



Mary Taylor, CPA
Auditor of State

CITY OF NORWOOD
HAMILTON COUNTY

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Mary Taylor, CPA

Auditor of State

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

City of Norwood
Hamilton County
4645 Montgomery Road
Norwood, Ohio 45212

To City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwood, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 18, 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Government's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider findings 2008-001, 2008-002, and 2008-004 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe findings number 2008-001, 2008-002, and 2008-004 are also material weaknesses.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated December 18, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2008-001 through 2008-005.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated December 18, 2009.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management and City Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 18, 2009

**CITY OF NORWOOD
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Noncompliance/Material Weakness

Ohio Rev. Code, Section 733.43, states that the treasurer of a municipal corporation shall keep an accurate account of:

(A) All moneys received by him, showing the amount thereof, the time received, from whom, and on what account received;

(B) All disbursements made by him, showing the amount thereof, the time made, to whom, and on what account paid.

The City Treasurer did not prepare accurate cash reconciliations during 2008. The following issues were noted from review of the City's financial records and bank statements:

- At December 31, 2008 a \$263,588 reconciling item was used on the Treasurer's reconciliation to balance the book to the bank that had no supporting documentation and the City could provide no explanation. The Auditor of State audited year-end reconciliations for 2008 determined that the City's bank balance is greater than the book balance by \$90,781 including the positive payroll variance.
- At December 31, 2008 the City's reconciled payroll account had unidentified bank balances of \$161,361.
- At December 31, 2008 the City reported \$18,923 in returned checks dating from January 2007 through December 2008 that had been recorded as revenue on the City's financial records. This amount was needed to reduce the book amount in reconciling with the bank. These amounts represent revenue on the statements that needs to be voided due to the returned checks.
- The City had five accounts in 2008, the Rockwood Exchange account (Balance at December 31, 2008 - \$40,574), the Retiree's Health Care account (Balance at December 31, 2008 - \$17,541), the Cornerstone Escrow account (Balance at December 31, 2008 - \$18,023), the Cornerstone TIF Reserve account (Balance at December 31, 2008 - \$1,195,572), and the Linden Pointe Project account (Balance at December 31, 2008 - \$1,174,387) that are not included in the City's books, or the monthly reconciliations. The City added balances and financial activity related to these accounts to the Financial Statements.

Reconciliations are an effective tool to help management determine the completeness of recorded transactions and verify that all recorded transactions have been deposited with the financial institution. We recommend that the Treasurer properly reconcile their accounts on a monthly basis and provide the City Auditor with information related to any bank fees, interest revenue and expenses, or other items that did not originate in the daily receipt and disbursements activity of the City that is recorded by the City Auditor. Any variances should be immediately investigated and justified. We also recommend that Council or an appointee of Council, review and sign off on the reconciliation thereby indicating approval and promoting timeliness of reconciliations. The condition of the Treasurer's cash reconciliation allowed posting errors noted in Finding 2008-002 to go undetected by the City. Failure to accurately prepare and reconcile the accounting records reduces the accountability over City funds and reduces Council's ability to monitor financial activity, increases the risk that errors, theft, or fraud could occur and not be detected in a timely manner.

**FINDING NUMBER 2008-001
(Continued)**

Officials' Response:

We did not receive a response from officials to the finding.

FINDING NUMBER 2008-002

Noncompliance/Material Weakness

Ohio Rev. Code, Section 733.11, states, in part, that the City Auditor shall keep the financial records of the city and exhibit accurate statements of all moneys received and expended.

Also, when designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The City lacks management oversight in the posting of financial activity. There were several instances where activities were not properly classified:

- In the 2008 financial statements presented for audit, the City incorrectly overstated Income Tax Receivable to the General Fund by \$784,255.
- In the 2008 financial statements, the City incorrectly posted receipts of \$30,125 and \$2,855 for Personal Property Taxes to the Debt Service Fund instead of the General Fund on the financial records.
- In 2008, the City failed to record the expense deductions from the August tax settlement totaling \$416,835; \$10,384; \$5,844; \$88; \$59; and \$121 on the financial records.

As a result of these errors, financial activities for certain line items and funds were incorrectly reported on the City's financial statements. Adjustments were posted to the financial statements and, where applicable, to the City's financial records to correct the above errors. We recommend due care be exercised when posting entries to the financial records and financial statement preparation to prevent errors and assist in properly reflecting the City's financial activity in the financial statements. Failure to accurately post financial activity can lead to material misstatements in financial reporting.

Officials' Response:

The Auditor's office has increased oversight of the posting of financial activities to decrease the potential for posting errors.

FINDING NUMBER 2008-003

Noncompliance

Ohio Rev. Code, Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

**FINDING NUMBER 2008-003
(Continued)**

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority 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 that 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 than \$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 expenditures 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 authority 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 predictable 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.

During 2008, 32% of the transactions tested did not have certification prior to the obligation date and none of the three exceptions provided above were utilized.

Failure to certify the availability of funds and encumber appropriations can result in overspending funds and negative cash balances.

Unless the City uses the exceptions noted above, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the City's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that funds are or will be available prior to obligation by the City. When prior certification is not possible, "then and now" certification should be used.

We recommend the City officials and employees obtain the Fiscal Officer's certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the City incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation.

**FINDING NUMBER 2008-003
 (Continued)**

Officials' Response:

The City has increased its use of Blanket Certificates and is enforcing the practice of issuing certification prior to obligations being made. Department heads are being held accountable for any obligation made prior to certification.

FINDING NUMBER 2008-004

Noncompliance/Material Weakness

Ohio Rev. Code Section 5705.09(F) requires the City to establish a special fund for each class of revenues derived from a source other than a general property tax, which the law requires to be used for a particular purpose. Upon establishing a fund, estimated receipts should be certified to the County Auditor as available for expenditure, and anticipated expenditures should be included in the City's appropriations.

During 2006, the City retired the 2005 Cornerstone Tax Increment Revenue Anticipation Notes of \$10,335,000 and re-issued \$12,500,000 in Cornerstone Tax Increment Revenue Bonds. The 2006 debt proceeds created a \$1,195,470 Cornerstone Tax Increment Debt Reserve Account. During 2007, the City issued \$3,550,000 in Linden Pointe Tax Increment Revenue Anticipation Notes. The City did not establish a separate fund for the Linden Pointe Tax Increment Revenue Anticipation Notes and the Cornerstone Tax Increment Debt Reserve Account. However, the Cornerstone Tax Increment Equivalent fund was established by the City pursuant to 5709.43 of the Ohio Revised Code in accordance with their Tax Incentive Agreement made and entered into with Norwood City School District. The City did not reflect the Cornerstone Debt Reserve Account or 2007 Linden Pointe debt proceeds on the records of the City, the budget, or the draft statements. The City should familiarize themselves and comply with the applicable Ohio Revised Code Sections related to their Tax Increment agreements, and budget and record all related activity appropriately. These accounts and the related 2008 activity were posted to the financial statements to reflect the unrecorded activity.

Officials' Response:

In 2009 the City established the appropriate funds for the management of these projects.

FINDING NUMBER 2008-005

Noncompliance

Ohio Rev. Code Section 5705.39 states that the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission.

The following variances were noted where appropriations exceeded the estimated revenue at December 31, 2008:

Fund	Estimated Resources	Appropriations	Appropriations in excess of Estimated Resources
General Fund	\$21,495,930	\$23,358,031	(\$1,862,101)
Refuse Collections	1,123,500	1,434,840	(311,340)
Sewage	4,540,959	5,046,440	(505,482)

**FINDING NUMBER 2008-005
(Continued)**

Appropriating more resources than the City is expecting for the year, and failure to limit appropriations to the amount of estimated resources could result in overspending of funds, negative fund balances and possibly lead to fiscal distress due to overspending. We recommend the City monitor budgetary activity monthly and make the necessary amendments to their official budgetary documents and system so that they reflect the actual budgetary situation. All amendments should be reviewed and approved by Council.

Officials' Response:

In 2009 the Auditor's office created a system which closely monitors appropriations and runs simultaneous comparisons to the Certificate amounts.

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**CITY OF NORWOOD
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008**

Finding Number		Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	ORC 117.38 Not Filing GAAP Statements	Yes	
2007-002	ORC 733.43 Treasurer shall keep accurate account of all moneys	No	Reissued as Finding 2008-001
2007-003	ORC 733.11 City Auditor shall keep the books of the city and exhibit accurate statements	No	Reissued as Finding 2008-002
2007-004	ORC 5705.10(H) Money paid into a fund must be used for the purpose of the fund	No	Reissued in 2008 Management Letter.
2007-005	ORC 5705.36(A)(4) Amended certificate when revenue to be collected will be less than the amount included in an office certificate	No	Reissued in 2008 Management Letter
2007-006	ORC 5705.41(D)(1) No expenditure of money unless a certificate signed by the fiscal officer is attached.	No	Reissued as Finding 2008-003
2007-007	OAC 117-2-02 System vs. source documents for budget	Yes	
2007-008	ORC 5705.09(F) Establish special fund for each class of revenue	No	Reissued as Finding 2008-004
2007-09	OAC 117-2-02 Negative Leave Balances	No	Reissued in the 2008 Management Letter.

Norwood



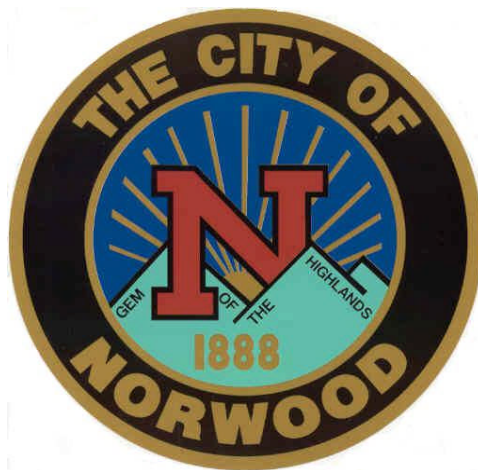
Gem Of The Highlands

City of Norwood, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2008

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Introductory Section



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CITY OF NORWOOD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

Issued by:
Office of the Auditor

James Stith
City Auditor

City of Norwood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008

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James P. Stith II

City Auditor

Marcus Patterson, MBA
Deputy Auditor

4645 Montgomery Road
Norwood, Ohio 45212
Ph. (513) 458-4570
Fax (513) 458-4571

December 18, 2009

To the Honorable Mayor, Members of
The Governing Council and Citizens
of the City of Norwood Ohio

The Comprehensive Annual Financial Report of the City of Norwood, Ohio ("the City") for the year ended December 31, 2008 is submitted herewith. The Auditor's Office prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rest with the City of Norwood, specifically with the Auditor's Office. We believe that the enclosed data is accurate in all material respects, and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

This report is prepared by the City in effort to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires that cities reporting on a GAAP basis file an unaudited annual report with the Auditor of State within 150 days of year-end.

This Comprehensive Annual Financial Report incorporates GASB Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This report represents and reflects upon the City's financial operations and conditions to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies, and all other parties interested in the financial affairs of the City.

"Gem of The Highlands"

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

City Overview

The City of Norwood, a statutory municipal corporation, established in 1888, is located in the center of the "Greater Cincinnati Area" and is completely surrounded by the City of Cincinnati. It currently occupies 3.12 square miles and serves a population of 21,675. Since 1888, Norwood has grown into a center of commerce and industry proudly serving as a birthplace and home for numerous office, manufacturing, service and retail businesses. Norwood's distinction as an independent community in the center of the City of Cincinnati offers a unique blend of advantages for the residents and businesses that have found their home in the City of Norwood.

The City provides the following services: public safety (police and fire), highways and streets, water, sanitation, health and social services, culture and recreation, public improvements, community development, planning and zoning and general administrative services.

Economic Conditions and Outlook

Major industries located within the government's boundaries or in close proximity include manufacturers of chemicals, financial institutions, health services, and food products. The City also has a facility that operates in communications. The City of Norwood is located close to three major highways, I-75, I-71, and US 562. Unemployment has risen from 5.7 percent (2002) to 6.7 percent (2008).

Unemployment is indicated to increase even more for next year. It is estimated that job cuts will increase in the region and globally due to economic instability in the financial markets.

Although many cities that are in close proximity of the City of Norwood suffer with job cuts and layoffs, the City has maintained a surplus of revenue. It is currently making strides to come out of fiscal watch. Norwood is also currently in the midst of two additional projects located in the Montgomery Road central business corridor. Surrey Square Mall is undergoing a major expansion with the addition of a 76,000-square-foot (7,100 m²) Kroger anchor store, a large cafeteria-sized McDonald's restaurant and several mid-sized businesses. A medical complex is also planned at the site of the former Sherwin-Williams paint store at the intersection of Montgomery and Smith Roads between Central Parke and Linden Place. That project was completed in 2008. Liberty Dialysis and Digestive Health Network Imaging are major companies to impact the City of Norwood.

