 10.9% over the prior year mostly due to an income tax refund of \$490,342 to Norplas Industries, Inc. for estimated tax payments previously submitted when no tax was due.

***Management's Discussion and Analysis
For the Year Ended December 31, 2008***

Unaudited

The General Obligation Debt Retirement Fund balance increased by \$86,028 in 2008 due to the decrease in principal and interest payments compared to 2007.

The Capital Improvement Fund balance increased by \$376,513 to \$1,711,723 in 2008. This increase was due to decreased expenditures in 2008.

The Capital Replacement Fund balance decreased by \$53,598 to \$793,416 in 2008. This decrease was due to increased expenditures in 2008.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, final budget basis revenue of \$5.8 million did not change over the original budget estimates of \$5.8 million. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2008 the City had \$7,609,945 net of accumulated depreciation invested in land, improvements, infrastructure, buildings and machinery and equipment. The following table shows fiscal year 2008 and 2007 balances:

	Governmental Activities		Increase (Decrease)
	2008	2007	
Land	\$407,945	\$407,945	\$0
Construction in Progress	0	0	0
Land Improvements	33,100	33,100	0
Buildings and Improvements	3,752,549	3,752,549	0
Machinery and Equipment	812,887	754,735	58,152
Vehicles	1,896,863	1,915,403	(18,540)
Infrastructure	3,866,423	3,326,654	539,769
Less: Accumulated Depreciation	(3,159,822)	(2,987,518)	(172,304)
Totals	<u>\$7,609,945</u>	<u>\$7,202,868</u>	<u>\$407,077</u>

The primary increase occurred in infrastructure. This increase is the result of several street and sewer infrastructure projects.

As of December 31, 2008, the City had contractual commitments of \$223,965. This is related to outstanding road projects. Additional information on the City's capital assets can be found in Note 9.

Debt

The following table summarizes the City's debt outstanding as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Governmental Activities:		
General Obligation Bonds	\$2,715,000	\$2,790,000
Ohio Public Works Commission	98,585	107,975
Ohio Water Development Authority	879,607	917,715
Compensated Absences	365,228	351,635
Totals	<u>\$4,058,420</u>	<u>\$4,167,325</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Northwood lies, is limited to 11.5 mills. At December 31, 2008, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

The City's original budget for 2008 utilized conservative revenue estimates with limited increases in base operating costs. Original General Fund revenues were projected to be 16.1% more than the actual receipts for 2008. This difference was due mainly to lower income tax receipts and investment earnings.

General Fund expenditures were originally budgeted at 6.0% more than 2008 actual expenditures. Department requests were reduced from original submissions and only those items that management and City Council determined necessary were appropriated.

City Council continues to pursue new revenue sources, while reviewing the possibility of increasing existing sources, in addition to a continued review of reducing expenditures. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 419-693-9328 or writing to City of Northwood Finance Department, 6000 Wales Road, Northwood, Ohio 43619.



CITY OF NORTHWOOD, OHIO

Statement of Net Assets
December 31, 2008

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 322,101
Investments	4,000,500
Receivables:	
Taxes	900,141
Accounts	340,796
Intergovernmental	647,552
Interest	23,407
Special Assessments	161,890
Inventory of Supplies at Cost	18,972
Prepaid Items	70,359
Capital Assets:	
Capital Assets Not Being Depreciated	407,945
Capital Assets Being Depreciated, Net	7,202,000
Total Assets	14,095,663
Liabilities:	
Accounts Payable	108,914
Accrued Wages and Benefits	240,149
Intergovernmental Payable	1,265
Claims Payable	624
Unearned Revenue	248,051
Accrued Interest Payable	1,803
Long-Term Liabilities:	
Due Within One Year	284,002
Due in More Than One Year	3,774,418
Total Liabilities	4,659,226
Net Assets:	
Invested in Capital Assets, Net of Related Debt	6,116,752
Restricted For:	
Capital Projects	2,661,970
Debt Service	357,441
Street Construction, Maintenance and Repair	409,016
Water/Sewer Maintenance and Repair	663,496
Other Purposes	216,609
Unrestricted (Deficit)	(988,847)
Total Net Assets	\$ 9,436,437

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Statement of Activities
For the Year Ended December 31, 2008**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities:					
Current:					
Security of Persons and Property	\$ 2,926,916	\$ 189,662	\$ 17,298	\$ 0	\$ (2,719,956)
Public Health and Welfare Services	8,164	0	0	0	(8,164)
Leisure Time Activities	82,278	2,995	0	0	(79,283)
Community Environment	201,995	17,262	5,471	22,482	(156,780)
Basic Utility Services	200,738	295,004	0	0	94,266
Transportation	873,865	24,103	357,704	12,430	(479,628)
General Government	2,250,336	330,888	0	0	(1,919,448)
Interest and Fiscal Charges	77,672	0	0	0	(77,672)
Total Governmental Activities	\$ 6,621,964	\$ 859,914	\$ 380,473	\$ 34,912	(5,346,665)
General Revenues					
Property Taxes					360,753
Municipal Income Taxes					4,195,332
Other Local Taxes					48,851
Grants and Entitlements not Restricted to Specific Programs					785,185
Investment Earnings					138,404
Miscellaneous					94,557
Total General Revenues					5,623,082
Change in Net Assets					276,417
Net Assets Beginning of Year					9,160,020
Net Assets End of Year					\$ 9,436,437

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Balance Sheet
Governmental Funds
December 31, 2008**

	General	General Obligation Debt Retirement	Capital Improvement	Capital Replacement
Assets:				
Cash and Cash Equivalents	\$ 6,312	\$ 2,024	\$ 13,658	\$ 7,170
Investments	652,367	209,186	1,411,486	741,008
Receivables:				
Taxes	681,868	43,161	111,631	55,816
Accounts	235,355	0	4,665	0
Intergovernmental	387,583	51,640	56,643	0
Interest	21,067	0	0	0
Special Assessments	55,775	53,233	52,882	0
Interfund Loans Receivables	0	0	200,000	0
Inventory of Supplies, at Cost	3,857	0	0	0
Prepaid Items	67,871	0	0	0
Total Assets	\$ 2,112,055	\$ 359,244	\$ 1,850,965	\$ 803,994
Liabilities:				
Accounts Payable	\$ 50,732	\$ 0	\$ 56,388	\$ 706
Accrued Wages and Benefits Payable	235,003	0	0	0
Intergovernmental Payable	1,265	0	0	0
Claims Payable	624	0	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	837,693	148,034	82,854	9,872
Total Liabilities	1,125,317	148,034	139,242	10,578
Fund Balances:				
Reserved for Prepaid Items	67,871	0	0	0
Reserved for Supplies Inventory	3,857	0	0	0
Reserved for Interfund Loans Receivable	0	0	200,000	0
Undesignated/Unreserved in:				
General Fund	915,010	0	0	0
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	211,210	0	0
Capital Projects Funds	0	0	1,511,723	793,416
Total Fund Balances	986,738	211,210	1,711,723	793,416
Total Liabilities and Fund Balances	\$ 2,112,055	\$ 359,244	\$ 1,850,965	\$ 803,994

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 292,937	\$ 322,101
986,453	4,000,500
7,665	900,141
100,776	340,796
151,686	647,552
2,340	23,407
0	161,890
0	200,000
15,115	18,972
2,488	70,359
<u>\$ 1,559,460</u>	<u>\$ 6,685,718</u>
\$ 1,088	\$ 108,914
5,146	240,149
0	1,265
0	624
200,000	200,000
108,574	1,187,027
<u>314,808</u>	<u>1,737,979</u>
2,488	70,359
15,115	18,972
0	200,000
0	915,010
1,162,943	1,162,943
0	211,210
64,106	2,369,245
<u>1,244,652</u>	<u>4,947,739</u>
<u>\$ 1,559,460</u>	<u>\$ 6,685,718</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2008***

Total Governmental Fund Balances	\$ 4,947,739
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	7,609,945
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	938,977
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,060,224)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 9,436,437</u></u>

See accompanying notes to the basic financial statements



CITY OF NORTHWOOD, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008**

	General	General Obligation Debt Retirement	Capital Improvement	Capital Replacement
Revenues:				
Property Taxes	\$ 258,146	\$ 84,765	\$ 0	\$ 0
Municipal Income Tax	2,934,919	0	838,548	419,274
Other Local Taxes	32,023	0	0	0
Intergovernmental Revenues	880,088	4,695	46,415	0
Charges for Services	65,931	0	0	0
Licenses and Permits	141,787	0	1,150	0
Investment Earnings	103,496	0	0	0
Special Assessments	54,702	0	24,103	0
Fines and Forfeitures	118,459	0	50,472	0
Donations	1,882	0	7,447	0
All Other Revenue	41,877	0	19,982	14,000
Total Revenue	4,633,310	89,460	988,117	433,274
Expenditures:				
Current:				
Security of Persons and Property	2,794,468	0	0	0
Public Health and Welfare Services	8,164	0	0	0
Leisure Time Activities	71,334	0	0	0
Community Environment	175,164	0	0	0
Basic Utility Services	0	0	0	0
Transportation	203,849	0	0	0
General Government	2,124,815	0	0	0
Capital Outlay	0	0	506,604	492,082
Debt Service:				
Principal Retirement	0	122,498	0	0
Interest & Fiscal Charges	0	77,934	0	0
Total Expenditures	5,377,794	200,432	506,604	492,082
Excess (Deficiency) of Revenues Over Expenditures	(744,484)	(110,972)	481,513	(58,808)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	5,210
Transfers In	0	197,000	0	0
Transfers Out	0	0	(105,000)	0
Total Other Financing Sources (Uses)	0	197,000	(105,000)	5,210
Net Change in Fund Balances	(744,484)	86,028	376,513	(53,598)
Fund Balances at Beginning of Year	1,731,349	125,182	1,335,210	847,014
Increase (Decrease) in Inventory Reserve	(127)	0	0	0
Fund Balances End of Year	\$ 986,738	\$ 211,210	\$ 1,711,723	\$ 793,416

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 342,911
0	4,192,741
16,828	48,851
348,156	1,279,354
300,129	366,060
16,215	159,152
11,500	114,996
0	78,805
15,073	184,004
0	9,329
0	75,859
707,901	6,852,062
4,792	2,799,260
0	8,164
0	71,334
23,117	198,281
188,488	188,488
326,975	530,824
19,577	2,144,392
0	998,686
0	122,498
0	77,934
562,949	7,139,861
144,952	(287,799)
0	5,210
0	197,000
(92,000)	(197,000)
(92,000)	5,210
52,952	(282,589)
1,189,920	5,228,675
1,780	1,653
\$ 1,244,652	\$ 4,947,739

***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, 2008***

Net Change in Fund Balances - Total Governmental Funds \$ (282,589)

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 estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 410,754

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (3,677)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 41,109

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 122,498

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 262

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (11,940)

Change in Net Assets of Governmental Activities \$ 276,417

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 282,000	\$ 282,000	\$ 258,146	\$ (23,854)
Municipal Income Tax	3,700,000	3,599,000	3,006,619	(592,381)
Other Local Taxes	50,000	50,000	40,790	(9,210)
Intergovernmental Revenue	973,500	1,074,500	1,013,498	(61,002)
Charges for Services	69,000	84,000	77,509	(6,491)
Licenses and Permits	179,000	164,000	145,254	(18,746)
Special Assessments	69,800	69,800	55,327	(14,473)
Investment Earnings	210,000	210,000	103,496	(106,504)
Fines and Forfeitures	173,000	173,000	118,459	(54,541)
Donations	2,000	2,000	1,882	(118)
All Other Revenues	95,000	95,000	45,429	(49,571)
Total Revenues	<u>5,803,300</u>	<u>5,803,300</u>	<u>4,866,409</u>	<u>(936,891)</u>
Expenditures:				
Current:				
Security of Persons and Property	2,859,000	2,869,000	2,780,430	88,570
Public Health and Welfare Services	9,000	9,000	8,164	836
Leisure Time Activities	89,600	89,600	71,574	18,026
Community Environment	209,100	209,100	174,523	34,577
Transportation	222,000	222,000	200,746	21,254
General Government	2,283,500	2,273,500	2,110,326	163,174
Total Expenditures	<u>5,672,200</u>	<u>5,672,200</u>	<u>5,345,763</u>	<u>326,437</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	131,100	131,100	(479,354)	(610,454)
Fund Balance at Beginning of Year	<u>1,124,476</u>	<u>1,124,476</u>	<u>1,124,476</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,255,576</u>	<u>\$ 1,255,576</u>	<u>\$ 645,122</u>	<u>\$ (610,454)</u>

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2008***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	<u>\$ 1,550</u>
Total Assets	<u>1,550</u>
Liabilities:	
Due to Others	<u>1,550</u>
Total Liabilities	<u>\$ 1,550</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Northwood, Ohio (the "City") is a charter municipal corporation operating under the charter and the laws of the State of Ohio. Northwood became a City on January 1, 1982. The City operates under a council/mayor form of government. Legislative power is vested in a seven-member council, including the President, each elected to four-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. The Administrator is appointed by the Mayor with Council approval and handles the operational activities of the City's departments. All other City officials are appointed by the Mayor with Council approval.