Major Initiatives

- 1) Installation of water gutters on the Municipal Building. Phase I – V totaled \$73,728 and was completed July 27, 2009. This alleviated the issues of water running down the building's walls, causing structural damage.
- 2) Road improvements and street repaving throughout the City of Norwood totaling 506,450 were completed in 2008 by Terry Asphalt. This project was completed December 5, 2008. This project was for the improvement and filling of holes caused during previous winters.

Future Projects

Accomplishments and significant capital projects to look forward to in 2009 include the following:

- 1) A Water Improvement Project Fund has been adopted to improve the provision of water services in the City of Norwood.
- 2) A Capital Projects Fund I has been adopted for the purpose of funding capital improvement projects related to Beech Street.
- 3) A Capital Projects Fund II has been adopted for the purpose of funding capital improvement projects related to Marion Avenue.
- 4) A Capital Projects Fund III has been adopted for the purpose of funding capital improvement projects related to Park Avenue.

Financial Planning and Policies

It is the mission of the City to develop, maintain and implement financial accounting policies and procedures that protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to mandated laws and guidelines of Federal law, Ohio Revised Code, Generally Accepted Accounting Principles (GAAP), and the City of Norwood Codified Ordinances. The departmental goals are to develop sound fiscal policies, provide solid fiscal management for the City, maintain reserves and fiscal integrity, and protect the assets of the Citizens of Norwood.

Independent Audit

The State of Ohio requires an audit by either the Auditor of State or by an independent public accounting firm. The Auditor of State has completed an audit of the financial statements. Their opinion on the City's financial statements is included in the financial section of this Comprehensive Annual Financial Report.


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 entities that publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe our current report conforms to the Certificate of Achievement program requirements, thus, we are submitting it to GFOA for review.

Acknowledgments

A special thanks is extended to our staff for their hard work and dedication in compiling cash reports, accrual information, capital assets information and statistical table information.

A handwritten signature in black ink, appearing to read "Jim Stith", is positioned to the left of a vertical line.

James P. Stith II
City Auditor

City of Norwood, Ohio

List of Principal Officials

December 31, 2008

OFFICE HELD

NAME OF OFFICIAL

Executive:

City Auditor
City Treasurer
Law Director

James P. Stith II
Tim Malony
Ted Kiser

Legislative:

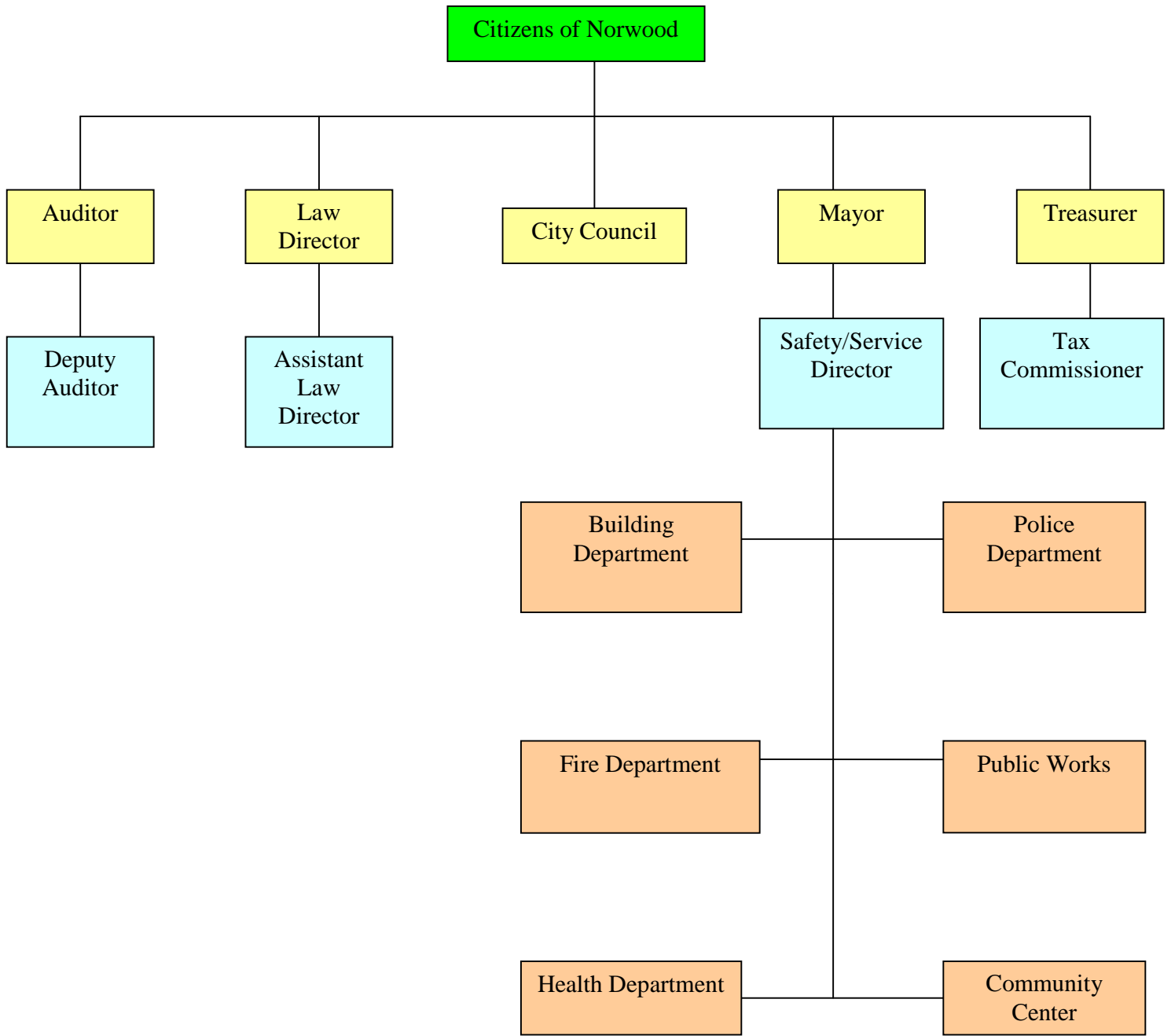
Mayor
Council

Thomas Williams
Jane M. Grote – President of Council
Keith Moore – Ward 1
Steve Thornbury – Ward 2
Chuck Barlow – Ward 3
John Mumper – Ward 4
Victor Schneider – Council-at-Large
Joseph W. Sanker – Council-at-Large
Michael Gabbard – Council-at-Large

Administrative:

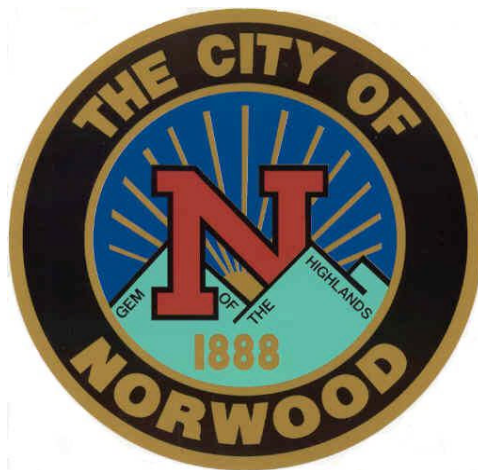
Clerk of Council
Income Tax Administrator
Police Chief
Fire Chief
Safety Service Director
Public Works Superintendent
Development Director

Brian Mumper
John Hanrahan
William J. Schlie
Curt Goodman
Joseph C. Geers
Tom White
Richard Dettmer



City of Norwood
Chart of Organization
December 31, 2008

Financial Section



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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Norwood
Hamilton County
4645 Montgomery Road
Norwood, Ohio 45212

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwood, Hamilton 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 opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and remaining fund information of the City of Norwood, Hamilton County, Ohio, as of December 31, 2008, and the respective changes in financial position and where applicable cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 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 and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit and do not express an opinion on this information.

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



Mary Taylor, CPA
Auditor of State

December 18, 2009

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Norwood's financial performance provides an overall review of the City's financial activities for the 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 basic financial statements and notes to the financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2008 are as follows:

- The City's total governmental activities' net assets increased \$1,448,203 which represents an 8 percent increase from 2007. Business-type activities net assets decreased \$67,449 which represents a 2 percent decrease from 2007.
- For governmental activities, general receipts accounted for \$22,634,946 or 88 percent of all receipts. Program receipts in the form of charges for services, operating and capital grants, contributions, and interest accounted for \$3,055,638 or 12 percent of total revenues of \$25,690,584.
- The City had \$23,817,381 in expenses related to governmental activities; only \$3,055,638 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily property and municipal income taxes) were \$22,634,946.
- Enterprise funds reflected a total operating loss of \$490,378. The Water and Refuse funds reflected an operating loss of \$340,021 and \$150,357, respectively. The water and refuse operations, decreased in net assets by \$67,449.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34 in compliance with the Generally Accepted Accounting Principles.

Report Components

The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the City as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanations and details regarding the information reported in the statements.

Basis of Accounting

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader to determine if the City of Norwood is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes to those assets. These changes inform the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities.

- Governmental Activities – Most of the City's services are reported here including police, fire, street maintenance, parks and recreation, and general administration.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

Income taxes, property taxes, building permits and interest finance most of these activities

- **Business-Type Activities** – This activity includes the City's water fund and refuse fund. Service fees for these operations are charged based on the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds is presented later in the Management's Discussion and Analysis section. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the City Auditor, with approval of City Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are the General Fund and the Debt Service Fund.

Governmental Funds – Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in the proprietary funds. Operations are accounted for in such a manner to show a profit or loss on the basis comparable with industries in the private sector.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

THE CITY AS A WHOLE

Table 1 provides a summary of the City's net assets for 2008 compared to 2007:

	Governmental Activities		Business Type Activities		Total	
	2008	2007 (Restated)	2008	2007 (Restated)	2008	2007 (Restated)
Assets:						
Current & Other Assets	\$33,089,961	\$32,912,921	\$1,432,715	\$1,710,998	\$34,522,676	\$34,623,919
Nondepr. Capital Assets	8,661,656	8,354,843	0	0	8,661,656	8,354,843
Depr. Capital Assets, Net	11,704,969	11,545,316	1,866,074	1,891,698	13,571,043	13,437,014
Total Assets	53,456,586	52,813,080	3,298,789	3,602,696	56,755,375	56,415,776
Liabilities:						
Current & Other Liabilities	4,539,355	4,824,487	456,150	675,437	4,995,505	5,499,924
Long-Term Liabilities						
Due Within One Year	1,892,938	2,012,131	53,365	46,178	1,946,303	2,058,309
Due in More Than One Year	28,193,019	28,593,391	99,249	123,607	28,292,268	28,716,998
Total Liabilities	34,625,312	35,430,009	608,764	845,222	35,234,076	36,275,231
Net Assets:						
Invested in Capital Assets, Net of Related Debt	8,937,229	8,280,277	1,747,681	1,747,399	10,684,910	10,027,676
Restricted	19,486,941	18,837,344	0	0	19,486,941	18,837,344
Unrestricted	(9,592,896)	(9,734,550)	942,344	1,010,075	(8,650,552)	(8,724,475)
Total Net Assets	\$18,831,274	\$17,383,071	\$2,690,025	\$2,757,474	\$21,521,299	\$20,140,545

As mentioned previously, net assets of governmental activities increased \$1,448,203 or 8 percent during 2008. The primary reasons contributing to the increase was that revenues exceeded expenses. Capital assets additions also exceeded depreciation expense by \$466,466 for 2008 and long-term liabilities decreased \$519,565.