The accompanying basic financial statements of the City present the financial position of the various fund types and the results of operations of the various fund types. The financial statements are presented as of December 31, 2008 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: police protection, fire protection, ambulance transport, parks and recreation and street maintenance and repair, as well as a staff to provide administrative support (i.e., payroll processing, accounts payable and revenue collection) to the service providers.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

The governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those 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 general laws of Ohio and the limitations of the City Charter.

General Obligation Debt Retirement Fund - This fund is used to account for the accumulation of resources for and the payment of, principal and interest on general obligation debt.

Capital Improvement Fund - This fund is used to account for 20% of the City's income tax collections which is used for capital projects financing or related capital expenditures attributable to various capital improvements.

Capital Replacement Fund - This fund is used to account for 10% of the City's income tax collections which are designated for planned replacement of major capital items for various departments within the City.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary 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 therefore not available to support the City's own programs. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on a full accrual basis of accounting. The City has one agency fund. This fund is used to account for monies received by the City in situations where the City's role is purely custodial in nature. The only agency fund is the Mayor's Court Fund, which accounts for monies that flow through the municipal court office.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The City has no activities considered business-type activities.

Interfund receivables and payables between governmental funds have been eliminated in the government-wide Statement of Net Assets. These eliminations minimize the duplicating effect on assets and liabilities within the governmental activities total column; however, the interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the modified accrual basis when the exchange takes place and the resources are available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, is recorded as revenue when received in cash because it is generally not measurable until received.

The accrual basis of accounting is utilized for reporting purposes for the government-wide financial statements. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2008, but which are not intended to finance 2008 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is by the department level within each fund. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the department level within each fund without the approval of City Council. Budgetary modifications above the department level by fund may only be made by ordinance of the City Council.

1. Tax Budget

The City Finance Director submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the first and final amended official certificate of estimated resources issued during 2008.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department level, and may be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the department level. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--General Fund" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying basic financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

	<u>Net Change In Fund Balance</u>
	General Fund
GAAP Basis (as reported)	(\$744,484)
Increase (Decrease):	
Accrued Revenues at December 31, 2008 received during 2009	(543,955)
Accrued Revenues at December 31, 2007 received during 2008	777,054
Accrued Expenditures at December 31, 2008 paid during 2009	287,624
Accrued Expenditures at December 31, 2007 paid during 2008	(241,573)
2007 Prepays for 2008	67,408
2008 Prepays for 2009	(67,871)
Outstanding Encumbrances	<u>(13,557)</u>
Budget Basis	<u>(\$479,354)</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Pooled Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and local ordinances. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$103,496, which includes \$87,725 assigned from other City funds. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Pooled Cash, Cash Equivalents and Investments."

H. Inventory

Inventories are stated at cost (first-in, first-out). The costs of inventory items are recorded as expenditures in the governmental funds when purchased.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$15,000.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements. Infrastructure acquired prior to the implementation of GASB Statement No. 34, "*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*", has not been reported. Only additions to infrastructure since the implementation of GASB Statement No. 34, "*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*", have been reported.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

2. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Buildings & Improvements	15 - 40
Machinery, Equipment, Furniture and Fixtures	5-10
Vehicles	5
Infrastructure	50

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bond	General Bond Retirement Fund
Ohio Water Development Authority Loans	General Bond Retirement Fund
Ohio Public Works Commission Loan	General Bond Retirement Fund
Compensated Absences	General Fund

L. Compensated Absences

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

For governmental funds, that portion of unpaid compensated absences that has matured and is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

M. 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 borrowings 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.

N. Pensions

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred.

O. Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for interfund loans, inventory, prepaid items and encumbered amounts that have not been accrued at year end.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Estimates

The preparation of 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.

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 Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2008.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Delinquent Income Tax Revenue	\$98,717
Delinquent Property Tax Revenue	82,905
Shared Revenues	371,801
Interest Revenues	23,409
Charges for Services	200,255
Special Assessment Revenue	161,890
	<hr/>
	\$938,977

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$2,715,000)
Ohio Water Development Authority Loans	(879,607)
Ohio Public Works Commission Loan	(98,586)
Accrued Interest on Long-Term Debt	(1,803)
Compensated Absences Payable	(365,228)
	<hr/>
	(\$4,060,224)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	\$798,684
Depreciation Expense	(387,930)
	<u>\$410,754</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax Revenue	\$2,591
Increase in Delinquent Property Tax	17,842
Decrease in Shared Revenue	(111,197)
Increase in Interest Revenue	23,409
Increase in Charges for Services	57,207
Increase in Special Assessment Revenue	51,257
	<u>\$41,109</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$13,593)
Increase in supplies inventory	1,653
	<u>(\$11,940)</u>

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficit at December 31, 2008 of \$3,181 in the CHIP HOME Fund (special revenue fund) was created by the recognition of expenditures on the modified accrual basis, which are greater than expenditures on a budgetary basis. A deficit does not exist under the budgetary basis of accounting. The general fund provides transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

B. Fiscal Officer Compliance

The Finance Director did not encumber all expenditures at the point when the contract was entered into or when orders for goods or services were incurred contrary to Ohio Revised Code Section 5705.41 (D). The City did not properly certify the availability of funds for 25 of 60 non-payroll expenditures tested for the audit period. The City is working to remedy this situation in the future.

C. Appropriations Exceeding Estimated Resources

The following fund had actual receipts below estimated receipts, in which the deficiency reduced the estimated resources below the level of appropriations contrary to Ohio Revised Code Section 5705.36 (A) (4):

	<u>Amount</u>
<u>Capital Projects Funds</u>	
Recreation/Parks	(\$25,894)

D. Legal Level of Control

Section 5705.38 (C) of the Ohio Revised Code, requires the following minimum level of budgetary control for "subdivisions" other than schools: "appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services."

The City did not appropriate at the personal services level. The City is working to remedy this situation in the future.

NOTE 4 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of a majority of individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents." Ohio law requires the classification of funds held by the City into three categories.

Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" status for immediate use by the City. Such funds must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 4 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks. All deposits, except for deposits held by fiscal and escrow agents or trustees, are collateralized with eligible securities. The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Collateral permitted by Chapter 135 of the ORC is limited to obligations of the United States and its agencies, bonds of any state, and bonds and other obligations of any country, municipal corporation or other legally constituted authority of the State of Ohio, or any instrumentality of such county, municipal corporation or other authority. Such collateral, as permitted by Chapter 135 of the ORC is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at a Federal Reserve Bank in the name of the City.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued)

At year end the carrying amount of the City's deposits was \$323,651 and the bank balance was \$450,475. In addition, the City had \$700 petty cash on hand. Federal depository insurance covered \$250,000 of the bank balance and \$200,475 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$200,475</u>
Total Balance	<u><u>\$200,475</u></u>

B. Investments

The City's investments at December 31, 2008 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>
			1-3
FNMA	\$4,000,500	AAA ¹ / Aaa ²	\$4,000,500

¹ Standard & Poor's

² Moody's Investor Service

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Credit Risk – The City's investment policy addresses credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions, brokers, intermediaries and financial advisors and by diversifying the investment portfolio so that potential losses on individual securities do not exceed income generated from the remaining portfolio.

Custodial Credit Risk – 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. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2008 were levied after October 1, 2007 on assessed values as of January 1, 2007, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2005. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of January 1, 2007. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out. The assessment percentage for property, including inventory is 12.5% for 2007. This percentage will be reduced to 6.25% in 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill NO.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Northwood. The County Auditor periodically remits to the City its portion of the taxes collected.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 5 – TAXES (Continued)

A. Property Taxes (Continued)

The full tax rate for all City operations for the year ended December 31, 2008 was \$1.60 per \$1,000 of assessed value. The assessed value upon which the 2008 tax receipts were based was \$139,873,464. This amount constitutes \$130,169,230 in real property assessed value, \$2,844,390 in public utility assessed value and \$6,859,844 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .16% (1.60 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employees compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2008 consisted of taxes, special assessments, accounts receivable and intergovernmental receivables.

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2008:

Transfers Out:	Transfers In:	
	General Obligation Debt Retirement Fund	Total
Capital Improvement Fund	\$105,000	\$105,000
Other Governmental Funds	92,000	92,000
	<u>\$197,000</u>	<u>\$197,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2008 consist of the following individual fund receivables and payables:

Fund	Interfund Loan	
	Receivable	Payable
Capital Improvement	\$200,000	\$0
Other Governmental Funds	0	200,000
Totals	<u>\$200,000</u>	<u>\$200,000</u>

The above internal balances are related to the Community Housing Improvement Program (CHIP) a federal program whereby the City pays to help residents make improvements to their home and properties and is in turn reimbursed by the federal government through federal grant monies.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 9 – CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2008:

Historical Cost:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
<i>Capital assets not being depreciated:</i>				
Land	\$407,945	\$0	\$0	\$407,945
<i>Capital assets being depreciated:</i>				
Land Improvements	33,100	0	0	33,100
Buildings and Improvements	3,752,549	0	0	3,752,549
Machinery and Equipment	754,735	58,152	0	812,887
Vehicles	1,915,403	200,763	(219,303)	1,896,863
Infrastructure	3,326,654	539,769	0	3,866,423
	9,782,441	798,684	(219,303)	10,361,822
Total Cost	\$10,190,386	\$798,684	(\$219,303)	\$10,769,767

Accumulated Depreciation:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Land Improvements	(\$33,100)	\$0	\$0	(\$33,100)
Buildings and Improvements	(1,161,411)	(78,201)	0	(1,239,612)
Machinery and Equipment	(695,714)	(54,901)	215,626	(534,989)
Vehicles	(954,066)	(159,138)	0	(1,113,204)
Infrastructure	(143,227)	(95,690)	0	(238,917)
Total Depreciation	(\$2,987,518)	(\$387,930) *	\$215,626	(\$3,159,822)
<i>Net Value:</i>	\$7,202,868			\$7,609,945

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$123,930
Leisure Time Activities	10,944
Community Environment	6,645
Basic Utility Services	12,250
Transportation	139,265
General Government	94,896
Total Depreciation Expense	\$387,930

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Ohio Public Employees Retirement System (“OPERS”)

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2008, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2008 employer contribution rate for local government employer units was 14.00%, of covered payroll. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 7.0% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2008, 2007, and 2006 were \$198,315, \$189,394 and \$222,871, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”)

All City full-time police officers and full-time firefighters participate in 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. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2008, 2007, and 2006 were \$225,247, \$228,681 and \$215,584 for police and \$15,217, \$14,704 and \$14,760 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2008, 2007, and 2006 were \$99,157, \$75,211 and \$73,206, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”)

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City’s contributions for health care to the OP&F for the years ending December 31, 2008, 2007, and 2006 were \$77,970, \$79,159 and \$85,681 for police and \$4,280, \$4,135 and \$4,766 for firefighters, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 12 - COMPENSATED ABSENCES

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

The costs of vacation and sick leave benefits are recorded as they are earned. Employees earn vacation leave at varying rates based upon length of service. Sick leave is earned at various rates as defined by City policy and union contracts. Employees are paid for 100 percent of earned, unused vacation leave upon termination. Any employee with more than ten years of full-time service with the City who elects to retire is entitled to receive one-fourth of the value of their accumulated unused sick leave up to a maximum of thirty to forty-five days.

At December 31, 2008, the City's accumulated, unpaid compensated absences amounted to \$365,228, which has been recorded as a liability of the Governmental Activities.

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CITY OF NORTHWOOD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 13 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2008 is as follows:

	Issue Date	Original Issue Amount	Balance December 31, 2007	Issued	(Retired)	Balance December 31, 2008	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
4.20% Fire Station Improvement	2005	\$800,000	\$590,000	\$0	(\$75,000)	\$515,000	\$75,000
8.00% TIF Improvement	2007	2,200,000	2,200,000	0	0	2,200,000	0
Total General Obligation Bonds			2,790,000	0	(75,000)	2,715,000	75,000
Ohio Public Works Commission Loan:							
0.00% Wales Road Pavement & Storm Drainage	1999	187,790	107,975	0	(9,390)	98,585	9,390
Ohio Water Development Authority (OWDA) Loans:							
5.88% Oregon Road Water Line	1997	830,174	641,344	0	(26,492)	614,852	28,050
5.66% Oregon Road Trunk Water Main Phase II	1998	360,006	276,371	0	(11,616)	264,755	12,274
Total OWDA Loans			917,715	0	(38,108)	879,607	40,324
Compensated Absences			351,635	365,228	(351,635)	365,228	159,288
Total Governmental Activities Long-Term Debt			\$4,167,325	\$365,228	(\$474,133)	\$4,058,420	\$284,002

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2008, follow:

Years	General Obligation Bonds		OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$75,000	\$197,630	\$40,324	\$51,138	\$9,390	\$0
2010	80,000	194,480	42,668	48,794	9,389	0
2011	85,000	191,120	45,148	46,314	9,389	0
2012	115,000	188,032	47,773	43,739	9,389	0
2013	115,000	181,770	50,550	40,912	9,389	0
2014-2018	265,000	839,248	300,400	139,747	46,947	0
2019-2023	255,000	754,824	352,744	76,129	4,692	0
2024-2028	375,000	634,693	0	0	0	0
2029-2033	545,000	459,029	0	0	0	0
2034-2038	805,000	203,314	0	0	0	0
Totals	\$2,715,000	\$3,844,140	\$879,607	\$446,775	\$98,585	\$0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 14 - CONSTRUCTION COMMITMENTS

As of December 31, 2008 the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Curtice and Coy Intersection Improvements	\$61,839	February 2009
Salt Storage Building	86,867	February 2009
Brentwood Park Detention Pond	75,259	March 2009
Total	\$223,965	

NOTE 15 - 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; and natural disasters. The City purchases insurance coverage to provide employee health benefits and pays unemployment claims to the State of Ohio as incurred.

The City contracted with Brooks Insurance Agency from January 1, 2008 through December 31, 2008 for various insurance coverages, as follows:

Type of Coverage	Coverage	Deductible
Auto Fleet Liability/Physical Damage	\$5,000,000	\$250/500
Law Enforcement Liability	\$5,000,000	\$5,000
General Liability	\$5,000,000	\$1,000
Stop Gap Liability	\$5,000,000	\$1,000
Real and Personal Property	\$7,020,000	\$1,000
Emergency Medical Services Liability	\$5,000,000	\$5,000
Inland Marine Equipment	\$1,483,884	\$1,000
Boiler and Machinery Property Damage	\$5,000,000	\$1,000
Demolition/Increased Cost-Construction	\$500,000	\$1,000
Public Officials Liability	\$5,000,000	\$5,000
Valuable Papers/EDP/Account Receivable	\$250,000	\$1,000
Extra Expense/Building Ordinance or Law	\$500,000	\$1,000
Employee Benefit Liability	\$5,000,000	\$1,000

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 15 - RISK MANAGEMENT (Continued)

The City provides a self-funded dental insurance program for its employees which is funded through the general fund. GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30 "Risk Management Omnibus," requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability amount in fiscal 2008 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Year End</u>
2006	\$1,682	\$30,656	(\$31,874)	\$464
2007	464	34,822	(35,159)	127
2008	127	42,920	(42,423)	624

Workers' compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 16 - CONTINGENCIES

The City is a party to various legal proceeding, which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect on the financial condition of the City.

The City has received several federal and state grants for specific purposes, which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS AND FIDUCIARY
FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of dedicated streets.

Motor Vehicle License Tax Fund

To account for county-levied motor vehicle registration fees designated for street construction, maintenance and repair.

State Highway Improvement Fund

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for street maintenance and repair of state highways within the City.

Northwood Waste/Environmental Fund

To account for the portion of disposal fees designated by City Ordinance to be used for monitoring and related expenses associated with a privately owned and operated solid waste disposal site located within the City.

Drug Fine Fund

To account for proceeds from mandatory drug fines disbursed for law enforcement purposes.

Special Law Enforcement Fund

To account for proceeds received from the sale of property confiscated/forfeited during criminal related arrests. Expenditures are to be used solely for law enforcement purposes.

Enforcement and Education Fund

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

Computerized Research Fund

To account for the acquisition, improvement, replacement and repair of the computerized research system of the Mayor's Court.

Community Housing Improvement Program (CHIP) - CDBG Fund

To account for financial resources used by the City to undertake home/building repair, planning and implementation cost, the fair housing program and general administration costs for residents of the City.

(Continued)

Special Revenue Funds

Community Housing Improvement Program (CHIP) - HOME Fund

To account for financial resources used by the City to undertake rehabilitation of homes, down payment assistance and general administration costs for residents of the City.

Water Fund

To account for water related fees and surcharges used for maintenance and repair of waterlines within the City.

Sanitary Sewer Operation, Maintenance and Repair Fund

To account for user charges collected by the City of Toledo for Northwood to be used for maintenance and repair of sanitary sewers.

Keep Northwood Beautiful Fund

To account for donations used to promote Northwood Clean-Up Day and for a recycling program.

Water Maintenance - Homecraft Fund

To account for water related fees used for construction, maintenance and repair of waterlines within the Homecraft area of the City.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Recreation Parks Combined Fund

To account for funds received from tax on new residential and mobile homes to be used for the development, maintenance and operation of public owned recreational facilities.

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 292,323	\$ 614	\$ 292,937
Investments	922,961	63,492	986,453
Receivables:			
Taxes	7,665	0	7,665
Accounts	100,776	0	100,776
Intergovernmental	151,686	0	151,686
Interest	2,340	0	2,340
Inventory of Supplies, at Cost	15,115	0	15,115
Prepaid Items	2,488	0	2,488
Total Assets	\$ 1,495,354	\$ 64,106	\$ 1,559,460
Liabilities:			
Accounts Payable	\$ 1,088	\$ 0	\$ 1,088
Accrued Wages and Benefits Payable	5,146	0	5,146
Interfund Loans Payable	200,000	0	200,000
Deferred Revenue	108,574	0	108,574
Total Liabilities	314,808	0	314,808
Fund Balances:			
Reserved for Prepaid Items	2,488	0	2,488
Reserved for Supplies Inventory	15,115	0	15,115
Undesignated/Unreserved in:			
Special Revenue Funds	1,162,943	0	1,162,943
Capital Projects Funds	0	64,106	64,106
Total Fund Balances	1,180,546	64,106	1,244,652
Total Liabilities and Fund Balances	\$ 1,495,354	\$ 64,106	\$ 1,559,460

CITY OF NORTHWOOD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Other Local Taxes	\$ 16,328	\$ 500	\$ 16,828
Intergovernmental Revenues	345,656	2,500	348,156
Charges for Services	300,129	0	300,129
Licenses and Permits	16,215	0	16,215
Investment Earnings	11,500	0	11,500
Fines and Forfeitures	15,073	0	15,073
Total Revenue	704,901	3,000	707,901
Expenditures:			
Current:			
Security of Persons and Property	4,792	0	4,792
Community Environment	23,117	0	23,117
Basic Utility Services	188,488	0	188,488
Transportation	326,975	0	326,975
General Government	19,577	0	19,577
Total Expenditures	562,949	0	562,949
Excess (Deficiency) of Revenues Over Expenditures	141,952	3,000	144,952
Other Financing Sources (Uses):			
Transfers Out	(92,000)	0	(92,000)
Total Other Financing Sources (Uses)	(92,000)	0	(92,000)
Net Change In Fund Balance	49,952	3,000	52,952
Fund Balances at Beginning of Year	1,128,814	61,106	1,189,920
Increase in Inventory Reserve	1,780	0	1,780
Fund Balances End of Year	\$ 1,180,546	\$ 64,106	\$ 1,244,652

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008**

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste / Environmental
Assets:				
Cash and Cash Equivalents	\$ 2,438	\$ 8,108	\$ 25,820	\$ 7,769
Investments	251,974	0	0	0
Receivables:				
Taxes	0	7,665	0	0
Accounts	0	0	0	1,142
Intergovernmental	140,307	0	11,379	0
Interest	1,170	234	234	234
Inventory of Supplies, at Cost	15,115	0	0	0
Prepaid Items	2,488	0	0	0
Total Assets	\$ 413,492	\$ 16,007	\$ 37,433	\$ 9,145
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 158	\$ 0
Accrued Wages and Benefits Payable	4,476	0	204	229
Interfund Loans Payable	0	0	0	0
Deferred Revenue	94,708	5,344	7,820	234
Total Liabilities	99,184	5,344	8,182	463
Fund Balances:				
Reserved for Prepaid Items	2,488	0	0	0
Reserved for Supplies Inventory	15,115	0	0	0
Undesignated/Unreserved	296,705	10,663	29,251	8,682
Total Fund Balances	314,308	10,663	29,251	8,682
Total Liabilities and Fund Balances	\$ 413,492	\$ 16,007	\$ 37,433	\$ 9,145

CITY OF NORTHWOOD, OHIO

<u>Drug Fine</u>	<u>Special Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Computerized Research</u>	<u>CHIP CDBG</u>	<u>CHIP HOME</u>	<u>Water</u>
\$ 2,623	\$ 101	\$ 5,152	\$ 9,761	\$ 102,774	\$ 928	\$ 2,425
0	10,406	0	0	0	95,891	250,605
0	0	0	0	0	0	0
0	0	0	0	0	0	90,032
0	0	0	0	0	0	0
0	234	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 2,623</u>	<u>\$ 10,741</u>	<u>\$ 5,152</u>	<u>\$ 9,761</u>	<u>\$ 102,774</u>	<u>\$ 96,819</u>	<u>\$ 343,062</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 930
0	0	0	0	0	0	237
0	0	0	0	100,000	100,000	0
0	234	0	0	0	0	0
0	234	0	0	100,000	100,000	1,167
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>2,623</u>	<u>10,507</u>	<u>5,152</u>	<u>9,761</u>	<u>2,774</u>	<u>(3,181)</u>	<u>341,895</u>
<u>2,623</u>	<u>10,507</u>	<u>5,152</u>	<u>9,761</u>	<u>2,774</u>	<u>(3,181)</u>	<u>341,895</u>
<u>\$ 2,623</u>	<u>\$ 10,741</u>	<u>\$ 5,152</u>	<u>\$ 9,761</u>	<u>\$ 102,774</u>	<u>\$ 96,819</u>	<u>\$ 343,062</u>

(Continued)

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008**

	Sanitary Sewer Operation, Maintenance and Repair	Keep Northwood Beautiful	Water Maintenance - Homecraft	Total Nonmajor Special Revenue Funds
Assets:				
Cash and Cash Equivalents	\$ 3,039	\$ 70,824	\$ 50,561	\$ 292,323
Investments	314,085	0	0	922,961
Receivables:				
Taxes	0	0	0	7,665
Accounts	4,477	0	5,125	100,776
Intergovernmental	0	0	0	151,686
Interest	234	0	0	2,340
Inventory of Supplies, at Cost	0	0	0	15,115
Prepaid Items	0	0	0	2,488
Total Assets	\$ 321,835	\$ 70,824	\$ 55,686	\$ 1,495,354
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 1,088
Accrued Wages and Benefits Payable	0	0	0	5,146
Interfund Loans Payable	0	0	0	200,000
Deferred Revenue	234	0	0	108,574
Total Liabilities	234	0	0	314,808
Fund Balances:				
Reserved for Prepaid Items	0	0	0	2,488
Reserved for Supplies Inventory	0	0	0	15,115
Undesignated/Unreserved	321,601	70,824	55,686	1,162,943
Total Fund Balances	321,601	70,824	55,686	1,180,546
Total Liabilities and Fund Balances	\$ 321,835	\$ 70,824	\$ 55,686	\$ 1,495,354