Table 2 shows the changes in net assets for the years ended December 31, 2008 and 2007.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

Table 2
Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	Activities	Activities
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$1,620,786	\$1,878,239	\$4,588,278	\$4,286,411	\$6,209,064	\$6,164,650
Operating Grants, Contributions and Interest	1,128,039	1,190,753	0	0	1,128,039	1,190,753
Capital Grants, Contributions and Interest	306,813	3,456,556	0	0	306,813	3,456,556
Total Program Revenues	3,055,638	6,525,548	4,588,278	4,286,411	7,643,916	10,811,959
General Revenues:						
Property Taxes	2,691,282	2,839,462	0	0	2,691,282	2,839,462
Income Taxes	16,133,313	15,692,244	0	0	16,133,313	15,692,244
Other Local Taxes	124,800	126,034	0	0	124,800	126,034
Payments in Lieu of Taxes	567,049	0	0	0	567,049	0
Grants and Entitlements Not Restricted to Specific Programs	1,359,809	1,381,070	0	0	1,359,809	1,381,070
Unrestricted Contributions	138,646	1,261,003	0	0	138,646	1,261,003
Interest	1,412,149	1,151,979	0	0	1,412,149	1,151,979
Other	207,898	74,018	2,737	8,276	210,635	82,294
Total General Revenues	22,634,946	22,525,810	2,737	8,276	22,637,683	22,534,086
Total Revenues	25,690,584	29,051,358	4,591,015	4,294,687	30,281,599	33,346,045
Program Expenses:						
General Government	4,621,827	4,550,813	0	0	4,621,827	4,550,813
Security of Persons and Property:						
Police	6,550,466	6,514,479	0	0	6,550,466	6,514,479
Fire	7,739,810	7,324,613	0	0	7,739,810	7,324,613
Public Services	55,684	69,114	0	0	55,684	69,114
Public Health Services	1,045,310	1,059,730	0	0	1,045,310	1,059,730
Leisure Time Services	465,298	492,524	0	0	465,298	492,524
Community and Economic Development	96,214	111,048	0	0	96,214	111,048
Public Works	0	392,265	0	0	0	392,265
Transportation	1,805,625	1,832,601	0	0	1,805,625	1,832,601
Intergovernmental	70,165	56,521	0	0	70,165	56,521
Interest and Fiscal Charges	1,366,982	1,627,876	0	0	1,366,982	1,627,876
Water	0	0	3,650,452	3,367,657	3,650,452	3,367,657
Refuse	0	0	1,433,012	1,206,583	1,433,012	1,206,583
Total Expenses	23,817,381	24,031,584	5,083,464	4,574,240	28,900,845	28,605,824
Increase (Decrease) in Net Assets Before Transfers	1,873,203	5,019,774	(492,449)	(279,553)	1,380,754	4,740,221
Transfers	(425,000)	(357,209)	425,000	357,209	0	0
Increase (Decrease) in Net Assets	1,448,203	4,662,565	(67,449)	77,656	1,380,754	4,740,221
Net Assets Restated at Beginning of Year	17,383,071	12,720,506	2,757,474	2,679,818	20,140,545	15,400,324
Net Assets at End of Year (Restated 2007)	\$18,831,274	\$17,383,071	\$2,690,025	\$2,757,474	\$21,521,299	\$20,140,545

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

Governmental program revenues represent only 12 percent of total revenues and are primarily comprised of restricted intergovernmental revenues such as motor vehicle license and gas tax money, building permits, and grants.

General revenues of governmental activities represent 88 percent of the City's governmental receipts, and over 72 percent of general revenues are local taxes. Property taxes make up 12 percent of the City's general revenues. Other revenues are very insignificant and somewhat unpredictable revenue sources.

Capital Grants, Contributions and Interest in the governmental activities decreased by \$3,149,743 in 2008. In 2007, a large amount of State assistance was received for making improvements to roads within the City.

The City's business-type activities, Water and Refuse Funds, account for 15 percent of the City's total revenues.

Governmental Activities

The two percent earnings tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 63 percent of the City's governmental activities revenue. The earnings tax is used to pay the cost of many city services including general government, security of persons and property, and public health services. In 2008, there was a three percent increase in earnings tax revenue.

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the City. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for security of persons and property, which account for 60 percent of all governmental expenses. General government also represents a significant cost, about 19 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the City that must be used to provide a specific service. The Net (Expense) Revenue column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
 Unaudited

Table 3
 Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$4,621,827	\$3,928,368	\$4,550,813	\$3,565,226
Security of Persons and Property				
Police	6,550,466	6,436,787	6,514,479	6,400,423
Fire	7,739,810	7,068,575	7,324,613	6,793,668
Public Services	55,684	55,684	69,114	69,114
Public Health	1,045,310	886,904	1,059,730	875,477
Leisure Time Activities	465,298	109,363	492,524	(185,966)
Community and Economic Development	96,214	83,944	111,048	104,552
Public Works	0	0	392,265	392,265
Transportation	1,805,625	754,971	1,832,601	(2,283,120)
Intergovernmental	70,165	70,165	56,521	56,521
Interest & Fiscal Charges	1,366,982	1,366,982	1,627,876	1,627,876
Total Expenses	<u>\$23,817,381</u>	<u>\$20,761,743</u>	<u>\$24,031,584</u>	<u>\$17,416,036</u>

The dependence upon property and income tax receipts is apparent as 79 percent of governmental activities are supported through these general revenues.

Business-Type Activities

The City's business-type activities include the City's Water and Refuse Funds. The water utility provides public water service to businesses and residents.

The Refuse Fund is used to account for moneys collected from Norwood citizens, businesses and industries for refuse disposal service; and to account for the payment of refuse disposal bills. The Refuse Fund was established in 2005.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Information about the City's major governmental funds is presented in the fund financial statements. These funds are reported using the modified accrual basis of accounting. In total, all governmental funds reported revenues of \$24,971,102 and expenditures of \$25,483,829.

Within the General Fund, there were revenues of \$21,258,127 and expenditures of \$19,869,984. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$1,267,928 as the result of increased general government and capital outlay expenditures.

Within the Debt Service Fund, there were revenues of \$1,674,135 and expenditures of \$2,055,265. The fund balance of this fund increased \$1,222,542, due mainly to transfers in from the General Fund.

Governmental Fund Budgeting Highlights

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

During 2008, the City amended its General Fund budget several times to reflect changing circumstances. Final budgeted revenues were above original budgeted revenues by \$802,738 due to increases in estimated income taxes and intergovernmental revenues. The difference between final budgeted revenues and actual revenues was \$3,295,137, which was due primarily to an increase in property and income taxes.

Final budgeted expenditures were above original budgeted expenditures by \$1,037,009 due to overall increases in estimated expenditures. Final expenditures were budgeted at \$20,119,267 for the General Fund. Actual expenditures were \$19,837,460, with a difference of \$281,807, due to general government legislative expenditures being much lower than anticipated.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2008 amounts to \$22.2 million (net of accumulated depreciation).

Table 4
Capital Assets

	Governmental Activities		Business Type Activity		Total	
	2008	2007	2008	2007	2008	2007
Land	\$6,376,146	\$6,376,146	\$0	\$0	\$6,376,146	\$6,376,146
CIP	2,285,510	1,978,697	0	0	2,285,510	1,978,697
Buildings	2,138,922	2,105,075	0	0	2,138,922	2,105,075
Land Improvements	707,332	762,359	0	0	707,332	762,359
Vehicles	1,778,279	1,553,220	0	0	1,778,279	1,553,220
Furniture, Fixtures and Equipment	887,330	737,546	14,048	24,266	901,378	761,812
Infrastructure	6,193,106	6,387,116	1,852,026	1,867,432	8,045,132	8,254,548
Totals	\$20,366,625	\$19,900,159	\$1,866,074	\$1,891,698	\$22,232,699	\$21,791,857

The City had an increase in capital assets for governmental activities while business-type activities had a slight decrease due to depreciation.

For more information on capital assets, refer to note 9 of the notes to the basic financial statements.

Debt

Table 5 summarizes debt outstanding at December 31, 2008 and 2007:

Table 5
Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$5,646,600	\$6,195,752	\$0	\$0	\$5,646,600	\$6,195,752
Special Assessment Debt	1,893,074	2,085,643	0	0	1,893,074	2,085,643
OPWC Loans	668,342	711,858	118,393	144,299	786,735	856,157
Tax Increment Financing Bonds	15,635,845	15,753,490	0	0	15,635,845	15,753,490
Capital Leases	887,914	439,948	0	0	887,914	439,948
Short Term Loans	0	22,127	0	0	0	22,127
Totals	\$24,731,775	\$25,208,818	\$118,393	\$144,299	\$24,850,168	\$25,353,117

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2008
Unaudited

The City's overall unvoted legal debt margin was \$33,805,811 as of December 31, 2008. The more restrictive unvoted legal debt margin was \$14,700,691 as of the same date.

For more information regarding long-term obligations and short-term loans, refer to notes 10 and 12 of the notes to the basic financial statements.

ECONOMIC AND OTHER POTENTIALLY SIGNIFICANT MATTERS

Based on the results of a fiscal analysis performed by the Auditor of State's Local Government Services section, the City was placed in fiscal watch on October 7, 2004 and remains in fiscal watch today.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor's Office, City of Norwood, 4645 Montgomery Road, Norwood, Ohio 45212.

**CITY OF NORWOOD, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

	Governmental Activities	Business-Type Activities	Totals
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$6,383,860	\$374,964	\$6,758,824
Accounts Receivable	334,368	1,057,751	1,392,119
Intergovernmental Receivable	759,044	0	759,044
Internal Balances	36,607	0	36,607
Income Taxes Receivable	3,383,521	0	3,383,521
Property Taxes Receivable	2,780,081	0	2,780,081
Other Local Taxes Receivable	26,995	0	26,995
Revenue in Lieu of Taxes Receivable	15,080,304	0	15,080,304
Special Assessments Receivable	1,893,074	0	1,893,074
Cash and Cash Equivalents with Fiscal Agents	2,369,960	0	2,369,960
Deferred Charges	42,147	0	42,147
Nondepreciable Capital Assets	8,661,656	0	8,661,656
Depreciable Capital Assets, Net	11,704,969	1,866,074	13,571,043
Total Assets	53,456,586	3,298,789	56,755,375
LIABILITIES:			
Accounts Payable	138,481	2,883	141,364
Accrued Wages Payable	427,763	16,220	443,983
Intergovernmental Payable	787,180	334,458	1,121,638
Contracts Payable	564,182	9,128	573,310
Deferred Revenue	2,406,916	0	2,406,916
Accrued Interest Payable	214,833	0	214,833
Refundable Deposits	0	56,854	56,854
Interfund Payable	0	36,607	36,607
Long-Term Liabilities:			
Due Within One Year	1,892,938	53,365	1,946,303
Due in More Than One Year	28,193,019	99,249	28,292,268
Total Liabilities	34,625,312	608,764	35,234,076
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	8,937,229	1,747,681	10,684,910
Restricted for:			
Debt Service	16,671,512	0	16,671,512
Capital Outlay	155,006	0	155,006
Security of Persons and Property	267,469	0	267,469
Leisure Time Services	92,950	0	92,950
Community and Economic Development	1,140,219	0	1,140,219
Transportation	510,046	0	510,046
Other Purposes	649,739	0	649,739
Unrestricted	(9,592,896)	942,344	(8,650,552)
Total Net Assets	\$18,831,274	\$2,690,025	\$21,521,299

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$4,621,827	\$693,459	\$0	\$0
Security of Persons and Property:				
Police	6,550,466	93,659	20,020	0
Fire	7,739,810	569,358	101,877	0
Public Services	55,684	0	0	0
Public Health Services	1,045,310	59,898	98,508	0
Leisure Time Services	465,298	192,013	163,922	0
Community and Economic Development	96,214	0	12,270	0
Transportation	1,805,625	12,399	731,442	306,813
Intergovernmental	70,165	0	0	0
Interest and Fiscal Charges	1,366,982	0	0	0
Total Governmental Activities	<u>23,817,381</u>	<u>1,620,786</u>	<u>1,128,039</u>	<u>306,813</u>
Business-Type Activities:				
Water	3,650,452	3,305,623	0	0
Refuse	1,433,012	1,282,655	0	0
Total Business-Type Activities	<u>5,083,464</u>	<u>4,588,278</u>	<u>0</u>	<u>0</u>
Total Activities	<u>\$28,900,845</u>	<u>\$6,209,064</u>	<u>\$1,128,039</u>	<u>\$306,813</u>

General Revenues and Transfers:

Taxes:

 Property Taxes Levied For General Purposes

 Income Taxes

 Other Local Taxes

Payments in Lieu of Taxes

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Contributions

Interest

Other

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense)/Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$3,928,368)	\$0	(\$3,928,368)
(6,436,787)	0	(6,436,787)
(7,068,575)	0	(7,068,575)
(55,684)	0	(55,684)
(886,904)	0	(886,904)
(109,363)	0	(109,363)
(83,944)	0	(83,944)
(754,971)	0	(754,971)
(70,165)	0	(70,165)
<u>(1,366,982)</u>	<u>0</u>	<u>(1,366,982)</u>
<u>(20,761,743)</u>	<u>0</u>	<u>(20,761,743)</u>
0	(344,829)	(344,829)
<u>0</u>	<u>(150,357)</u>	<u>(150,357)</u>
<u>0</u>	<u>(495,186)</u>	<u>(495,186)</u>
<u>(20,761,743)</u>	<u>(495,186)</u>	<u>(21,256,929)</u>
2,691,282	0	2,691,282
16,133,313	0	16,133,313
124,800	0	124,800
567,049	0	567,049
1,359,809	0	1,359,809
138,646	0	138,646
1,412,149	0	1,412,149
207,898	2,737	210,635
<u>(425,000)</u>	<u>425,000</u>	<u>0</u>
<u>22,209,946</u>	<u>427,737</u>	<u>22,637,683</u>
1,448,203	(67,449)	1,380,754
<u>17,383,071</u>	<u>2,757,474</u>	<u>20,140,545</u>
<u>\$18,831,274</u>	<u>\$2,690,025</u>	<u>\$21,521,299</u>

**CITY OF NORWOOD, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	GENERAL	DEBT SERVICE FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$2,368,622	\$1,315,869	\$2,699,369	\$6,383,860
Cash and Cash Equivalents with Fiscal Agents	0	0	1,174,387	1,174,387
Accounts Receivable, Net	334,368	0	0	334,368
Intergovernmental Receivable	414,634	0	344,410	759,044
Income Taxes Receivable	3,383,521	0	0	3,383,521
Property Taxes Receivable	2,780,081	0	0	2,780,081
Other Local Taxes Receivable	17,567	0	9,428	26,995
Payments in Lieu of Taxes Receivable	0	14,513,255	567,049	15,080,304
Interfund Receivable	186,034	0	18,874	204,908
Special Assessments Receivable	0	1,893,074	0	1,893,074
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	0	1,195,573	0	1,195,573
Total Assets	\$9,484,827	\$18,917,771	\$4,813,517	\$33,216,115
LIABILITIES:				
Accounts Payable	\$92,133	\$1,830	\$44,518	\$138,481
Accrued Wages Payable	409,133	0	18,630	427,763
Contracts Payable	81,208	0	482,974	564,182
Intergovernmental Payable	768,286	0	18,894	787,180
Interfund Payable	18,874	81,321	68,106	168,301
Deferred Revenue	5,493,484	16,406,329	854,248	22,754,061
Total Liabilities	6,863,118	16,489,480	1,487,370	24,839,968
FUND BALANCES:				
Reserved:				
Reserved for Encumbrances	406,899	45,314	146,298	598,511
Unreserved, Undesignated, Reported in:				
General Fund	2,214,810	0	0	2,214,810
Special Revenue Funds	0	0	2,384,629	2,384,629
Debt Service Fund	0	2,382,977	0	2,382,977
Capital Projects Funds	0	0	795,220	795,220
Total Fund Balances	2,621,709	2,428,291	3,326,147	8,376,147
Total Liabilities and Fund Balances	\$9,484,827	\$18,917,771	\$4,813,517	\$33,216,115

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008**

Total Governmental Fund Balances \$8,376,147

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the funds. These assets consist of:

Land	6,376,146	
Construction in progress	2,285,510	
Depreciable capital assets	26,312,531	
Accumulated depreciation	<u>(14,607,562)</u>	
Total capital assets		20,366,625

Some of the City's revenues will be collected after year-end,
but are not available soon enough to pay for the current period's expenditures
and therefore are deferred in the funds:

Property Taxes	390,732	
Special Assessments	1,893,074	
Payments in Lieu of Taxes	15,080,304	
Due From Other Governments:		
Charges for Services	274,075	
Shared Taxes and Local Government Revenue Assistance	645,424	
Income Taxes	<u>2,063,536</u>	20,347,145

Bond issuance costs reported as an expenditure in governmental funds
are allocated as an expense over the life of the debt on a full
accrual basis 42,147

In the Statement of Activities, interest is accrued on outstanding bonds, whereas
in governmental funds, an interest expenditure is reported when due. (214,833)

Long-term liabilities are not due and payable in the current period and therefore
are not reported in the funds. Those liabilities consist of:

Discount on bonds	169,155	
Capital leases	(887,914)	
Bonds	(23,344,674)	
Intergovernmental Payable	(2,018,440)	
Loans	(668,342)	
Compensated absences	<u>(3,335,742)</u>	
Total liabilities		<u>(30,085,957)</u>

Net Assets of Governmental Activities \$18,831,274

See accompanying notes to the basic financial statements

CITY OF NORWOOD, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	GENERAL	DEBT SERVICE FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property Taxes	\$2,693,759	\$0	\$0	\$2,693,759
Income Taxes	15,594,632	0	0	15,594,632
Other Local Taxes	5,666	0	119,134	124,800
Payments in Lieu of Taxes	0	246,407	0	246,407
Special Assessments	0	192,569	0	192,569
Charges for Services	523,459	0	198,353	721,812
Fines, Licenses and Permits	596,643	0	119,455	716,098
Intergovernmental	1,466,687	0	1,307,915	2,774,602
Interest	158,442	1,235,159	42,010	1,435,611
Rent	15,480	0	0	15,480
Contributions and Donations	400	0	247,034	247,434
Other	202,959	0	4,939	207,898
Total Revenues	21,258,127	1,674,135	2,038,840	24,971,102
EXPENDITURES:				
Current:				
General Government	4,067,894	5,844	340,341	4,414,079
Security of Persons and Property:				
Police	6,603,305	0	84,517	6,687,822
Fire	7,379,997	0	208,907	7,588,904
Public Services	48,154	0	0	48,154
Public Health Services	917,962	0	117,575	1,035,537
Leisure Time Services	0	0	505,952	505,952
Community and Economic Development	0	17,753	73,853	91,606
Transportation	0	0	1,489,157	1,489,157
Capital Outlay	686,611	0	433,692	1,120,303
Debt Service:				
Principal Retirement	153,189	866,721	128,972	1,148,882
Interest and Fiscal Charges	12,872	1,164,947	175,614	1,353,433
Total Expenditures	19,869,984	2,055,265	3,558,580	25,483,829
Excess of Revenues Over (Under) Expenditures	1,388,143	(381,130)	(1,519,740)	(512,727)
OTHER FINANCING SOURCES (USES):				
Transfers In	0	1,603,672	1,314,010	2,917,682
Inception of Capital Lease	686,611	0	0	686,611
Transfers Out	(3,342,682)	0	0	(3,342,682)
Total Other Financing Sources (Uses)	(2,656,071)	1,603,672	1,314,010	261,611
Net Change in Fund Balances	(1,267,928)	1,222,542	(205,730)	(251,116)
Fund Balances at Beginning of Year - Restated (See Note 3)	3,889,637	1,205,749	3,531,877	8,627,263
Fund Balances at End of Year	\$2,621,709	\$2,428,291	\$3,326,147	\$8,376,147

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE Statement of Activities
FOR THE YEAR ENDED DECEMBER 31, 2008**

Net Change in Fund Balances - Total Governmental Funds (\$251,116)

Amounts reported for governmental activities in the
Statement of Activities are different because:

Capital outlays are reported as expenditures in governmental funds.
However, in the Statement of Activities, the cost of those assets is allocated
over their estimated useful lives as depreciation expense. In the current
period, these amounts are:

Capital Assets Additions	1,245,228	
Current Year Depreciation	<u>(778,762)</u>	
		466,466

Because some revenues will not be collected for several months after the City's year-end,
they are not considered "available" revenues and are deferred in the governmental funds.

Property Taxes	(2,477)	
Special Assessments	(192,569)	
Payments in Lieu of Taxes	320,642	
Due From Other Governments		
Charges for Services	167,396	
Shared Taxes and Local Government Revenue Assistance	(104,478)	
Income Taxes	538,681	
Interest	<u>(7,713)</u>	
		719,482

Repayment of long-term obligations is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the Statement of
Net Assets.

General obligation bond principal retirement	674,152	
Special assessment debt principal retirement	192,569	
Loan principal retirement	43,516	
Capital lease payments	<u>238,645</u>	
Total long-term obligation repayment		1,148,882

In the Statement of Activities, interest accrued on outstanding bonds and bond accretion, bond
premiums, bond issuance costs and the gain/loss on refunding are amortized over the terms of the
bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued.

Amortization of bond issuance costs	(21,074)	
Amortization of bond discount	(7,355)	
Accrued Interest	<u>14,880</u>	
		(13,549)

Debt Proceeds are reported as other financing sources in governmental funds and thus
contribute to the change in fund balances. In the government-wide statements, however,
issuing debt increases long-term liabilities in the Statement of Net Assets and does
not affect the Statement of Activities.

Capital Lease Proceeds	<u>(686,611)</u>	(686,611)
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Some expenses reported in the Statement of Activities, such as compensated absences and
intergovernmental payable (which represents amounts due to school districts under tax
increment financing agreements) do not require the use of current financial resources
and therefore are not reported as expenditures in governmental funds.

Compensated Absences	134,814	
Intergovernmental payable addition	<u>(70,165)</u>	
Total additional expenditures		<u>64,649</u>

Change in Net Assets of Governmental Activities \$1,448,203

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES:				
Property Taxes	\$2,175,935	\$2,277,372	\$2,693,759	\$416,387
Income Taxes	12,623,327	13,211,798	15,627,396	2,415,598
Other Local Taxes	4,577	4,790	5,666	876
Charges for Services	425,745	445,592	527,063	81,471
Fines, Licenses and Permits	471,145	493,109	583,267	90,158
Intergovernmental	1,214,098	1,270,696	1,503,026	232,330
Interest	127,985	133,951	158,442	24,491
Rent	12,504	13,087	15,480	2,393
Contributions and Donations	323	338	400	62
Other	163,944	171,587	202,959	31,372
Total Revenues	17,219,583	18,022,321	21,317,458	3,295,137
EXPENDITURES:				
Current:				
General Government:				
Legislative and Executive	4,225,152	4,872,813	4,430,646	442,167
Judicial System	113,500	116,103	113,587	2,516
Security of Persons and Property:				
Police	6,514,509	6,645,125	6,742,064	(96,939)
Fire	7,231,784	7,465,319	7,548,946	(83,627)
Public Services	64,636	62,688	56,046	6,642
Public Health Services	932,677	957,219	946,171	11,048
Total Expenditures	19,082,258	20,119,267	19,837,460	281,807
Excess of Revenues Over (Under) Expenditures	(1,862,675)	(2,096,946)	1,479,998	3,576,944
OTHER FINANCING SOURCES (USES):				
Advances Out	(38,545)	(38,545)	(38,545)	0
Transfers Out	(2,237,097)	(3,451,484)	(3,342,682)	108,802
Total Other Financing Sources (Uses)	(2,275,642)	(3,490,029)	(3,381,227)	108,802
Net Change in Fund Balance	(4,138,317)	(5,586,975)	(1,901,229)	3,685,746
Fund Balance at Beginning of Year	3,504,069	3,504,069	3,504,069	0
Prior Year Encumbrances Appropriated	251,265	251,265	251,265	0
Fund Balance at End of Year	(\$382,983)	(\$1,831,641)	\$1,854,105	\$3,685,746

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF FUND NET ASSETS
ENTERPRISE FUNDS
DECEMBER 31, 2008**

	<u>WATER</u>	<u>REFUSE</u>	<u>TOTALS</u>
ASSETS:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$318,110	\$0	\$318,110
Accounts Receivable, Net	<u>686,577</u>	<u>371,174</u>	<u>1,057,751</u>
Total Current Assets	<u>1,004,687</u>	<u>371,174</u>	<u>1,375,861</u>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	56,854	0	56,854
Depreciable Capital Assets, Net	<u>1,866,074</u>	<u>0</u>	<u>1,866,074</u>
Total Noncurrent Assets	<u>1,922,928</u>	<u>0</u>	<u>1,922,928</u>
Total Assets	<u>2,927,615</u>	<u>371,174</u>	<u>3,298,789</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	2,883	0	2,883
Accrued Wages Payable	16,220	0	16,220
Contracts Payable	9,128	0	9,128
Intergovernmental Payable	334,458	0	334,458
Interfund Payable	0	36,607	36,607
Compensated Absences Payable	13,461	0	13,461
OPWC Loans Payable	<u>39,904</u>	<u>0</u>	<u>39,904</u>
Total Current Liabilities	<u>416,054</u>	<u>36,607</u>	<u>452,661</u>
Noncurrent Liabilities:			
Refundable Deposits	56,854	0	56,854
Compensated Absences Payable	20,760	0	20,760
OPWC Loans Payable	<u>78,489</u>	<u>0</u>	<u>78,489</u>
Total Noncurrent Liabilities	<u>156,103</u>	<u>0</u>	<u>156,103</u>
Total Liabilities	<u>572,157</u>	<u>36,607</u>	<u>608,764</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	1,747,681	0	1,747,681
Unrestricted	<u>607,777</u>	<u>334,567</u>	<u>942,344</u>
Total Net Assets	<u>\$2,355,458</u>	<u>\$334,567</u>	<u>\$2,690,025</u>

See accompanying notes to the basic financial statements

CITY OF NORWOOD, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>WATER</u>	<u>REFUSE</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Charges for Services	\$3,305,623	\$1,282,655	\$4,588,278
Other	<u>2,737</u>	<u>0</u>	<u>2,737</u>
Total Operating Revenues	<u>3,308,360</u>	<u>1,282,655</u>	<u>4,591,015</u>
OPERATING EXPENSES:			
Personal Services	565,362	0	565,362
Contractual Services	2,941,813	1,431,945	4,373,758
Supplies and Materials	79,318	0	79,318
Depreciation	61,024	0	61,024
Other	<u>864</u>	<u>1,067</u>	<u>1,931</u>
Total Operating Expenses	<u>3,648,381</u>	<u>1,433,012</u>	<u>5,081,393</u>
Operating Loss	(340,021)	(150,357)	(490,378)
NON-OPERATING EXPENSES:			
Interest	<u>(2,071)</u>	<u>0</u>	<u>(2,071)</u>
Loss Before Transfers	(342,092)	(150,357)	(492,449)
Transfers In	<u>316,000</u>	<u>109,000</u>	<u>425,000</u>
Change in Net Assets	(26,092)	(41,357)	(67,449)
Net Assets at Beginning of Year - Restated (See Note 3)	<u>2,381,550</u>	<u>375,924</u>	<u>2,757,474</u>
Net Assets at End of Year	<u><u>\$2,355,458</u></u>	<u><u>\$334,567</u></u>	<u><u>\$2,690,025</u></u>