CITY OF NORTHWOOD, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste / Environmental
Revenues:				
Other Local Taxes	\$ 0	\$ 16,328	\$ 0	\$ 0
Intergovernmental Revenues	314,670	0	25,515	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	16,215
Investment Earnings	5,750	1,150	1,150	1,150
Fines and Forfeitures	0	0	0	0
Total Revenue	320,420	17,478	26,665	17,365
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Community Environment	0	0	0	23,117
Basic Utility Services	0	0	0	0
Transportation	280,491	17,624	28,860	0
General Government	0	0	0	0
Total Expenditures	280,491	17,624	28,860	23,117
Excess (Deficiency) of Revenues Over Expenditures	39,929	(146)	(2,195)	(5,752)
Other Financing Sources (Uses):				
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change In Fund Balances	39,929	(146)	(2,195)	(5,752)
Fund Balances (Deficit) at Beginning of Year	272,599	10,809	31,446	14,434
Increase in Inventory Reserve	1,780	0	0	0
Fund Balances (Deficit) End of Year	\$ 314,308	\$ 10,663	\$ 29,251	\$ 8,682

CITY OF NORTHWOOD, OHIO

<u>Drug Fine</u>	<u>Special Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Computerized Research</u>	<u>CHIP CDBG</u>	<u>CHIP HOME</u>	<u>Water</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	280,376
0	0	0	0	0	0	0
0	1,150	0	0	0	0	0
<u>883</u>	<u>0</u>	<u>948</u>	<u>13,242</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>883</u>	<u>1,150</u>	<u>948</u>	<u>13,242</u>	<u>0</u>	<u>0</u>	<u>280,376</u>
2,204	2,588	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	183,705
0	0	0	0	0	0	0
0	0	2,574	17,003	0	0	0
<u>2,204</u>	<u>2,588</u>	<u>2,574</u>	<u>17,003</u>	<u>0</u>	<u>0</u>	<u>183,705</u>
(1,321)	(1,438)	(1,626)	(3,761)	0	0	96,671
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(92,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(92,000)</u>
(1,321)	(1,438)	(1,626)	(3,761)	0	0	4,671
3,944	11,945	6,778	13,522	2,774	(3,181)	337,224
0	0	0	0	0	0	0
<u>\$ 2,623</u>	<u>\$ 10,507</u>	<u>\$ 5,152</u>	<u>\$ 9,761</u>	<u>\$ 2,774</u>	<u>\$ (3,181)</u>	<u>\$ 341,895</u>

(Continued)

CITY OF NORTHWOOD, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

	Sanitary Sewer Operation, Maintenance and Repair	Keep Northwood Beautiful	Water Maintenance - Homecraft	Total Nonmajor Special Revenue Funds
Revenues:				
Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 16,328
Intergovernmental Revenues	0	5,471	0	345,656
Charges for Services	19,753	0	0	300,129
Licenses and Permits	0	0	0	16,215
Investment Earnings	1,150	0	0	11,500
Fines and Forfeitures	0	0	0	15,073
Total Revenue	20,903	5,471	0	704,901
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	4,792
Community Environment	0	0	0	23,117
Basic Utility Services	3,586	0	1,197	188,488
Transportation	0	0	0	326,975
General Government	0	0	0	19,577
Total Expenditures	3,586	0	1,197	562,949
Excess (Deficiency) of Revenues Over Expenditures	17,317	5,471	(1,197)	141,952
Other Financing Sources (Uses):				
Transfers Out	0	0	0	(92,000)
Total Other Financing Sources (Uses)	0	0	0	(92,000)
Net Change In Fund Balances	17,317	5,471	(1,197)	49,952
Fund Balances (Deficit) at Beginning of Year	304,284	65,353	56,883	1,128,814
Increase in Inventory Reserve	0	0	0	1,780
Fund Balances (Deficit) End of Year	\$ 321,601	\$ 70,824	\$ 55,686	\$ 1,180,546



CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 282,000	\$ 282,000	\$ 258,146	\$ (23,854)
Municipal Income Taxes	3,700,000	3,599,000	3,006,619	(592,381)
Other Local Taxes	50,000	50,000	40,790	(9,210)
Intergovernmental Revenues	973,500	1,074,500	1,013,498	(61,002)
Charges for Services	69,000	84,000	77,509	(6,491)
Licenses and Permits	179,000	164,000	145,254	(18,746)
Investment Earnings	210,000	210,000	103,496	(106,504)
Special Assessments	69,800	69,800	55,327	(14,473)
Fines and Forfeitures	173,000	173,000	118,459	(54,541)
Donations	2,000	2,000	1,882	(118)
All Other Revenues	95,000	95,000	45,429	(49,571)
Total Revenues	<u>5,803,300</u>	<u>5,803,300</u>	<u>4,866,409</u>	<u>(936,891)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	1,803,000	1,802,500	1,765,353	37,147
Materials and Supplies	86,000	91,200	82,133	9,067
Contractual Services	56,000	50,300	46,200	4,100
Other Expenditures	6,000	6,800	5,311	1,489
Capital Outlay	2,000	2,200	2,123	77
Total Police Department	<u>1,953,000</u>	<u>1,953,000</u>	<u>1,901,120</u>	<u>51,880</u>
Fire Department:				
Personal Services	377,100	403,000	396,328	6,672
Materials and Supplies	93,300	73,000	71,251	1,749
Contractual Services	30,600	32,500	31,548	952
Capital Outlay	2,000	4,500	4,421	79
Total Fire Department	<u>503,000</u>	<u>513,000</u>	<u>503,548</u>	<u>9,452</u>
Civil Defense:				
Contractual Services	3,000	3,000	2,243	757
Total Civil Defense	<u>3,000</u>	<u>3,000</u>	<u>2,243</u>	<u>757</u>

(Continued)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Police and Fire Communications:				
Personal Services	380,200	380,200	355,674	24,526
Materials and Supplies	5,200	5,200	3,970	1,230
Contractual Services	7,600	7,600	7,355	245
Total Police and Fire Communications	<u>393,000</u>	<u>393,000</u>	<u>366,999</u>	<u>26,001</u>
Street Lighting:				
Contractual Services	3,000	3,000	2,985	15
Railroad Lighting:				
Contractual Services	4,000	4,000	3,535	465
Total Security of Persons and Property	<u>2,859,000</u>	<u>2,869,000</u>	<u>2,780,430</u>	<u>88,570</u>
Public Health and Welfare Services:				
County Board of Health:				
Contractual Services	9,000	9,000	8,164	836
Total Public Health and Welfare Services	<u>9,000</u>	<u>9,000</u>	<u>8,164</u>	<u>836</u>
Leisure Time Activities:				
Parks and Playgrounds:				
Materials and Supplies	7,000	8,500	7,571	929
Contractual Services	27,500	26,000	17,560	8,440
Capital Outlay	4,500	4,500	3,190	1,310
Total Parks and Playgrounds	<u>39,000</u>	<u>39,000</u>	<u>28,321</u>	<u>10,679</u>
Recreation:				
Materials and Supplies	2,000	2,000	1,158	842
Contractual Services	8,000	8,000	3,400	4,600
Total Recreation	<u>10,000</u>	<u>10,000</u>	<u>4,558</u>	<u>5,442</u>
Baseball Programs:				
Personal Services	7,000	7,000	6,840	160
Materials and Supplies	18,500	21,300	20,732	568
Contractual Services	12,400	9,600	8,563	1,037
Other Expenditures	200	200	60	140
Total Baseball Programs	<u>38,100</u>	<u>38,100</u>	<u>36,195</u>	<u>1,905</u>

(Continued)

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Special Events:				
Materials and Supplies	2,500	2,500	2,500	0
Total Leisure Time Activities	<u>89,600</u>	<u>89,600</u>	<u>71,574</u>	<u>18,026</u>
Community Environment:				
Planning and Zoning:				
Personal Services	99,100	99,100	80,667	18,433
Materials and Supplies	4,000	3,800	2,964	836
Contractual Services	800	1,000	936	64
Capital Outlay	200	200	80	120
Total Planning and Zoning	<u>104,100</u>	<u>104,100</u>	<u>84,647</u>	<u>19,453</u>
Weed Control and Tree Care:				
Personal Services	31,000	31,000	25,385	5,615
Materials and Supplies	1,200	1,200	733	467
Contractual Services	10,800	10,800	8,140	2,660
Capital Outlay	2,000	2,000	1,922	78
Total Weed Control and Tree Care	<u>45,000</u>	<u>45,000</u>	<u>36,180</u>	<u>8,820</u>
Economic Development:				
Materials and Supplies	50,000	50,000	47,777	2,223
Total Economic Development	<u>50,000</u>	<u>50,000</u>	<u>47,777</u>	<u>2,223</u>
Insect Control:				
Personal Services	3,000	3,000	1,250	1,750
Materials and Supplies	7,000	7,000	4,669	2,331
Total Insect Control	<u>10,000</u>	<u>10,000</u>	<u>5,919</u>	<u>4,081</u>
Total Community Environment	<u>209,100</u>	<u>209,100</u>	<u>174,523</u>	<u>34,577</u>
Transportation:				
Street Maintenance and Repair:				
Personal Services	196,700	182,000	166,497	15,503
Materials and Supplies	21,900	36,900	32,148	4,752
Contractual Services	3,400	3,100	2,101	999
Total Transportation	<u>222,000</u>	<u>222,000</u>	<u>200,746</u>	<u>21,254</u>

(Continued)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government:				
Mayor:				
Personal Services	20,200	20,200	14,076	6,124
Materials and Supplies	2,600	2,600	1,515	1,085
Contractual Services	2,200	2,200	2,057	143
Total Mayor	<u>25,000</u>	<u>25,000</u>	<u>17,648</u>	<u>7,352</u>
Finance Director:				
Personal Services	303,400	305,400	299,916	5,484
Materials and Supplies	8,600	8,600	7,595	1,005
Contractual Services	14,000	16,100	13,072	3,028
Total Finance Director	<u>326,000</u>	<u>330,100</u>	<u>320,583</u>	<u>9,517</u>
City Administrator:				
Personal Services	150,700	150,700	149,320	1,380
Materials and Supplies	4,300	3,800	3,271	529
Contractual Services	1,200	1,700	1,525	175
Total City Administrator	<u>156,200</u>	<u>156,200</u>	<u>154,116</u>	<u>2,084</u>
Legal Administration:				
Personal Services	10,600	10,800	10,676	124
Materials and Supplies	2,000	3,700	3,607	93
Contractual Services	46,400	44,500	35,823	8,677
Total Legal Administration	<u>59,000</u>	<u>59,000</u>	<u>50,106</u>	<u>8,894</u>
City Cars:				
Materials and Supplies	1,000	1,000	411	589
City Council:				
Personal Services	58,000	58,000	56,979	1,021
Materials and Supplies	3,500	3,500	325	3,175
Contractual Services	1,500	1,500	327	1,173
Total City Council	<u>63,000</u>	<u>63,000</u>	<u>57,631</u>	<u>5,369</u>

(Continued)