See accompanying notes to the basic financial statements

CITY OF NORWOOD, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	WATER	REFUSE	Total
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$3,419,024	\$1,286,988	\$4,706,012
Cash Payments for Employee Services and Benefits	(563,234)	0	(563,234)
Cash Payments to Suppliers for Goods and Services	(3,051,976)	(1,653,102)	(4,705,078)
Other Operating Revenues	22	0	22
Other Operating Expenses	(864)	(1,067)	(1,931)
Utility Deposits Received	21,150	0	21,150
Utility Deposits Returned	(18,435)	0	(18,435)
Net Cash Used for Operating Activities	<u>(194,313)</u>	<u>(367,181)</u>	<u>(561,494)</u>
Cash Flows from Noncapital Financing Activities:			
Short-Term Loan From Another Fund	0	36,607	36,607
Transfers In	316,000	109,000	425,000
Net Cash Provided by Noncapital Financing Activities	<u>316,000</u>	<u>145,607</u>	<u>461,607</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(35,400)	0	(35,400)
Proceeds from OPWC Loans	32,450	0	32,450
Principal Paid on OPWC Loans	(58,356)	0	(58,356)
Interest Paid on OPWC Loans	(2,071)	0	(2,071)
Net Cash Used for Capital and Related Financing Activities	<u>(63,377)</u>	<u>0</u>	<u>(63,377)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	58,310	(221,574)	(163,264)
Cash and Cash Equivalents at Beginning of Year	<u>316,654</u>	<u>221,574</u>	<u>538,228</u>
Cash and Cash Equivalents at End of Year	<u><u>\$374,964</u></u>	<u><u>\$0</u></u>	<u><u>\$374,964</u></u>
Reconciliation of Operating Loss to Net Cash			
<u>Used for Operating Activities:</u>			
Operating Loss	(\$340,021)	(\$150,357)	(\$490,378)
Adjustments to Reconcile Operating Loss to Net Cash			
Used for Operating Activities			
Depreciation	61,024	0	61,024
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	110,686	4,333	115,019
Decrease in Accounts Payable	(3,076)	(221,157)	(224,233)
Increase in Contracts Payable	9,128	0	9,128
Increase in Accrued Wages Payable	1,886	0	1,886
Decrease in Intergovernmental Payable	(45,390)	0	(45,390)
Increase in Liabilities Payable from Restricted Assets	2,715	0	2,715
Increase in Compensated Absences Payable	8,735	0	8,735
Net Cash Used for Operating Activities	<u><u>(\$194,313)</u></u>	<u><u>(\$367,181)</u></u>	<u><u>(\$561,494)</u></u>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008**

	<u>PENSION TRUST</u>	<u>AGENCY</u>
ASSETS:		
Cash and Cash Equivalents in Segregated Accounts	\$0	\$1,722
Equity in Pooled Cash and Cash Equivalents	427	608,414
Accounts Receivable	<u>0</u>	<u>1,095,604</u>
Total Assets	<u>427</u>	<u>\$1,705,740</u>
LIABILITIES:		
Intergovernmental Payable	0	\$1,698,755
Undistributed Monies	<u>0</u>	<u>6,985</u>
Total Liabilities	<u>0</u>	<u>\$1,705,740</u>
NET ASSETS:		
Held in Trust for Pension Benefits	<u>427</u>	
Total Net Assets	<u>\$427</u>	

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2008**

	<u>PENSION TRUST</u>
ADDITIONS:	
Interest Income	\$661
Employer Contributions	<u>319,614</u>
Total Additions	320,275
DEDUCTIONS:	
Distributions to Participants	<u>348,553</u>
Change in Net Assets	(28,278)
Net Assets at Beginning of Year - Restated (See Note 3)	<u>28,705</u>
Net Assets at End of Year	<u><u>\$427</u></u>

See accompanying notes to the basic financial statements

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Norwood, Ohio (the City) is a statutory municipal corporation, established in 1888 as a political subdivision of the State of Ohio, for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The City operates under a mayor-council form of government. Legislative power is vested in a seven member council and a council 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. All City officials, with the exception of the Service Safety Director, are elected positions. The Service Safety Director is appointed by the Mayor.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments, which comprise the legal entity of the City. The City provides the following services: public safety (police and fire), highways and streets, water, sanitation, health and social services, culture and recreation, public improvements, community development, planning and zoning and general administrative services.

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

The City is associated with one organization, the Public Entities Pool of Ohio (PEP), which is defined as a shared risk pool. This organization is presented in Note 21 of the Basic Financial Statements.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds, provided that they do not conflict with or contradict GASB pronouncements.

The City has elected not to apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities or to its enterprise funds.

Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for the City's fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

General Fund – This is the chief operating fund for the City and it is used to account for all revenues and expenditures which are not accounted for in other funds. The primary sources of revenue for this fund are earnings taxes, property taxes and local government funds. 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.

Debt Service Fund – This fund is used to account for payments received in lieu of taxes on property granted a tax exemption by the City and payment of principal and interest and fiscal charges on general long term debt. Payments received in lieu of taxes must be used for land purchases or infrastructure improvements as well as reimbursing Norwood City School District for a portion of the taxes lost as a result of the exemptions.

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The City's only proprietary funds are enterprise funds.

Enterprise Funds

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

Water Fund - This fund accounts for the acquisitions, operations and maintenance of City facilities and services designated to be entirely, or predominately, self-supported from user charges for water.

Refuse Fund - This fund is used to account for moneys collected from Norwood citizens, business and industries for refuse disposal service; and to account for the payment of refuse disposal bills.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are a pension trust fund and agency funds. The pension trust fund is used to account for post-employment healthcare benefits. The City's three agency funds are used to account for fines and fees held for distribution to other governments, and for the collection of sewer billings that are collected on behalf of the Metropolitan Sewer District of Greater Cincinnati, and then disbursed to them monthly.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transactions

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

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. On an accrual basis, revenue from income taxes is recognized in the year in which the exchange on which the tax is imposed takes place and revenue from property taxes is recognized in the year for which the taxes are levied or would have been levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes, interest on investments, intergovernmental revenues (including motor vehicle license taxes, gasoline taxes, and local government assistance), grants, and charges for services.

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but were levied to finance year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses/Expenditures

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

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

Budgetary Process

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

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

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash balances of the City's funds, except cash held by fiscal agents, are pooled and invested in order to provide improved cash management. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Certain trust accounts that are held by the City, which include bond accounts and reserve accounts, are used to accumulate future principal and interest payments on bonds. These amounts are represented by "Restricted Assets: Cash and Cash Equivalents with Fiscal Agents". The City also utilizes a financial institution to service proceeds of debt. The balance in this account is presented as "Cash and Cash Equivalents with Fiscal Agents".

During 2008, investments were limited to certificates of deposit and money market mutual funds. Investments are reported at fair value which is based on quoted market prices. For investments in money market mutual funds, the fair value is determined by the fund's current share price.

Interest income is distributed to the funds according to Ohio statutory requirements. Interest revenue credited to the General Fund during 2008 amounted to \$158,442, which includes \$74,234 assigned from other City funds.

Investments with original maturities of three months or less and investments of the cash management pool are reported as cash equivalents on the financial statements.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivable" and "Interfund Payable". Interfund balances are eliminated on the government-wide Statement of Net Assets. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as "Internal Balances".

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

General capital assets are capital assets that are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets, but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide Statement of Net Assets and in the respective funds.

All purchased capital assets are valued at cost when historical records are available and estimated historical cost where no historical records exist. For certain assets, estimates were calculated by indexing estimated current costs back to the estimated year of acquisition. Donated capital assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset, or do not materially extend the useful life of the asset, are expensed.

All capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	45-100
Land Improvements	10-60
Vehicles	6-15
Furniture, Fixtures and Equipment	3-20
Infrastructure	40-100

The City's infrastructure consists of roads, bridges, curbs, gutters, sidewalks, water lines and storm water drainage systems.

Compensated Absences

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

Accrued Liabilities and Long-Term Obligations

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

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislations. Restricted Assets in the governmental funds represent Equity in Pooled Cash and Cash Equivalents with Fiscal Agents set aside to satisfy bond indenture requirements for future debt payments.

In the enterprise funds, water customer deposits are presented as Restricted Assets: Equity in Pooled Cash and Cash Equivalents.

Fund Balance Reserves

Reserves of fund balance in governmental funds 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 encumbrances.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and refuse. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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.

Bond Discounts/Issuance Costs

On the government-wide financial statements bond discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond discounts are presented as reductions to the face amount of bonds payable. Issuance costs are amortized on a straight-line basis over the term of the bonds and are reported as deferred charges.

On the governmental fund financial statements, issuance costs and discounts are recognized in the period when the debt is issued.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Net assets restricted for other purposes include funds for the operation of recreational activities and improving the living environment of the City.

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

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.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT OF FUND BALANCES/NET ASSETS

Change in Accounting Principle

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations". GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The implementation of this statement did not result in any change to the financial statements.

Restatement of Fund Balances/Net Assets

In 2008, the City determined that the C-9 Trust Fund was incorrectly reported as a special revenue fund. The fund was reclassified to a Pension Trust Fund. The City also determined that refundable deposits in the Water Fund were reported incorrectly. The restatements had the following effect on fund balances/net assets at December 31, 2007, as previously reported.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT OF FUND BALANCES/NET ASSETS (Continued)

	<i>All Other Governmental Funds</i>	<i>Governmental Activities</i>
Fund Balances/Net Assets, December 31, 2007 as Reported	\$3,560,582	\$17,411,776
Fund Reclassification	(28,705)	(28,705)
Fund Balances/Net Assets, December 31, 2007 Restated	<u>\$3,531,877</u>	<u>\$17,383,071</u>
	<i>Water Fund</i>	<i>Business Type Activities</i>
Net Assets, December 31, 2007 as Reported	\$2,435,689	\$2,811,613
Adjustment for Refundable Deposits	(54,139)	(54,139)
Net Assets, December 31, 2007 Restated	<u>\$2,381,550</u>	<u>\$2,757,474</u>
	<i>Pension Trust Fund</i>	
Net Assets, December 31, 2007 as Reported	\$0	
Fund Reclassification	28,705	
Net Assets, December 31, 2007 Restated	<u>\$28,705</u>	

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (Continued)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

	General
GAAP Basis	(\$1,267,928)
Revenue Accruals	(627,280)
Expenditure Accruals	583,648
Encumbrances	(551,124)
Advances Out	(38,545)
Budget Basis	(\$1,901,229)

NOTE 5 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

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

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

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

Interim monies can be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008

NOTE 5 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS
(Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Commercial paper and bankers acceptances if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2); and
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Investments

As of December 31, 2008, the City had the following investments:

	Fair Value	Maturity
First American Treasury Obligation		
Money Market Mutual Funds	\$2,369,960	Average 90 Days

Interest Rate Risk

The City has no investment policy that addresses interest rate risk beyond State statute requirements. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 5 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS
(Continued)

Credit Risk

The First American Treasury Obligation Money Market Mutual Fund carries a rating of Aaa by Moody's. Ohio law requires that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

NOTE 6 – MUNICIPAL INCOME TAX

The City levies a municipal income tax of 2.0 percent on all salaries, wages, commissions, other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

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

Income tax proceeds are distributed to the General Fund.