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
City Clerk:				
Personal Services	64,800	63,300	59,879	3,421
Materials and Supplies	900	900	510	390
Contractual Services	10,300	11,800	11,592	208
Capital Outlay	1,000	1,000	1,000	0
Total City Clerk	<u>77,000</u>	<u>77,000</u>	<u>72,981</u>	<u>4,019</u>
Mayor's Court:				
Personal Services	201,800	216,800	213,265	3,535
Materials and Supplies	18,400	26,800	25,742	1,058
Contractual Services	38,000	19,600	18,557	1,043
Total Mayor's Court	<u>258,200</u>	<u>263,200</u>	<u>257,564</u>	<u>5,636</u>
Civil Service Commission:				
Personal Services	1,900	1,900	1,709	191
Materials and Supplies	700	700	310	390
Contractual Services	5,500	5,500	2,847	2,653
Total Civil Service Commission	<u>8,100</u>	<u>8,100</u>	<u>4,866</u>	<u>3,234</u>
Buildings and Grounds:				
Personal Services	111,300	111,300	103,715	7,585
Materials and Supplies	16,100	15,000	13,578	1,422
Contractual Services	28,100	29,200	27,312	1,888
Other Expenditures	500	500	418	82
Total Buildings and Grounds	<u>156,000</u>	<u>156,000</u>	<u>145,023</u>	<u>10,977</u>
General Miscellaneous:				
Contractual Services	33,000	33,000	22,715	10,285

(Continued)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Special Assessments:				
Personal Services	800	800	247	553
Contractual Services	65,200	65,700	60,738	4,962
Capital Outlay	4,000	3,500	0	3,500
Total Special Assessments	<u>70,000</u>	<u>70,000</u>	<u>60,985</u>	<u>9,015</u>
General Administrative:				
Personal Services	5,000	6,000	5,367	633
Materials and Supplies	11,000	11,000	7,372	3,628
Contractual Services	304,000	287,000	248,636	38,364
Other Expenditures	731,000	727,900	684,322	43,578
Total General Administrative	<u>1,051,000</u>	<u>1,031,900</u>	<u>945,697</u>	<u>86,203</u>
Total General Government	<u>2,283,500</u>	<u>2,273,500</u>	<u>2,110,326</u>	<u>163,174</u>
Total Expenditures	<u>5,672,200</u>	<u>5,672,200</u>	<u>5,345,763</u>	<u>326,437</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	131,100	131,100	(479,354)	(610,454)
Fund Balance at Beginning of Year	1,124,476	1,124,476	1,124,476	0
Fund Balance at End of Year	<u>\$ 1,255,576</u>	<u>\$ 1,255,576</u>	<u>\$ 645,122</u>	<u>\$ (610,454)</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Debt Service Fund
For the Year Ended December 31, 2008***

GENERAL OBLIGATION DEBT RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 90,000	\$ 90,000	\$ 84,765	\$ (5,235)
Intergovernmental Revenues	5,000	5,000	4,695	(305)
Special Assessments	10,000	10,000	0	(10,000)
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>89,460</u>	<u>(15,540)</u>
Expenditures:				
Debt Service:				
Principal Retirement	122,900	122,900	122,498	402
Interest and Fiscal Charges	78,500	78,500	77,934	566
Total Expenditures	<u>201,400</u>	<u>201,400</u>	<u>200,432</u>	<u>968</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,400)	(96,400)	(110,972)	(14,572)
Other Financing Sources (Uses):				
Transfers In	197,000	197,000	197,000	0
Total Other Financing Sources (Uses)	<u>197,000</u>	<u>197,000</u>	<u>197,000</u>	<u>0</u>
Net Change in Fund Balance	100,600	100,600	86,028	(14,572)
Fund Balance at Beginning of Year	125,182	125,182	125,182	0
Fund Balance at End of Year	<u>\$ 225,782</u>	<u>\$ 225,782</u>	<u>\$ 211,210</u>	<u>\$ (14,572)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Fund
For the Year Ended December 31, 2008**

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 1,100,000	\$ 1,100,000	\$ 859,034	\$ (240,966)
Intergovernmental Revenues	100,000	100,000	0	(100,000)
Licenses and Permits	60,000	60,000	1,150	(58,850)
Special Assessments	40,000	40,000	24,103	(15,897)
Fines and Forfeitures	80,000	80,000	48,455	(31,545)
Donations	10,000	10,000	7,447	(2,553)
All Other Revenues	20,000	20,000	19,982	(18)
Total Revenues	<u>1,410,000</u>	<u>1,410,000</u>	<u>960,171</u>	<u>(449,829)</u>
Expenditures:				
Capital Outlay:				
Security of Persons and Property	375,000	475,861	0	475,861
Transportation	911,600	911,600	182,764	728,836
General Government	440,400	440,400	408,333	32,067
Total Expenditures	<u>1,727,000</u>	<u>1,827,861</u>	<u>591,097</u>	<u>1,236,764</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(317,000)	(417,861)	369,074	786,935
Other Financing Sources (Uses):				
Transfers Out	(105,000)	(105,000)	(105,000)	0
Total Other Financing Sources (Uses)	<u>(105,000)</u>	<u>(105,000)</u>	<u>(105,000)</u>	<u>0</u>
Net Change In Fund Balance	(422,000)	(522,861)	264,074	786,935
Fund Balance at Beginning of Year	964,715	964,715	964,715	0
Prior Year Encumbrances	100,862	100,862	100,862	0
Fund Balance at End of Year	<u>\$ 643,577</u>	<u>\$ 542,716</u>	<u>\$ 1,329,651</u>	<u>\$ 786,935</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Fund
For the Year Ended December 31, 2008**

	CAPITAL REPLACEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 580,000	\$ 580,000	\$ 429,517	\$ (150,483)
All Other Revenues	10,000	14,000	14,000	0
Total Revenues	<u>590,000</u>	<u>594,000</u>	<u>443,517</u>	<u>(150,483)</u>
Expenditures:				
Capital Outlay	<u>540,000</u>	<u>540,000</u>	<u>491,376</u>	<u>48,624</u>
Total Expenditures	<u>540,000</u>	<u>540,000</u>	<u>491,376</u>	<u>48,624</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	54,000	(47,859)	(101,859)
Other Financing Sources (Uses):				
Sale of Capital Assets	<u>10,000</u>	<u>6,000</u>	<u>5,210</u>	<u>(790)</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>6,000</u>	<u>5,210</u>	<u>(790)</u>
Net Change in Fund Balance	60,000	60,000	(42,649)	(102,649)
Fund Balance at Beginning of Year	<u>790,827</u>	<u>790,827</u>	<u>790,827</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 850,827</u>	<u>\$ 850,827</u>	<u>\$ 748,178</u>	<u>\$ (102,649)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 315,000	\$ 323,000	\$ 314,242	\$ (8,758)
Investment Earnings	15,000	7,000	5,750	(1,250)
Total Revenues	<u>330,000</u>	<u>330,000</u>	<u>319,992</u>	<u>(10,008)</u>
Expenditures:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	189,000	191,000	182,685	8,315
Materials and Supplies	10,000	8,000	7,599	401
Total Street Maintenance and Repair	<u>199,000</u>	<u>199,000</u>	<u>190,284</u>	<u>8,716</u>
Snow and Ice Removal:				
Personal Services	13,000	11,000	10,815	185
Materials and Supplies	46,000	48,800	48,594	206
Contractual Services	12,000	11,200	11,161	39
Total Snow and Ice Removal	<u>71,000</u>	<u>71,000</u>	<u>70,570</u>	<u>430</u>
Traffic Signals and Signs:				
Personal Services	10,000	10,000	8,171	1,829
Materials and Supplies	4,000	4,000	1,474	2,526
Contractual Services	11,000	11,000	6,759	4,241
Total Traffic Signals and Signs	<u>25,000</u>	<u>25,000</u>	<u>16,404</u>	<u>8,596</u>
Road Striping:				
Personal Services	3,000	3,000	1,944	1,056
Materials and Supplies	2,000	2,000	1,940	60
Total Road Striping	<u>5,000</u>	<u>5,000</u>	<u>3,884</u>	<u>1,116</u>
Total Expenditures	<u>300,000</u>	<u>300,000</u>	<u>281,142</u>	<u>18,858</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	30,000	30,000	38,850	8,850
Fund Balance at Beginning of Year	215,562	215,562	215,562	0
Fund Balance at End of Year	<u>\$ 245,562</u>	<u>\$ 245,562</u>	<u>\$ 254,412</u>	<u>\$ 8,850</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 18,000	\$ 18,000	\$ 16,196	\$ (1,804)
Investment Earnings	3,000	3,000	1,150	(1,850)
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>17,346</u>	<u>(3,654)</u>
Expenditures:				
Transportation:				
Contractual Services	<u>20,000</u>	<u>20,000</u>	<u>17,624</u>	<u>2,376</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>17,624</u>	<u>2,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	(278)	(1,278)
Fund Balance at Beginning of Year	<u>8,386</u>	<u>8,386</u>	<u>8,386</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,386</u>	<u>\$ 9,386</u>	<u>\$ 8,108</u>	<u>\$ (1,278)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

STATE HIGHWAY IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 27,000	\$ 27,000	\$ 25,479	\$ (1,521)
Investment Earnings	3,000	3,000	1,150	(1,850)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>26,629</u>	<u>(3,371)</u>
Expenditures:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	11,000	11,000	10,342	658
Snow and Ice Removal:				
Materials and Supplies	17,000	17,000	16,909	91
Traffic Signals and Signs:				
Contractual Services	<u>2,000</u>	<u>2,000</u>	<u>1,553</u>	<u>447</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>28,804</u>	<u>1,196</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(2,175)	(2,175)
Fund Balance at Beginning of Year	<u>27,995</u>	<u>27,995</u>	<u>27,995</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 27,995</u>	<u>\$ 27,995</u>	<u>\$ 25,820</u>	<u>\$ (2,175)</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 24,000	\$ 24,000	\$ 16,657	\$ (7,343)
Investment Earnings	3,000	3,000	1,150	(1,850)
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>17,807</u>	<u>(9,193)</u>
Expenditures:				
Community Environment:				
Personal Services	25,000	25,000	22,744	2,256
Materials and Supplies	1,000	1,000	329	671
Total Expenditures	<u>26,000</u>	<u>26,000</u>	<u>23,073</u>	<u>2,927</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	(5,266)	(6,266)
Fund Balance at Beginning of Year	13,035	13,035	13,035	0
Fund Balance at End of Year	<u>\$ 14,035</u>	<u>\$ 14,035</u>	<u>\$ 7,769</u>	<u>\$ (6,266)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 4,000	\$ 4,000	\$ 883	\$ (3,117)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>883</u>	<u>(3,117)</u>
Expenditures:				
Security of Persons and Property:				
Capital Outlay	<u>3,000</u>	<u>3,000</u>	<u>2,204</u>	<u>796</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,204</u>	<u>796</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	(1,321)	(2,321)
Fund Balance at Beginning of Year	<u>3,944</u>	<u>3,944</u>	<u>3,944</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,944</u>	<u>\$ 4,944</u>	<u>\$ 2,623</u>	<u>\$ (2,321)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL LAW ENFORCEMENT FUND				
Revenues:				
Investment Earnings	\$ 3,000	\$ 3,000	\$ 1,150	\$ (1,850)
Fines and Forfeitures	5,000	5,000	0	(5,000)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>1,150</u>	<u>(6,850)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	1,000	1,000	417	583
Contractual Services	2,000	1,000	0	1,000
Capital Outlay	2,000	3,000	2,171	829
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,588</u>	<u>2,412</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,000	3,000	(1,438)	(4,438)
Fund Balance at Beginning of Year	11,945	11,945	11,945	0
Fund Balance at End of Year	<u>\$ 14,945</u>	<u>\$ 14,945</u>	<u>\$ 10,507</u>	<u>\$ (4,438)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 948	\$ (1,052)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>948</u>	<u>(1,052)</u>
Expenditures:				
General Government:				
Materials and Supplies	<u>5,000</u>	<u>5,000</u>	<u>2,574</u>	<u>2,426</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,574</u>	<u>2,426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	(3,000)	(1,626)	1,374
Fund Balance at Beginning of Year	<u>6,778</u>	<u>6,778</u>	<u>6,778</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,778</u>	<u>\$ 3,778</u>	<u>\$ 5,152</u>	<u>\$ 1,374</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