NOTE 7 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008

NOTE 7 – PROPERTY TAXES (Continued)

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due by September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all City operations for the year ended December 31, 2008, was \$11.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$352,392,220
Public Utility Property	12,440,720
Tangible Personal Property	17,269,470
Total	\$382,102,410

The County Treasurer collects property taxes on behalf of all taxing districts within the county, including the City of Norwood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2008, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2008 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008

NOTE 8 – RECEIVABLES

Receivables at December 31, 2008, consisted of property taxes, municipal income taxes, revenue in lieu of taxes, interfund, accounts, special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, revenue in lieu of taxes, and special assessments. Property and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year for the City amounts to \$1,684,137. The City had no delinquent special assessments at December 31, 2008. Revenue in lieu of taxes will be received over the designated period established by the agreements.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Homestead and Rollback	\$87,187
State Local Government	327,130
Gasoline Excise Tax	158,498
Motor Vehicle License Tax	60,816
Cents per Gallon	125,096
Estate Tax	317
Total Intergovernmental Receivable	<u><u>\$759,044</u></u>

Revenue in Lieu of Taxes

In 2002, the City entered into the Cornerstone Tax Increment Financing Agreement between the City and Cornerstone at Norwood LLC, for the purpose of constructing the Cornerstone commercial facility and parking garage. To encourage improvements Cornerstone at Norwood LLC was granted a 100 percent, 30 year exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due in that current year. These payments are being used to finance public infrastructure improvements. Additional payments are made to the Norwood City School District since they are impacted by the exemption. A liability has been recorded for the payments due to the School District.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 8 – RECEIVABLES (Continued)

In 2007, the City entered into an Urban Renewal Plan with Linden Pointe LLC, as the Redeveloper for the purpose of constructing the Linden Pointe commercial and retail facility. To encourage improvements, Linden Pointe LLC, was granted a 100 percent, exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due in that current year. This exemption is in effect for the earliest of the following: the duration that the bonds issued in connection with this project are outstanding, or 30 years. These payments are being used to finance public infrastructure improvements. Additional payments are made to the Norwood City School District since they are impacted by the exemption. A liability has been recorded for the payments due to the School District.

A receivable for the amount of the payments estimated to be received has been recorded in the respective Debt Service and Capital Projects Funds, with a corresponding credit to deferred revenue on the modified accrual basis. On a full accrual basis, the entire amount of the receivable is recorded as revenue.

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

	Restated Balance 12/31/07	Additions	Deletions	Balance at 12/31/08
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated				
Land	\$6,376,146	\$0	\$0	\$6,376,146
Construction in Progress	1,978,697	306,813	0	2,285,510
Total Capital Assets, Not Being Depreciated	<u>8,354,843</u>	<u>306,813</u>	<u>0</u>	<u>8,661,656</u>
Capital Assets Being Depreciated				
Buildings	4,256,410	94,302	0	4,350,712
Land Improvements	1,482,809	0	0	1,482,809
Vehicles	3,682,835	476,397	0	4,159,232
Furniture, Fixtures and Equipment	1,758,154	273,323	0	2,031,477
Infrastructure	14,193,908	94,393	0	14,288,301
Total Capital Assets Being Depreciated	<u>25,374,116</u>	<u>938,415</u>	<u>0</u>	<u>26,312,531</u>
Less Accumulated Depreciation				
Buildings	(2,151,335)	(60,455)	0	(2,211,790)
Land Improvements	(720,450)	(55,027)	0	(775,477)
Vehicles	(2,129,615)	(251,338)	0	(2,380,953)
Furniture, Fixtures and Equipment	(1,020,608)	(123,539)	0	(1,144,147)
Infrastructure	(7,806,792)	(288,403)	0	(8,095,195)
Total Accumulated Depreciation	<u>(13,828,800)</u>	<u>(778,762)</u>	<u>0</u>	<u>(14,607,562)</u>
Total Capital Assets Being Depreciated, Net	<u>11,545,316</u>	<u>159,653</u>	<u>0</u>	<u>11,704,969</u>
Governmental Activities Capital Assets, Net	<u>\$19,900,159</u>	<u>\$466,466</u>	<u>\$0</u>	<u>\$20,366,625</u>

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 9 - CAPITAL ASSETS (Continued)

	Balance 12/31/07	Additions	Deletions	Balance at 12/31/08
<u>Business-Type Activities</u>				
Capital Assets Being Depreciated				
Buildings	\$54,890	\$0	\$0	\$54,890
Vehicles	163,198	0	0	163,198
Furniture, Fixtures and Equipment	92,102	0	0	92,102
Infrastructure	3,042,546	35,400	0	3,077,946
Total Capital Assets Being Depreciated	<u>3,352,736</u>	<u>35,400</u>	<u>0</u>	<u>3,388,136</u>
Less Accumulated Depreciation				
Buildings	(54,890)	0	0	(54,890)
Vehicles	(163,198)	0	0	(163,198)
Furniture, Fixtures and Equipment	(67,836)	(10,218)	0	(78,054)
Infrastructure	(1,175,114)	(50,806)	0	(1,225,920)
Total Accumulated Depreciation	<u>(1,461,038)</u>	<u>(61,024)</u>	<u>0</u>	<u>(1,522,062)</u>
Business-Type Activities, Net	<u>\$1,891,698</u>	<u>(\$25,624)</u>	<u>\$0</u>	<u>\$1,866,074</u>

Depreciation expense was charged to governmental programs as follows:

<u>Governmental Activities</u>	
General Government	\$164,931
Security of Persons and Property:	
Police	114,987
Fire	144,463
Public Services	7,530
Public Health Services	16,858
Leisure Time Services	13,180
Community and Economic Development	577
Transportation	316,236
Total Depreciation Expense	<u>\$778,762</u>

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 10 - LONG-TERM DEBT

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2008 follows:

Governmental Activities

Types/Issues	Balance 1/1/08	Increases	Decreases	Balance 12/31/08	Due Within One Year
General Obligation Refunding Bonds					
2006 - 4.48% - \$6,545,752	\$6,195,752	\$0	\$549,152	\$5,646,600	\$563,642
Special Assesment Debt 2003 - 8.5% \$3,500,000	2,085,643	0	192,569	1,893,074	208,937
OPWC Loan- Resurface					
Williams Ave 2003 - 0% - \$247,090	197,672	0	12,354	185,318	12,354
OPWC Loan - Montgomery Rd					
Phase II 2003 - 0% - \$623,255	514,186	0	31,162	483,024	31,162
Tax Increment Financing					
Bonds 2006 - 4%-5.75% - \$12,500,000	12,380,000	0	125,000	12,255,000	165,000
Discount on Debt Issue	(176,510)	0	(7,355)	(169,155)	0
Linden Pointe Tax Increment Financing					
Bonds 2007 - 4.35% - \$3,550,000	3,550,000	0	0	3,550,000	0
Capital Leases	439,948	686,611	238,645	887,914	219,351
Compensated Absences	3,470,556	321,233	456,047	3,335,742	603,219
Intergovernmental Payable	1,948,275	70,165	0	2,018,440	89,273
Total	<u>\$30,605,522</u>	<u>\$1,078,009</u>	<u>\$1,597,574</u>	<u>\$30,085,957</u>	<u>\$1,892,938</u>

The general obligation debt is tax-supported. Annually, City Council authorizes a transfer from the General Fund to the Debt Service Fund to service the tax-supported debt.

The special assessment debt is serviced by revenues received from special assessments and is also backed by the full faith and credit of the government as additional security.

During 2003, the City entered into a loan agreement with the Ohio Public Works Commission to help resurface Williams Avenue. This is an interest free, 20 year loan and the maturity date is January 1, 2024.

During 2003, the City entered into a loan agreement with the Ohio Public Works Commission for the Montgomery Road Phase II project. This is an interest free, 20 year loan and the maturity date is July 1, 2024.

In 2006, the Tax Increment Financing Bonds were refinanced. TIF revenues from all incremental property taxes are paid from parcels within the TIF district as defined by the City encompassing the project known as the "Cornerstone at Norwood". These incremental taxes on the TIF district will be collected by the Hamilton County Auditor and disbursed to the City of Norwood for the payment of the bonds.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 10 - LONG-TERM DEBT (Continued)

In 2007, the Linden Pointe Tax Increment Financing Bonds were issued in the amount of \$3,550,000. TIF Revenues from all incremental property taxes are paid from parcels within the TIF district as defined by the City encompassing the project known as "Linden Pointe". These incremental taxes on the TIF district will be collected by the Hamilton County Auditor and disbursed to the City of Norwood for the payment of the bonds.

The City has entered into an agreement with Norwood City School District for reimbursement of a portion of taxes lost by the School District as a result of Tax Increment Financing agreements with developers. The City is allowed to grant an exemption from taxation for real or tangible personal property improvements. Pursuant to Section 5709.40, Ohio Revised Code, the City may negotiate and enter into agreements with the School District to compensate the School District for tax revenue the School District would have received had the property comprising the projects not been exempted from taxation by the City. The liability to the School District under these agreements was \$2,018,440 at December 31, 2008.

Compensated absences will be paid from the General, Transportation, Economic Development and Parks Funds. The capital lease liability will be paid from the General, Transportation and Fire Funds.

Changes in the long-term obligations reported in business-type activities of the City during 2008 were as follows:

Business-Type Activities

Types/Issues	Balance 1/1/08	Increases	Decreases	Balance 12/31/08	Due Within One Year
1994 OPWC Loan - Improve Water Distribution System - 3% - \$489,978	\$78,639	\$0	\$38,735	\$39,904	\$39,904
2007 OPWC Water Distribution - 0% \$98,110	65,660	32,450	19,621	78,489	0
Compensated Absences	25,486	28,301	19,566	34,221	13,461
Total	<u>\$169,785</u>	<u>\$60,751</u>	<u>\$77,922</u>	<u>\$152,614</u>	<u>\$53,365</u>

During 1994, the City entered into a loan agreement with the Ohio Public Works Commission to help fund improvements of the water distribution system. The interest rate on the loan is 3 percent and the maturity date is January 1, 2010.

During 2007, the City entered into a loan agreement with the Ohio Public Works Commission to help fund improvements of the water distribution system. This is an interest free loan and the maturity date is January 1, 2013. Work on the project has not been fully completed, therefore, the loan amount has not been issued in full and a final payment schedule for this loan is not available.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008

NOTE 10 - LONG-TERM DEBT (Continued)

As of December 31, 2008, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$33,805,811 and the unvoted debt margin was \$14,700,691.

Annual Long-Term Debt Requirements

Principal and interest requirements to retire the City's long-term obligations outstanding at year-end are as follows:

Year	Governmental Activities							
	Special Assessment Bonds		OPWC Loans		Tax Increment Financing Bonds		Various Purpose Refinancing Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$208,937	\$160,911	\$43,516	\$0	\$165,000	\$888,435	\$563,642	\$232,548
2010	226,697	143,152	43,516	0	3,730,000	881,011	591,359	210,303
2011	245,966	123,882	43,516	0	195,000	717,586	620,637	185,993
2012	266,873	102,975	43,516	0	235,000	707,348	651,565	157,922
2013	289,557	80,291	43,516	0	250,000	695,010	684,235	128,263
2014-2018	655,044	84,653	217,580	0	1,665,000	3,246,088	1,656,954	369,662
2019-2023	0	0	217,580	0	2,550,000	2,668,960	878,208	55,034
2024-2028	0	0	15,602	0	3,875,000	1,731,660	0	0
2029-2031	0	0	0	0	3,140,000	399,900	0	0
Totals	\$1,893,074	\$695,864	\$668,342	\$0	\$15,805,000	\$11,935,998	\$5,646,600	\$1,339,725

Business Type Activities		
OPWC Loans		
Year	Principal	Interest
2009	\$39,904	\$6,291

NOTE 11 - CAPITAL LEASES – LESSEE DISCLOSURE

In 2008, and in prior years, the City entered into capital leases for vehicles. By the terms of the agreements, ownership of the equipment is transferred to the City by the end of the four year lease term. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets acquired by leases have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$1,241,459. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2008 totaled \$238,645.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008

NOTE 11 - CAPITAL LEASES – LESSEE DISCLOSURE (Continued)

The assets acquired through capital leases are as follows:

Asset Class	Asset Value	Accumulated Depreciation	Net Book Value December 31, 2008
Vehicles	\$1,241,459	\$108,737	\$1,132,722

The following is a schedule of future minimum payments on capital leases and the present value of the minimum lease payments at December 31, 2008.

Year	Governmental Activities
2009	\$303,639
2010	272,589
2011	241,153
2012	147,983
2012	30,933
Total Minimum Lease Payments	996,297
Less: Amount Representing Interest	(108,383)
Present Value of Minimum Lease Payments	\$887,914

NOTE 12 - SHORT-TERM DEBT

In 2006 and subsequent years, Al Neyer, Inc. loaned the City \$207,109 to purchase land for roadway paving, in conjunction with the Linden Point Tax Increment Financing. The loan was paid off during 2008.

	Balance 1/1/08	Increases	Decreases	Balance 12/31/08	Due Within One Year
Al Neyer, Inc. Loan	\$22,127	\$16,539	\$38,666	\$0	\$0

NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, general liability and police professional liability. Settlements have not exceeded coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

The City pays the State Worker's Compensation system a premium based on a rate per \$100 of salaries. This rate is calculated on accident history and administrative costs.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$861,644, \$956,040, and \$1,090,949, respectively; 99.95 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2009 were \$12,402 made by the City and \$8,859 made by plan members.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 14 - DEFINED BENEFIT PENSION PLANS (Continued)

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24.0 percent for firefighters. Contribution rates are established by State statute. For 2008, a portion of the City's contributions equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's contributions to OP&F for police and firefighters were \$562,830 and \$865,541 for the year ended December 31, 2008, \$534,711 and \$794,572 for the year ended December 31, 2007, and \$561,211 and \$905,718 for the year ended December 31, 2006. 76.78 percent for police and 80.32 percent for firefighters has been contributed for 2008. The full amount has been contributed for 2007 and 2006.

NOTE 15 - POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 15 - POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.0 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits 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 allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$861,389, \$730,731, and \$533,617, respectively; 99.95 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

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.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment 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 reimbursement 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.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 15 - POST-EMPLOYMENT BENEFITS (Continued)

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – OP&F's post-employment health care plan was established and is administered as an Internal Revenue Code 410(h) account within the defined benefit plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for 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 percent and 24.0 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75 percent 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 Section 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 to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$297,969 and \$338,690 for the year ended December 31, 2008, \$283,082 and \$310,920 for the year ended December 31, 2007, and \$370,160 and \$431,958 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 76.78 percent has been contributed for police and 80.32 percent has been contributed for firefighters for 2008.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 16 - OTHER EMPLOYEE BENEFITS

Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Insurance

Medical/surgical benefits are provided to full-time City employees. The provider of these benefits is Anthem BC/BS Health Care. The City pays between 80 and 100 percent of the single monthly premiums depending on which plan and coverage is selected. The cost of the premium varies with each employee depending on the plan and coverage selected.

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City administers a single-employer defined benefit post-employment healthcare plan, the C-9 Trust. Although the assets of the plan are commingled for investment purposes, the plans assets may only be used for payment of benefits to the members in accordance with the terms of the plan.

Summary of Significant Accounting Policies

Basis of Accounting – The financial statements for the C-9 Trust are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008

NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Description and Contribution Information

Membership of the plan consisted of the following at December 31, 2008:

Retirees and beneficiaries receiving benefits	236
Active employee plan members	<u>6</u>
Total	<u><u>242</u></u>
 Number of participating employers	 1

The C-9 Trust is a single-employer defined benefit post-employment healthcare plan. The plan covers retired employees of the City and their spouses. The plan provides for allowable insurance premiums plus reimbursement for uninsured expenses up to \$2,250 per individual. The City's post-employment benefit coverage was established under, and is administrated in accordance with, Internal Revenue Code 501 (c) 9.

Retirees do not contribute to the plan. The plan is wholly funded by the City.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio
12/31/2008	\$427	\$3,158,611	\$3,158,184	0.01%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The accompanying schedule of employer contributions present trend information about the amounts contributed to the plan by the employer in comparison to the annual required contributions, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43. The annual required contributions represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost for each year and amortize an unfunded actuarial liability (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of the benefit cost born by the employer at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Valuation Date	12/31/2008
Actuarial Cost Method	Unit Credit
Asset Valuation Method	Market Value
Amortization Method	Level dollar, closed
Remaining Amortization Period	15 years
Actuarial Assumptions:	
Investment Rate of Return	7 % per year, compounded annually

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008

NOTE 18 - INTERFUND ACTIVITY

Interfund balances at December 31, 2008, consisted of the following amounts and result from correcting misposted items and moving unrestricted balances to support the programs and projects accounted for in other funds.

		Receivable		
		General	All Other Governmental Funds	Total
Payable	General	\$0	\$18,874	\$18,874
	All Other Governmental Funds	\$149,427	\$0	149,427
	Refuse	36,607	0	36,607
	Total	<u>\$186,034</u>	<u>\$18,874</u>	<u>\$204,908</u>

Transfers made during the year ended December 31, 2008, were as follows:

		Transfers To			
		All Other Governmental Funds	Water	Refuse Disposal	Total
Transfers From	General	<u>\$2,917,682</u>	<u>\$316,000</u>	<u>\$109,000</u>	<u>\$3,342,682</u>

Transfers from the General Fund were made to move unrestricted balances to support programs and projects.

NOTE 19 - COMPLIANCE

Ohio Revised Code, Section 733.43, states that the treasurer of a municipal corporation shall keep an accurate account of all monies received and disbursed by him. The City Treasurer did not prepare accurate cash reconciliations of the general account during 2008.

Oho Revised Code, Section 733.11, requires that the city auditor shall keep the books of the city and exhibit accurate statements of all moneys received and expended. In 2008, there were several instances of financial activity improperly posted.

Ohio Revised Code, Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. During 2008, thirty two percent (32%) of the non-payroll disbursements tested did not have certification prior to the obligation date and none of the three exceptions provided above were utilized.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 19 - COMPLIANCE (Continued)

Ohio Revised Code, Section 5705.09(F), requires the City to establish a special fund for each class of revenues derived from a source other than a general property tax, which the law requires to be used for a particular purpose. The City does not have separate funds on the City's financial records for all Tax Increment Revenues.

Ohio Revised Code, Section 5705.39, requires the City limit total appropriations from each fund to the total estimated revenue available for expenditure. During 2008, three funds have appropriations exceeding estimated resources.

Ohio Revised Code Section 5705.41(B), provides that no subdivision or taxing unit is to expend money unless it has been appropriated. The City had expenditures that exceeded appropriations at 12/31/08 in the following legal levels of control: Security of Persons and Property Police and Security of Persons and Property Fire.

NOTE 20 - CONTINGENCIES

Litigation

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

Federal and State Grants

For the period January 1, 2008 to December 31, 2008, the City received state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 21 – SHARED RISK POOL

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to section 2744.081, of the Ohio Revised Code, by the execution of an intergovernmental contract (“Participation Agreements”). PEP enables the subscribing subdivisions to pool risk for property, liability and public official liability. PEP has no employees, rather it is administered through contracts with various professionals. Pursuant to a contract, the firm of Accordia of Ohio administers PEP. PEP is a separate legal entity. PEP subcontracts certain self-insurance, administrative and claims functions to a “Pool Operator,” currently Pottering Insurance. PEP has executed contracts with various professionals for actuary services, as independent auditors, as loss control representatives, as litigation management and defense law firms, as counsel to PEP and others as required.

PEP is governed by a seven member Board of Trustees elected by the members of PEP. The City makes annual payments to PEP for the coverage it is provided, based on rates established by PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio, 45402.

NOTE 22 - FISCAL WATCH

On October 7, 2004, the Auditor of State placed the City in fiscal watch, under Section 118.022 (A)(4) of the Ohio Revised Code, based on the examination of a financial forecast for the year ending December 31, 2004 in which the Auditor of State certified a deficit in the General Fund of \$1,546,000 for the year ending December 31, 2004

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u> Unit Credit	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
12/31/2008	\$427	\$3,158,611	\$3,158,184	0.01%
12/31/2007	\$28,818	\$3,357,077	\$3,328,259	0.86%
12/31/2006	\$4,855	\$3,305,800	\$3,300,945	0.15%

Schedule of Employer Contributions

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$324,249	98.57%
2007	\$341,710	101.84%
2006	\$338,906	88.52%

CITY OF NORWOOD, OHIO
NONMAJOR FUND DESCRIPTIONS

NONMAJOR SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specific purposes. The following are descriptions of the City's nonmajor Special Revenue Funds.

Permissive Tax

To account for motor vehicle license fees used for specific road improvements approved by the county engineer.

Mayor's Court Computerization

To account for monies collected and used for the computerization of Mayor's Court operations.

Tree Board

To account for donations used for the Tree Board.

Pace Telecommunications

To account for cable television franchise fees used for local access programming.

Council on Aging

To account for revenue derived from the Council on Aging used for the City's congregate lunch program.

Recycle

To account for the receipt and expenditure of monies from the Recycle Ohio Grant Program.

Homeland Security

To account for the receipt and expenditure of monies from the State of Ohio Office of Criminal Justice.

21st Century Grant

To account for donations and revenue received from the Norwood City School District for work performed in connection with the School District's 21st Century Grant and the expenditure of these funds.

Separation Pay

To account for funds used to pay separation obligations of retiring City employees.

Transportation

To account for gasoline tax and motor vehicle license fees used for routine maintenance of streets and State highways within the City.

Fire

To account for State grants used for the Fire Department and emergency management.

CITY OF NORWOOD, OHIO
NONMAJOR FUND DESCRIPTIONS
(Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Police

To account for donations and grants used for public safety.

Economic Development

To account for monies from the Urban Development Action Grant used for economic development.

Parks

To account for donations, grants, and revenues from various community activities used for Fenwick Park and the Community Center.

Health

To account for revenues from various grants used for health related programs.

NONMAJOR CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Parks and Recreation

To account for monies used for the capital improvement of parks and recreational facilities.

General Improvement

To account for monies used for general capital improvements.

Capital Assets

To account for capital expenditures related to the acquisition of capital assets.

Montgomery Road

To account for Issue II funds received from the State of Ohio for each project awarded through this program and local matching funds, along with the OPWC fund.

Linden Pointe Construction

To account for debt proceeds used for the construction of the Linden Pointe development area.

**CITY OF NORWOOD, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,566,247	\$133,122	\$2,699,369
Cash and Cash Equivalents with Fiscal Agents	0	1,174,387	1,174,387
Intergovernmental Receivable	344,410	0	344,410
Property Taxes Receivable	9,428	0	9,428
Revenue in Lieu of Taxes Receivable	0	567,049	567,049
Interfund Receivable	18,874	0	18,874
Special Assessments Receivable	0	0	0
Total Assets	<u>\$2,938,959</u>	<u>\$1,874,558</u>	<u>\$4,813,517</u>
Liabilities:			
Accounts Payable	\$44,518	\$0	\$44,518
Accrued Wages Payable	18,630	0	18,630
Contracts Payable	7,974	475,000	482,974
Intergovernmental Payable	18,894	0	18,894
Interfund Payable	68,106	0	68,106
Deferred Revenue	287,199	567,049	854,248
Total Liabilities	<u>445,321</u>	<u>1,042,049</u>	<u>1,487,370</u>
Fund Balances:			
Reserved:			
Reserved for Encumbrances	109,009	37,289	146,298
Unreserved, Undesignated Reported in:			
Special Revenue Funds	2,384,629	0	2,384,629
Debt Service Fund	0	0	0
Capital Projects Funds	0	795,220	795,220
Total Fund Balances	<u>2,493,638</u>	<u>832,509</u>	<u>3,326,147</u>
Total Liabilities and Fund Balances	<u>\$2,938,959</u>	<u>\$1,874,558</u>	<u>\$4,813,517</u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCES
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	\$119,134	\$0	\$119,134
Special Assessments	0	0	0
Charges for Services	198,353	0	198,353
Fines, Licenses and Permits	119,455	0	119,455
Intergovernmental	1,001,102	306,813	1,307,915
Interest	17,137	24,873	42,010
Contributions and Donations	108,788	138,246	247,034
Other	4,939	0	4,939
	<u>1,568,908</u>	<u>469,932</u>	<u>2,038,840</u>
Total Revenues			
Expenditures:			
Current:			
General Government	340,341	0	340,341
Security of Persons and Property:			
Police	84,517	0	84,517
Fire	208,907	0	208,907
Public Health Services	117,575	0	117,575
Leisure Time Services	500,952	5,000	505,952
Community and Economic Development	73,853	0	73,853
Transportation	1,410,460	78,697	1,489,157
Capital Outlay	44,401	389,291	433,692
Debt Service:			
Principal Retirement	128,972	0	128,972
Interest and Fiscal Charges	21,189	154,425	175,614
	<u>2,931,167</u>	<u>627,413</u>	<u>3,558,580</u>
Total Expenditures			
Excess of Revenues Under Expenditures	(1,362,259)	(157,481)	(1,519,740)
Other Financing Sources:			
Transfers In	1,296,010	18,000	1,314,010
	<u>1,296,010</u>	<u>18,000</u>	<u>1,314,010</u>
Net Change in Fund Balances	(66,249)	(139,481)	(205,730)
Fund Balances (Deficit) at Beginning of Year	2,559,887	971,990	3,531,877
	<u>2,559,887</u>	<u>971,990</u>	<u>3,531,877</u>
Fund Balances at End of Year	<u>\$2,493,638</u>	<u>\$832,509</u>	<u>\$3,326,147</u>

**CITY OF NORWOOD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008**

	Permissive Tax	Mayor's Court Computerization	Tree Board
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$321,031	\$43,640	\$2,254
Intergovernmental Receivable	0	0	0
Property Taxes Receivable	9,428	0	0
Interfund Receivable	0	0	0
Total Assets	<u>\$330,459</u>	<u>\$43,640</u>	<u>\$2,254</u>
Liabilities:			
Accounts Payable	\$0	\$0	\$0
Accrued Wages Payable	0	0	0
Contracts Payable	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved:			
Reserved for Encumbrances	8,249	1,849	0
Unreserved, Undesignated	322,210	41,791	2,254
Total Fund Balances	<u>330,459</u>	<u>43,640</u>	<u>2,254</u>
Total Liabilities and Fund Balances	<u>\$330,459</u>	<u>\$43,640</u>	<u>\$2,254</u>