COMPUTERIZED RESEARCH FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 18,000	\$ 18,000	\$ 13,242	\$ (4,758)
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>13,242</u>	<u>(4,758)</u>
Expenditures:				
General Government:				
Materials and Supplies	0	2,000	1,440	560
Capital Outlay	18,000	16,000	15,563	437
Total Expenditures	<u>18,000</u>	<u>18,000</u>	<u>17,003</u>	<u>997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(3,761)	(3,761)
Fund Balance at Beginning of Year	13,522	13,522	13,522	0
Fund Balance at End of Year	<u>\$ 13,522</u>	<u>\$ 13,522</u>	<u>\$ 9,761</u>	<u>\$ (3,761)</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

	CHIP CDBG FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>102,774</u>	<u>102,774</u>	<u>102,774</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 102,774</u></u>	<u><u>\$ 102,774</u></u>	<u><u>\$ 102,774</u></u>	<u><u>\$ 0</u></u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

	CHIP HOME FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>96,819</u>	<u>96,819</u>	<u>96,819</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 96,819</u></u>	<u><u>\$ 96,819</u></u>	<u><u>\$ 96,819</u></u>	<u><u>\$ 0</u></u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	WATER FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 370,000	\$ 370,000	\$ 294,445	\$ (75,555)
Total Revenues	<u>370,000</u>	<u>370,000</u>	<u>294,445</u>	<u>(75,555)</u>
Expenditures:				
Basic Utility Services:				
Personal Services	36,000	36,000	19,652	16,348
Contractual Services	25,000	25,000	10,649	14,351
Capital Outlay	256,000	256,000	152,396	103,604
Total Expenditures	<u>317,000</u>	<u>317,000</u>	<u>182,697</u>	<u>134,303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,000	53,000	111,748	58,748
Other Financing Sources (Uses):				
Transfers Out	(92,000)	(92,000)	(92,000)	0
Total Other Financing Sources (Uses)	<u>(92,000)</u>	<u>(92,000)</u>	<u>(92,000)</u>	<u>0</u>
Net Change in Fund Balance	(39,000)	(39,000)	19,748	58,748
Fund Balance at Beginning of Year	<u>233,282</u>	<u>233,282</u>	<u>233,282</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 194,282</u></u>	<u><u>\$ 194,282</u></u>	<u><u>\$ 253,030</u></u>	<u><u>\$ 58,748</u></u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 30,000	\$ 30,000	\$ 20,180	\$ (9,820)
Investment Earnings	3,000	3,000	1,150	(1,850)
Total Revenues	<u>33,000</u>	<u>33,000</u>	<u>21,330</u>	<u>(11,670)</u>
Expenditures:				
Basic Utility Services:				
Personal Services	12,000	12,000	3,149	8,851
Materials and Supplies	2,000	2,000	0	2,000
Capital Outlay	15,000	15,000	480	14,520
Total Expenditures	<u>29,000</u>	<u>29,000</u>	<u>3,629</u>	<u>25,371</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,000	4,000	17,701	13,701
Fund Balance at Beginning of Year	299,423	299,423	299,423	0
Fund Balance at End of Year	<u>\$ 303,423</u>	<u>\$ 303,423</u>	<u>\$ 317,124</u>	<u>\$ 13,701</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

KEEP NORTHWOOD BEAUTIFUL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 6,000	\$ 6,000	\$ 5,471	\$ (529)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>5,471</u>	<u>(529)</u>
Expenditures:				
Community Environment:				
Materials and Supplies	4,000	4,000	0	4,000
Capital Outlay	1,000	1,000	0	1,000
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	5,471	4,471
Fund Balance at Beginning of Year	<u>65,353</u>	<u>65,353</u>	<u>65,353</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 66,353</u></u>	<u><u>\$ 66,353</u></u>	<u><u>\$ 70,824</u></u>	<u><u>\$ 4,471</u></u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 25,000	\$ 25,000	\$ 18,450	\$ (6,550)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>18,450</u>	<u>(6,550)</u>
Expenditures:				
Basic Utility Services:				
Personal Services	7,000	7,000	1,248	5,752
Capital Outlay	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>12,000</u>
Total Expenditures	<u>19,000</u>	<u>19,000</u>	<u>1,248</u>	<u>17,752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,000	6,000	17,202	11,202
Fund Balance at Beginning of Year	<u>33,359</u>	<u>33,359</u>	<u>33,359</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 39,359</u>	<u>\$ 39,359</u>	<u>\$ 50,561</u>	<u>\$ 11,202</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECREATION PARKS COMBINED FUND				
Revenues:				
Other Local Taxes	\$ 5,500	\$ 5,500	\$ 500	\$ (5,000)
Intergovernmental Revenues	37,500	37,500	2,500	(35,000)
Total Revenues	<u>43,000</u>	<u>43,000</u>	<u>3,000</u>	<u>(40,000)</u>
Expenditures:				
Capital Outlay	<u>90,000</u>	<u>90,000</u>	<u>0</u>	<u>90,000</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>0</u>	<u>90,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,000)	(47,000)	3,000	50,000
Fund Balance at Beginning of Year	<u>61,106</u>	<u>61,106</u>	<u>61,106</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,106</u>	<u>\$ 14,106</u>	<u>\$ 64,106</u>	<u>\$ 50,000</u>

Fiduciary Fund

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Fund

Mayor's Court Fund

To account for the collection and distribution of court fines and forfeitures.

CITY OF NORTHWOOD, OHIO

***Statement Of Changes In Assets And Liabilities
Agency Fund
For the Year Ended December 31, 2008***

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
<u>Mayor's Court Fund</u>				
Cash and Cash Equivalents	\$623	\$174,351	(\$173,424)	\$1,550
Total Assets	<u>\$623</u>	<u>\$174,351</u>	<u>(\$173,424)</u>	<u>\$1,550</u>
Liabilities:				
Due to Others	\$623	\$174,351	(\$173,424)	\$1,550
Total Liabilities	<u>\$623</u>	<u>\$174,351</u>	<u>(\$173,424)</u>	<u>\$1,550</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2008***

<u>Capital Assets:</u>	
Land	\$407,945
Land Improvements	33,100
Buildings and Improvements	3,752,549
Machinery, Equipment, Furniture and Fixtures	812,887
Vehicles	1,896,863
Infrastructure	<u>3,866,423</u>
Total Capital Assets	<u><u>\$10,769,767</u></u>
 <u>Investment in Capital Assets from:</u>	
General Fund	\$94,914
Special Revenue Funds	1,531,956
Capital Projects Funds	<u>9,142,897</u>
Total Capital Assets	<u><u>\$10,769,767</u></u>

CITY OF NORTHWOOD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2008***

<u>Function and Activity</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Machinery, Equipment, Furniture and Fixtures</u>
<u>General Government:</u>				
Finance	\$0	\$0	\$0	\$16,814
Administration	0	0	0	0
Public Land and Buildings	407,945	33,100	3,752,549	77,580
Total	407,945	33,100	3,752,549	94,394
<u>Security of Persons and Property:</u>				
Police	0	0	0	162,803
Fire	0	0	0	246,337
Total	0	0	0	409,140
<u>Transportation:</u>				
Street	0	0	0	202,474
<u>Basic Utility Services:</u>				
Storms, Sewers and Drains	0	0	0	0
<u>Leisure Time Activities:</u>				
Parks	0	0	0	59,149
<u>Community Environment:</u>				
Brush Pickup	0	0	0	47,730
Total Capital Assets	<u>\$407,945</u>	<u>\$33,100</u>	<u>\$3,752,549</u>	<u>\$812,887</u>

CITY OF NORTHWOOD, OHIO

<u>Vehicles</u>	<u>Infrastructure</u>	<u>Total</u>
\$0	\$0	\$16,814
18,724	0	18,724
<u>80,047</u>	<u>24,500</u>	<u>4,375,721</u>
<u>98,771</u>	<u>24,500</u>	<u>4,411,259</u>
285,705	0	448,508
<u>828,838</u>	<u>0</u>	<u>1,075,175</u>
<u>1,114,543</u>	<u>0</u>	<u>1,523,683</u>
683,549	2,790,856	3,676,879
0	925,330	925,330
0	125,737	184,886
<u>0</u>	<u>0</u>	<u>47,730</u>
<u>\$1,896,863</u>	<u>\$3,866,423</u>	<u>\$10,769,767</u>

CITY OF NORTHWOOD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For Year Ended December 31, 2008***

<u>Function and Activity</u>	<u>December 31, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2008</u>
<u>General Government:</u>				
Finance	\$16,814	\$0	\$0	\$16,814
Administration	18,724	0	0	18,724
Public Land and Buildings	4,319,769	78,555	(22,603)	4,375,721
Total	4,355,307	78,555	(22,603)	4,411,259
<u>Security of Persons and Property:</u>				
Police	406,899	61,800	(20,191)	448,508
Fire	1,208,604	0	(133,429)	1,075,175
Total	1,615,503	61,800	(153,620)	1,523,683
<u>Transportation:</u>				
Street	3,232,721	487,238	(43,080)	3,676,879
<u>Basic Utility Services:</u>				
Storms, Sewers and Drains	754,239	171,091	0	925,330
<u>Leisure Time Activities:</u>				
Parks	184,886	0	0	184,886
<u>Community Environment:</u>				
Brush Pickup	47,730	0	0	47,730
Total Capital Assets	\$10,190,386	\$798,684	(\$219,303)	\$10,769,767

STATISTICAL SECTION





Unity thru Diversification

STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 9
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 10 – S 13
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
Debt Capacity	S 14 – S 21
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 22 – S 25
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 26 – S 31
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.	

City of Northwood

*Net Assets by Component
Last Five Years
(accrual basis of accounting)*

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$2,709,009	\$3,280,125	\$4,761,018	\$5,587,177
Restricted	2,561,935	3,530,758	3,558,021	3,867,539
Unrestricted	1,091,942	1,513,704	1,504,770	(294,696)
Total Governmental Activities Net Assets	<u>\$6,362,886</u>	<u>\$8,324,587</u>	<u>\$9,823,809</u>	<u>\$9,160,020</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$2,709,009	\$3,280,125	\$4,761,018	\$5,587,177
Restricted	2,561,935	3,530,758	3,558,021	3,867,539
Unrestricted	1,091,942	1,513,704	1,504,770	(294,696)
Total Primary Government Net Assets	<u>\$6,362,886</u>	<u>\$8,324,587</u>	<u>\$9,823,809</u>	<u>\$9,160,020</u>

Source: Finance Director's Office

City of Northwood

2008

\$6,116,752

4,308,532

(988,847)

\$9,436,437

\$6,116,752

4,308,532

(988,847)

\$9,436,437

City of Northwood

Changes in Net Assets Last Five Years (accrual basis of accounting)

	2004	2005	2006	2007
Expenses				
Governmental Activities:				
Security of Persons and Property	\$2,687,303	\$2,945,787	\$2,774,120	\$2,891,340
Public Health and Welfare Services	7,919	6,976	7,256	7,869
Leisure Time Activities	83,270	88,266	81,343	98,108
Community Environment	454,832	335,915	271,984	582,567
Basic Utility Services	628,619	60,161	344,234	416,410
Transportation	481,056	678,071	559,877	3,152,393
General Government	1,456,201	1,448,482	1,526,552	1,765,444
Interest and Fiscal Charges	71,983	161,557	43,463	73,790
<i>Total Primary Government Expenses</i>	<u>\$5,871,183</u>	<u>\$5,725,215</u>	<u>\$5,608,829</u>	<u>\$8,987,921</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$254,143	\$172,994	\$102,273	\$312,025
Leisure Time Activities	8,622	14,705	9,290	7,980
Community Environment	24,189	31,198	21,355	91,830
Basic Utility Services	378,804	467,475	423,974	359,903
Transportation	43,905	0	13,628	32,915
General Government	507,680	635,778	477,342	382,156
Operating Grants and Contributions	564,483	438,046	483,324	810,546
Capital Grants and Contributions	215,488	117,445	263,996	96,445
<i>Total Governmental Activities Program Revenues</i>	<u>1,997,314</u>	<u>1,877,641</u>	<u>1,795,182</u>	<u>2,093,800</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes	313,017	322,209	289,354	349,006
Municipal Income Taxes	4,062,903	4,062,435	4,222,764	4,378,660
Other Local Taxes	76,183	76,855	73,800	61,285
Grants and Entitlements not				
Restricted to Specific Programs	349,931	1,132,148	471,649	1,156,122
Investment Earnings	33,322	131,126	180,924	217,168
Miscellaneous	163,296	84,502	74,378	68,091
<i>Total Primary Government</i>	<u>\$4,998,652</u>	<u>\$5,809,275</u>	<u>\$5,312,869</u>	<u>\$6,230,332</u>
Change in Net Assets	<u>\$1,124,783</u>	<u>\$1,961,701</u>	<u>\$1,499,222</u>	<u>(\$663,789)</u>

Source: Finance Director's Office

City of Northwood

2008

\$2,926,916

8,164

82,278

201,995

200,738

873,865

2,250,336

77,672

\$6,621,964

\$189,662

2,995

17,262

295,004

24,103

330,888

380,473

34,912

1,275,299

360,753

4,195,332

48,851

785,185

138,404

94,557

\$5,623,082

\$276,417

City of Northwood

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1999	2000	2001	2002
General Fund				
Reserved	\$113,657	\$45,985	\$44,759	\$78,250
Unreserved	459,760	491,096	616,503	464,882
<i>Total General Fund</i>	<u>573,417</u>	<u>537,081</u>	<u>661,262</u>	<u>543,132</u>
All Other Governmental Funds				
Reserved	257,908	106,800	209,498	74,116
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	364,109	530,518	546,349	669,820
Debt Service Funds	0	0	0	0
Capital Projects Funds	(139,210)	(387,004)	(109,427)	292,325
Total All Other Governmental Funds	<u>482,807</u>	<u>250,314</u>	<u>646,420</u>	<u>1,036,261</u>
<i>Total Governmental Funds</i>	<u><u>\$1,056,224</u></u>	<u><u>\$787,395</u></u>	<u><u>\$1,307,682</u></u>	<u><u>\$1,579,393</u></u>

Source: Finance Director's Office

City of Northwood

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$72,369	\$67,303	\$79,110	\$79,646	\$71,392	\$71,728
<u>466,752</u>	<u>590,583</u>	<u>989,091</u>	<u>1,238,679</u>	<u>1,659,957</u>	<u>915,010</u>
<u>539,121</u>	<u>657,886</u>	<u>1,068,201</u>	<u>1,318,325</u>	<u>1,731,349</u>	<u>986,738</u>
64,771	137,056	397,302	266,399	215,849	217,603
883,911	461,813	944,798	1,070,624	1,112,965	1,162,943
0	0	0	26,487	125,182	211,210
<u>990,530</u>	<u>1,339,196</u>	<u>1,638,569</u>	<u>1,810,665</u>	<u>2,043,330</u>	<u>2,369,245</u>
<u>1,939,212</u>	<u>1,938,065</u>	<u>2,980,669</u>	<u>3,174,175</u>	<u>3,497,326</u>	<u>3,961,001</u>
<u>\$2,478,333</u>	<u>\$2,595,951</u>	<u>\$4,048,870</u>	<u>\$4,492,500</u>	<u>\$5,228,675</u>	<u>\$4,947,739</u>

City of Northwood

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1999	2000	2001	2002
Revenues:				
Taxes	\$3,260,962	\$3,395,940	\$3,428,408	\$3,760,756
Intergovernmental Revenues	1,284,364	1,566,188	1,210,778	1,050,188
Charges for Services	46,147	205,864	103,350	143,954
Licenses, Permits and Fees	257,746	231,595	357,962	426,867
Investment Earnings	67,598	119,399	79,602	51,373
Special Assessments	84,055	81,469	80,034	83,753
Fines and Forfeitures	281,115	208,583	193,317	202,845
Donations	639	426,236	5,312	4,644
All Other Revenue	58,270	51,061	75,444	95,870
Total Revenue	<u>5,340,896</u>	<u>6,286,335</u>	<u>5,534,207</u>	<u>5,820,250</u>
Expenditures:				
Current:				
Security of Persons and Property	1,976,336	2,120,072	2,149,659	2,217,835
Public Health and Welfare Services	6,200	6,002	6,325	7,937
Leisure Time Activities	93,451	95,045	75,303	79,701
Community Environment	149,643	119,711	146,698	162,908
Basic Utility Services	42,194	61,485	48,769	48,460
Transportation	387,917	407,742	406,330	429,463
General Government	1,158,867	1,139,537	1,233,798	1,257,868
Capital Outlay	1,575,790	2,308,269	1,036,862	1,045,270
Debt Service:				
Principal Retirement	118,428	134,236	180,306	198,747
Interest and Fiscal Charges	139,667	130,695	125,222	100,787
Total Expenditures	<u>5,648,493</u>	<u>6,522,794</u>	<u>5,409,272</u>	<u>5,548,976</u>
Excess (Deficiency) of Revenues Over Expenditures	(307,597)	(236,459)	124,935	271,274

City of Northwood

2003	2004	2005	2006	2007	2008
\$4,358,846	\$4,314,284	\$4,470,044	\$4,752,120	\$4,760,809	\$4,584,503
1,069,965	1,257,237	1,609,116	1,435,315	2,115,238	1,279,354
315,978	356,852	389,794	425,805	467,096	366,060
320,173	442,158	350,593	206,052	213,636	159,152
29,889	36,055	109,416	213,501	217,168	114,996
78,894	100,731	116,337	113,540	112,938	78,805
160,275	183,732	480,941	347,983	215,554	184,004
2,550	12,260	16,287	2,925	142,250	9,329
54,185	125,768	84,135	72,294	89,977	75,859
<u>6,390,755</u>	<u>6,829,077</u>	<u>7,626,663</u>	<u>7,569,535</u>	<u>8,334,666</u>	<u>6,852,062</u>
2,387,311	2,471,232	2,680,788	2,669,816	2,754,757	2,799,260
7,923	7,919	6,976	7,256	7,869	8,164
77,602	76,855	75,929	72,183	87,164	71,334
163,911	446,489	325,469	264,879	574,272	198,281
81,488	628,619	51,834	338,972	405,668	188,488
487,007	454,210	511,382	466,844	519,115	530,824
1,281,256	1,368,328	1,333,162	1,463,430	1,679,704	2,144,392
847,258	1,102,567	1,777,387	1,633,065	3,568,027	998,686
82,866	86,888	111,556	108,426	120,405	122,498
80,752	71,983	100,724	92,658	83,363	77,934
<u>5,497,374</u>	<u>6,715,090</u>	<u>6,975,207</u>	<u>7,117,529</u>	<u>9,800,344</u>	<u>7,139,861</u>
893,381	113,987	651,456	452,006	(1,465,678)	(287,799)

(Continued)

City of Northwood

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1999	2000	2001	2002
Other Financing Sources (Uses):				
Sale of Capital Assets	2,802	12,876	3,232	5,185
Proceeds from Capital Leases	213,114	0	0	0
Ohio Public Works Commission Loan	187,790	0	0	0
Ohio Water Development Authority Loans	59,728	0	0	0
General Obligation Bonds Issued	0	0	0	0
Transfers In	345,313	1,020,384	627,681	411,410
Transfers Out	(345,313)	(1,020,384)	(627,681)	(411,410)
Total Other Financing Sources (Uses)	<u>463,434</u>	<u>12,876</u>	<u>3,232</u>	<u>5,185</u>
Net Change in Fund Balance	<u>\$155,837</u>	<u>(\$223,583)</u>	<u>\$128,167</u>	<u>\$276,459</u>
Debt Service as a Percentage of Noncapital Expenditures	4.99%	4.32%	6.66%	5.66%

Source: Finance Director's Office

City of Northwood

2003	2004	2005	2006	2007	2008
8,000	9,100	0	0	500	5,210
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	800,000	0	2,200,000	0
324,000	229,000	289,000	364,000	294,000	197,000
(324,000)	(229,000)	(289,000)	(364,000)	(294,000)	(197,000)
<u>8,000</u>	<u>9,100</u>	<u>800,000</u>	<u>0</u>	<u>2,200,500</u>	<u>5,210</u>
<u>\$901,381</u>	<u>\$123,087</u>	<u>\$1,451,456</u>	<u>\$452,006</u>	<u>\$734,822</u>	<u>(\$282,589)</u>
3.16%	2.83%	4.14%	3.71%	2.34%	2.81%

City of Northwood

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	1999	2000	2001	2002	2003
Income Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%
Total Tax Collected	\$3,040,364	\$3,243,746	\$3,345,682	\$3,571,190	\$4,046,253
Income Tax Receipts					
Withholding Accounts	2,379,530	2,619,656	2,768,936	2,941,091	3,169,189
Percentage	78.3%	80.7%	82.8%	82.4%	78.3%
Business Accounts	404,758	371,890	305,272	358,442	602,134
Percentage	13.3%	11.5%	9.1%	10.0%	14.9%
Residential Accounts	256,076	252,199	271,474	271,658	274,931
Percentage	8.4%	7.8%	8.1%	7.6%	6.8%

Source: City Income Tax Department

City of Northwood

2004	2005	2006	2007	2008
1.50%	1.50%	1.50%	1.50%	1.50%
\$4,127,618	\$4,304,522	\$4,478,459	\$4,433,918	\$4,292,624
3,148,326	3,271,490	3,398,217	3,540,483	3,480,120
76.3%	76.0%	75.9%	79.9%	81.1%
694,875	764,568	808,377	626,095	423,309
16.8%	17.8%	18.1%	14.1%	9.9%
284,416	268,463	271,865	267,340	389,195
6.9%	6.2%	6.0%	5.9%	9.0%



City of Northwood

Income Tax Collections Current Year and Two Years Ago

Calendar Year 2008				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
Top Ten	10	0.50%	\$13,348,632	12.99%
All Others	1,995	99.50%	89,397,284	87.01%
Total	2,005	100.00%	\$102,745,916	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Northwood	\$700,272
Taxes Credited to Other Municipalities	840,917
	\$1,541,189

Calendar Year 2006				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
Top Ten	10	0.62%	\$3,251,434	4.46%
All Others	1,601	99.38%	69,664,510	95.54%
Total	1,611	100.00%	\$72,915,943	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Northwood	\$444,075
Taxes Credited to Other Municipalities	649,664
	\$1,093,739

Source: City Income Tax Department

Information is not available in this format prior to 2006.

City of Northwood

Ratio of Outstanding Debt By Type Last Ten Years

	1999	2000	2001	2002
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$325,000	\$225,000	\$115,000	\$0
General Obligation Bonds Payable (TIF Supported)	0	0	0	0
OPWC Loan Payable	187,790	178,400	169,010	154,925
OWDA Loans Payable	783,894	1,126,741	1,106,213	1,079,062
Capital Leases	213,114	174,743	134,355	91,844
Total Primary Government	<u>\$1,509,798</u>	<u>\$1,704,884</u>	<u>\$1,524,578</u>	<u>\$1,325,831</u>
Population ⁽²⁾				
City of Northwood	6,124	5,471	5,484	5,484
Outstanding Debt Per Capita	\$247	\$312	\$278	\$242
Income ⁽³⁾				
Personal (in thousands)	162,078	149,610	149,061	151,836
Percentage of Personal Income	0.93%	1.14%	1.02%	0.87%

Sources:

- (1) Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Northwood

2003	2004	2005	2006	2007	2008
\$0	\$0	\$730,000	\$665,000	\$590,000	\$515,000
0	0	0	0	2,200,000	2,200,000
145,535	136,145	126,755	117,365	107,975	98,585
1,050,332	1,019,932	987,766	953,730	917,715	879,607
47,098	0	0	0	0	0
<u>\$1,242,965</u>	<u>\$1,156,077</u>	<u>\$1,844,521</u>	<u>\$1,736,095</u>	<u>\$3,815,690</u>	<u>\$3,693,192</u>
5,484	5,484	5,493	5,493	5,493	5,493
\$227	\$211	\$336	\$316	\$695	\$672
159,031	161,635	166,811	175,655	184,169	184,169
0.78%	0.72%	1.11%	0.99%	2.07%	2.01%

City of Northwood

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1999	2000	2001	2002
Population ⁽¹⁾	6,124	5,471	5,484	5,484
Assessed Value ⁽²⁾	\$125,343,232	\$130,617,313	\$130,325,470	\$139,227,495
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$325,000	\$225,000	\$115,000	\$0
Resources Available to Pay Principal ⁽⁴⁾	\$6,447	\$31,023	\$59,646	\$48,818
Net General Bonded Debt	\$318,553	\$193,977	\$55,354	\$0
Ratio of Net Bonded Debt to Assessed Value	0.25%	0.15%	0.04%	0.00%
Net Bonded Debt per Capita	\$52.02	\$35.46	\$10.09	\$0.00

Source:

(1) U.S. Bureau of Census of Population

(2) Wood County Auditor

(3) Includes all general obligation bonded debt supported by property taxes.

(4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Northwood

2003	2004	2005	2006	2007	2008
5,484	5,484	5,493	5,493	5,493	5,493
\$138,941,800	\$141,109,588	\$153,781,028	\$149,509,617	\$139,923,694	\$143,367,100
\$0	\$0	\$730,000	\$665,000	\$2,790,000	\$2,715,000
\$43,481	\$71,677	\$56,239	\$26,487	\$125,182	\$211,210
\$0	\$0	\$673,761	\$638,513	\$2,664,818	\$2,503,790
0.00%	0.00%	0.44%	0.43%	1.90%	1.75%
\$0.00	\$0.00	\$122.66	\$116.24	\$485.13	\$455.81



City of Northwood

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2008*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Northwood</u>	<u>Amount Applicable to the City of Northwood</u>
Direct:			
City of Northwood	\$2,715,000	100.00%	\$2,715,000
Overlapping:			
Northwood School District	1,300,480	100.00%	1,300,480
Wood County	4,640,045	5.00%	232,002
		Subtotal	<u>1,532,482</u>
		Total	<u><u>\$4,247,482</u></u>

Source: Wood County

City of Northwood

Debt Limitations Last Ten Years

Collection Year	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total Debt				
Net Assessed Valuation	\$125,343,232	\$130,617,313	\$130,325,470	\$139,227,495
Legal Debt Limitation (%) ⁽¹⁾	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) ⁽¹⁾	13,161,039	13,714,818	13,684,174	14,618,887
City Debt Outstanding	1,225,000	1,025,000	815,000	600,000
Less: Applicable Debt Service Fund Amounts ⁽²⁾	<u>(6,447)</u>	<u>(31,023)</u>	<u>(59,646)</u>	<u>(48,818)</u>
Net Indebtedness Subject to Limitation	<u>1,218,553</u>	<u>993,977</u>	<u>755,354</u>	<u>551,182</u>
Overall Legal Debt Margin	<u>\$11,942,486</u>	<u>\$12,720,841</u>	<u>\$12,928,820</u>	<u>\$14,067,705</u>
Unvoted Debt				
Net Assessed Valuation	\$125,343,232	\$130,617,313	\$130,325,470	\$139,227,495
Legal Debt Limitation (%) ⁽¹⁾	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) ⁽¹⁾	6,893,878	7,183,952	7,167,901	7,657,512
City Debt Outstanding	1,225,000	1,025,000	815,000	600,000
Less: Applicable Debt Service Fund Amounts ⁽²⁾	<u>(6,447)</u>	<u>(31,023)</u>	<u>(59,646)</u>	<u>(48,818)</u>
Net Indebtedness Subject to Limitation	<u>1,218,553</u>	<u>993,977</u>	<u>755,354</u>	<u>551,182</u>
Overall Legal Debt Margin	<u>\$5,675,325</u>	<u>\$6,189,975</u>	<u>\$6,412,547</u>	<u>\$7,106,330</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: Finance Director's Office

City of Northwood

2003	2004	2005	2006	2007	2008
\$138,941,800	\$141,109,588	\$153,781,028	\$149,509,617	\$139,923,694	\$143,367,100
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
14,588,889	14,816,507	16,147,008	15,698,510	14,691,988	15,053,546
400,000	300,000	930,000	665,000	2,790,000	2,715,000
(43,481)	(71,677)	(56,239)	(26,487)	(125,182)	(211,210)
356,519	228,323	873,761	638,513	2,664,818	2,503,790
<u>\$14,232,370</u>	<u>\$14,588,184</u>	<u>\$15,273,247</u>	<u>\$15,059,997</u>	<u>\$12,027,170</u>	<u>\$12,549,756</u>

\$138,941,800	\$141,109,588	\$153,781,028	\$149,509,617	\$139,923,694	\$143,367,100
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
7,641,799	7,761,027	8,457,957	8,223,029	7,695,803	7,885,191
400,000	300,000	930,000	665,000	2,790,000	2,715,000
(43,481)	(71,677)	(56,239)	(26,487)	(125,182)	(211,210)
356,519	228,323	873,761	638,513	2,664,818	2,503,790
<u>\$7,285,280</u>	<u>\$7,532,704</u>	<u>\$7,584,196</u>	<u>\$7,584,516</u>	<u>\$5,030,985</u>	<u>\$5,381,401</u>

City of Northwood

Demographic and Economic Statistics Last Ten Years

Calendar Year	1999	2000	2001	2002	2003
Population (1)					
City of Northwood	6,124	5,471	5,484	5,484	5,484
Wood County	113,269	121,065	121,065	121,065	121,065
Income (2) (a)					
Total Personal (in thousands)	162,078	149,610	149,061	151,836	159,031
Per Capita	26,466	27,346	27,181	27,687	28,999
Unemployment Rate (3)					
Federal	4.5%	4.2%	3.8%	4.8%	5.8%
State	4.3%	4.3%	3.7%	4.3%	5.7%
Wood County	3.5%	3.2%	3.5%	4.8%	5.4%
Civilian Work Force Estimates (3)					
State	5,749,000	5,900,400	5,857,000	5,828,000	5,915,000
Wood County	67,100	67,700	68,400	67,600	68,000

Sources:

(1) Ohio Department of Job and Family Services - Estimate

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2007 for the presentation of 2008 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Northwood

2004	2005	2006	2007	2008
5,484	5,493	5,493	5,493	5,493
121,065	123,929	123,929	123,929	123,929
161,635	166,811	175,655	184,169	184,169
29,474	30,368	31,978	33,528	33,528
6.0%	5.5%	5.0%	4.6%	5.8%
6.1%	6.0%	5.9%	5.6%	6.5%
5.6%	5.6%	5.2%	5.4%	6.9%
5,875,300	5,900,400	5,971,500	5,976,500	5,986,400
66,800	67,000	68,400	68,600	68,600



City of Northwood

Principal Employers Current Year and Nine Years Ago

		2008	
Employer	Nature of Business	Number of Employees	Rank
Norplas Industries	Automotive Parts	616	1
TNS Inc.	Research	500	2
North American Science	Medical Equipment Testing	233	3
Interstate Brands	Bakery Distribution Center	217	4
Andersons	Retail	175	5
Hoover Universal	Automotive Parts	169	6
Malcolm Meats	Meat Processing	127	7
Northwood Board of Education	Education	127	8
Federal Express	Package Delivery	115	9
Pilkington	Glass Manufacturing	110	10
Total		2,389	

		1999	
Employer	Nature of Business	Number of Employees	Rank
National Family Opinion	Research	1,037	1
Norplas Industries	Automotive Parts	404	2
Progressive Industries	Automotive Parts	223	3
Interstate Brands	Bakery Distribution Center	162	4
Alcoa Plant	Automotive Parts	143	5
North American Science	Medical Equipment Testing	140	6
Federal Express	Package Delivery	137	7
Northwood Board of Education	Education	120	8
Libbey Owens Ford Co.	Float Glass Manufacturer	102	9
Treu House of Munch	Beverage Distributor	80	10
Total		2,548	

Source: City Income Tax Department

City of Northwood

Full Time Equivalent Employees by Function Last Ten Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities						
General Government						
Finance	5.00	5.00	5.00	5.00	5.00	5.00
Legal/Court	2.00	2.00	3.00	3.00	3.50	3.50
Administration	2.00	2.00	2.00	2.00	2.00	2.00
Maintenance	2.50	2.50	2.50	2.50	2.50	2.50
Security of Persons and Property						
Police	24.25	23.25	23.00	23.00	23.00	24.00
Dispatch	6.00	6.00	6.00	6.00	6.00	6.00
Fire	2.00	2.00	2.00	2.00	2.00	2.00
Fire - Volunteers	48.00	41.00	41.00	45.00	50.00	53.00
Transportation						
Street	8.00	8.00	8.00	8.00	8.00	8.00
Leisure Time Activities						
Recreation/Seniors	0.50	0.50	0.50	0.50	0.50	0.50
Community Environment						
Service	1.00	1.00	1.50	1.50	1.50	1.50
<i>Total Employees</i>	<u>101.25</u>	<u>93.25</u>	<u>94.50</u>	<u>98.50</u>	<u>104.00</u>	<u>108.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: Finance Director's Office

City of Northwood

<u>2006</u>	<u>2007</u>	<u>2008</u>
5.00	5.00	5.00
3.50	3.50	3.50
2.00	2.00	2.00
2.50	2.50	2.50
24.00	24.00	24.00
6.00	6.00	6.00
2.00	2.00	2.00
45.00	46.00	46.00
8.00	7.00	7.00
0.50	0.50	0.50
1.50	1.50	1.50
<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

City of Northwood

Operating Indicators by Function Last Ten Years

	1999	2000	2001	2002	2003	2004
Governmental Activities						
General Government						
Court						
Number of Criminal Cases	233	247	313	375	375	359
Number of Traffic Cases	1,766	2,410	2,405	2,501	1,969	1,932
Number of Open Cases	n/a	n/a	n/a	n/a	n/a	166
Permits						
Residential Zoning Permits	234	279	390	363	242	265
Commercial Zoning Permits	56	83	68	92	63	73
Industrial Zoning Permits	13	15	15	22	10	32
Security of Persons and Property						
Police						
Criminal/Juvenile Arrests	737	676	676	816	728	642
Traffic Citations Issued	1,300	1,983	2,428	2,562	1,907	1,672
Parking Tickets Written	58	62	62	194	265	286
Number of Calls Answered	5,223	5,109	7,404	10,440	10,172	10,633
Fire						
Number of Calls Answered	811	862	761	911	922	849
Number of Inspections	424	215	475	260	266	200

Source: Finance Director's Office

n/a = not available

City of Northwood

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
286	379	310	296
1,832	1,853	1,559	1,457
221	302	133	162
289	270	275	253
92	57	123	93
20	31	17	17
519	571	444	454
1,527	1,728	1,530	1,398
229	122	103	158
10,601	10,094	8,925	8,938
804	751	834	822
122	111	166	262

City of Northwood

Capital Asset Statistics by Function Last Ten Years

	1999	2000	2001	2002	2003
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	118	118	118	118	118
Buildings	5	5	5	5	5
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	12	12	12	12	12
Fire					
Stations	1	1	1	1	1
Vehicles	12	12	12	12	12
Transportation					
Streets					
Streets (lane miles)	41	41	41	41	41
Intersections with Traffic Signals	16	16	16	16	16
Vehicles	9	9	9	9	9
Leisure Time Activities					
Recreation					
Park Areas (acres)	78	78	78	78	78
Shelter Houses	2	2	2	2	2
Parks	3	3	3	3	3
Playgrounds	2	2	2	2	2
Tennis Courts	4	4	4	4	4
Baseball/Softball Diamonds	2	2	2	2	2
Soccer Fields	0	0	0	0	0

Source: Finance Director's Office

City of Northwood

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
118	118	118	118	118
5	6	6	6	6
1	1	1	1	1
12	12	12	16	16
1	1	1	2	2
12	12	12	14	13
41	41	41	41	41
16	16	16	16	16
9	9	9	10	10
78	78	78	83	83
2	2	2	2	2
3	3	3	4	4
2	2	2	2	2
4	4	4	4	4
2	2	2	2	2
0	2	2	2	2





Mary Taylor, CPA
Auditor of State

CITY OF NORTHWOOD

WOOD 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 28, 2009**