<u>Pace Telecommunications</u>	<u>Council on Aging</u>	<u>Recycle</u>	<u>Homeland Security</u>	<u>21st Century Grant</u>	<u>Separation Pay</u>
\$67,419	\$21,616	\$3,776	\$1,526	\$87,567	\$11,450
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$67,419</u>	<u>\$21,616</u>	<u>\$3,776</u>	<u>\$1,526</u>	<u>\$87,567</u>	<u>\$11,450</u>
\$0	\$981	\$0	\$0	\$66	\$0
0	366	0	0	821	0
0	0	0	0	0	0
0	370	0	0	2,175	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>1,717</u>	<u>0</u>	<u>0</u>	<u>3,062</u>	<u>0</u>
0	165	0	0	8,561	9,925
<u>67,419</u>	<u>19,734</u>	<u>3,776</u>	<u>1,526</u>	<u>75,944</u>	<u>1,525</u>
<u>67,419</u>	<u>19,899</u>	<u>3,776</u>	<u>1,526</u>	<u>84,505</u>	<u>11,450</u>
<u>\$67,419</u>	<u>\$21,616</u>	<u>\$3,776</u>	<u>\$1,526</u>	<u>\$87,567</u>	<u>\$11,450</u>

(continued)

**CITY OF NORWOOD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2008
 (continued)**

	<u>Transportation</u>	<u>Fire</u>	<u>Police</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$201,571	\$207,756	\$121,121
Intergovernmental Receivable	344,410	0	0
Property Taxes Receivable	0	0	0
Interfund Receivable	<u>18,874</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$564,855</u></u>	<u><u>\$207,756</u></u>	<u><u>\$121,121</u></u>
Liabilities:			
Accounts Payable	\$16,231	\$22,589	\$3,040
Accrued Wages Payable	12,635	0	0
Contracts Payable	1,756	6,218	0
Intergovernmental Payable	10,801	0	0
Interfund Payable	0	29,561	0
Deferred Revenue	<u>287,199</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>328,622</u>	<u>58,368</u>	<u>3,040</u>
Fund Balances:			
Reserved:			
Reserved for Encumbrances	37,400	19,823	5,706
Unreserved, Undesignated	<u>198,833</u>	<u>129,565</u>	<u>112,375</u>
Total Fund Balances	<u>236,233</u>	<u>149,388</u>	<u>118,081</u>
Total Liabilities and Fund Balances	<u><u>\$564,855</u></u>	<u><u>\$207,756</u></u>	<u><u>\$121,121</u></u>

<u>Economic Development</u>	<u>Parks</u>	<u>Health</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,231,892	\$157,920	\$85,708	\$2,566,247
0	0	0	344,410
0	0	0	9,428
0	0	0	18,874
<u>\$1,231,892</u>	<u>\$157,920</u>	<u>\$85,708</u>	<u>\$2,938,959</u>
\$0	\$1,413	\$198	\$44,518
2,095	2,713	0	18,630
0	0	0	7,974
2,007	3,541	0	18,894
0	38,545	0	68,106
0	0	0	287,199
<u>4,102</u>	<u>46,212</u>	<u>198</u>	<u>445,321</u>
1,940	13,633	1,758	109,009
<u>1,225,850</u>	<u>98,075</u>	<u>83,752</u>	<u>2,384,629</u>
<u>1,227,790</u>	<u>111,708</u>	<u>85,510</u>	<u>2,493,638</u>
<u>\$1,231,892</u>	<u>\$157,920</u>	<u>\$85,708</u>	<u>\$2,938,959</u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Permissive Tax	Mayor's Court Computerization	Tree Board
Revenues:			
Other Local Taxes	\$119,134	\$0	\$0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	16,747	0
Intergovernmental	0	0	0
Interest	6,386	0	0
Contributions and Donations	0	0	461
Other	0	1,510	0
Total Revenues	<u>125,520</u>	<u>18,257</u>	<u>461</u>
Expenditures:			
Current:			
General Government	0	9,199	0
Security of Persons and Property:			
Police	0	0	0
Fire	0	0	0
Public Health Services	0	0	0
Leisure Time Services	0	0	589
Community and Economic Development	0	0	0
Transportation	97,635	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	43,516	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	<u>141,151</u>	<u>9,199</u>	<u>589</u>
Excess of Revenues Over (Under) Expenditures	(15,631)	9,058	(128)
Other Financing Sources:			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(15,631)	9,058	(128)
Fund Balances (Deficit) at Beginning of Year	<u>346,090</u>	<u>34,582</u>	<u>2,382</u>
Fund Balances at End of Year	<u><u>\$330,459</u></u>	<u><u>\$43,640</u></u>	<u><u>\$2,254</u></u>

<u>Pace Telecommunications</u>	<u>Council on Aging</u>	<u>Recycle</u>	<u>Homeland Security</u>	<u>21st Century Grant</u>	<u>Separation Pay</u>
\$0	\$0	\$0	\$0	\$0	\$0
67,419	0	0	0	40,705	0
0	0	0	0	0	0
0	24,310	0	0	0	0
0	0	0	0	0	0
0	0	0	500	101,792	0
0	0	0	0	23	0
<u>67,419</u>	<u>24,310</u>	<u>0</u>	<u>500</u>	<u>142,520</u>	<u>0</u>
0	0	0	0	0	331,142
0	0	0	0	0	0
0	0	0	4,391	0	0
0	27,066	0	0	0	0
68,169	0	0	0	119,943	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>68,169</u>	<u>27,066</u>	<u>0</u>	<u>4,391</u>	<u>119,943</u>	<u>331,142</u>
(750)	(2,756)	0	(3,891)	22,577	(331,142)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>367,275</u>
(750)	(2,756)	0	(3,891)	22,577	36,133
<u>68,169</u>	<u>22,655</u>	<u>3,776</u>	<u>5,417</u>	<u>61,928</u>	<u>(24,683)</u>
<u>\$67,419</u>	<u>\$19,899</u>	<u>\$3,776</u>	<u>\$1,526</u>	<u>\$84,505</u>	<u>\$11,450</u>

(continued)

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(continued)**

	<u>Transportation</u>	<u>Fire</u>	<u>Police</u>
Revenues:			
Other Local Taxes	\$0	\$0	\$0
Charges for Services	0	6,340	0
Fines, Licenses and Permits	12,399	0	81,430
Intergovernmental	713,293	101,377	15,454
Interest	10,751	0	0
Contributions and Donations	0	0	4,566
Other	0	0	44
	<u>736,443</u>	<u>107,717</u>	<u>101,494</u>
Total Revenues			
Expenditures:			
Current:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	84,517
Fire	0	204,516	0
Public Health Services	0	0	0
Leisure Time Services	0	0	0
Community and Economic Development	0	0	0
Transportation	1,312,825	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	53,493	31,963	0
Interest and Fiscal Charges	13,541	7,648	0
	<u>1,379,859</u>	<u>244,127</u>	<u>84,517</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(643,416)	(136,410)	16,977
Other Financing Sources:			
Transfers In	505,000	204,611	4,084
	<u>505,000</u>	<u>204,611</u>	<u>4,084</u>
Net Change in Fund Balances	(138,416)	68,201	21,061
Fund Balances (Deficit) at Beginning of Year	374,649	81,187	97,020
	<u>374,649</u>	<u>81,187</u>	<u>97,020</u>
Fund Balances at End of Year	<u>\$236,233</u>	<u>\$149,388</u>	<u>\$118,081</u>

Economic Development	Parks	Health	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$119,134
0	83,889	0	198,353
0	0	8,879	119,455
12,270	60,200	74,198	1,001,102
0	0	0	17,137
0	1,469	0	108,788
0	65	3,297	4,939
<u>12,270</u>	<u>145,623</u>	<u>86,374</u>	<u>1,568,908</u>
0	0	0	340,341
0	0	0	84,517
0	0	0	208,907
0	0	90,509	117,575
0	312,251	0	500,952
73,853	0	0	73,853
0	0	0	1,410,460
0	44,401	0	44,401
0	0	0	128,972
0	0	0	21,189
<u>73,853</u>	<u>356,652</u>	<u>90,509</u>	<u>2,931,167</u>
(61,583)	(211,029)	(4,135)	(1,362,259)
<u>82,180</u>	<u>132,860</u>	<u>0</u>	<u>1,296,010</u>
20,597	(78,169)	(4,135)	(66,249)
<u>1,207,193</u>	<u>189,877</u>	<u>89,645</u>	<u>2,559,887</u>
<u>\$1,227,790</u>	<u>\$111,708</u>	<u>\$85,510</u>	<u>\$2,493,638</u>

**CITY OF NORWOOD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2008**

	<u>Parks and Recreation</u>	<u>General Improvement</u>	<u>Capital Assets</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$5,055	\$63,706	\$40,152
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Revenue in Lieu of Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$5,055</u>	<u>\$63,706</u>	<u>\$40,152</u>
Liabilities:			
Contracts Payable	\$0	\$0	\$0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved:			
Reserved for Encumbrances	0	0	37,289
Unreserved, Undesignated	<u>5,055</u>	<u>63,706</u>	<u>2,863</u>
Total Fund Balances	<u>5,055</u>	<u>63,706</u>	<u>40,152</u>
Total Liabilities and Fund Balances	<u>\$5,055</u>	<u>\$63,706</u>	<u>\$40,152</u>

<u>Montgomery Road</u>	<u>Linden Pointe Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$24,209	\$0	\$133,122
0	1,174,387	1,174,387
<u>0</u>	<u>567,049</u>	<u>567,049</u>
<u>\$24,209</u>	<u>\$1,741,436</u>	<u>\$1,874,558</u>
\$0	\$475,000	\$475,000
<u>0</u>	<u>567,049</u>	<u>567,049</u>
<u>0</u>	<u>1,042,049</u>	<u>1,042,049</u>
0	0	37,289
<u>24,209</u>	<u>699,387</u>	<u>795,220</u>
<u>24,209</u>	<u>699,387</u>	<u>832,509</u>
<u>\$24,209</u>	<u>\$1,741,436</u>	<u>\$1,874,558</u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Parks and Recreation</u>	<u>General Improvement</u>	<u>Capital Assets</u>
Revenues:			
Intergovernmental	\$0	\$0	\$0
Interest	0	0	0
Contributions and Donations	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Leisure Time Services	5,000	0	0
Transportation	0	0	0
Capital Outlay	0	0	10,231
Debt Service:			
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>5,000</u>	<u>0</u>	<u>10,231</u>
Excess of Revenues Under Expenditures	(5,000)	0	(10,231)
Other Financing Sources:			
Transfers In	<u>0</u>	<u>0</u>	<u>18,000</u>
Net Change in Fund Balances	(5,000)	0	7,769
Fund Balances at Beginning of Year	<u>10,055</u>	<u>63,706</u>	<u>32,383</u>
Fund Balances at End of Year	<u><u>\$5,055</u></u>	<u><u>\$63,706</u></u>	<u><u>\$40,152</u></u>

<u>Montgomery Road</u>	<u>Linden Pointe Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$306,813	\$0	\$306,813
0	24,873	24,873
<u>10,484</u>	<u>127,762</u>	<u>138,246</u>
<u>317,297</u>	<u>152,635</u>	<u>469,932</u>
0	0	5,000
27,023	51,674	78,697
306,813	72,247	389,291
<u>0</u>	<u>154,425</u>	<u>154,425</u>
<u>333,836</u>	<u>278,346</u>	<u>627,413</u>
(16,539)	(125,711)	(157,481)
<u>0</u>	<u>0</u>	<u>18,000</u>
(16,539)	(125,711)	(139,481)
<u>40,748</u>	<u>825,098</u>	<u>971,990</u>
<u>\$24,209</u>	<u>\$699,387</u>	<u>\$832,509</u>

CITY OF NORWOOD, OHIO

AGENCY FUND DESCRIPTIONS

To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governmental units.

Mayor's Court

To account for money received from fines and fees held for distribution to other governments.

Building Assessment

To account for monies received from building permits which will be disbursed to the State of Ohio.

Sewage

To account for monies received from billings that are collected on behalf of the Metropolitan Sewer District of Greater Cincinnati, which are then disbursed to them monthly.

**CITY OF NORWOOD, OHIO
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2008**

	<u>Mayor's Court</u>	<u>Building Assessment</u>	<u>Sewage</u>	<u>Total</u>
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$1,722	\$0	\$0	\$1,722
Equity in Pooled Cash and Cash Equivalents	0	5,263	603,151	608,414
Accounts Receivable	<u>0</u>	<u>0</u>	<u>1,095,604</u>	<u>1,095,604</u>
Total Assets	<u><u>\$1,722</u></u>	<u><u>\$5,263</u></u>	<u><u>\$1,698,755</u></u>	<u><u>\$1,705,740</u></u>
Liabilities:				
Intergovernmental Payable	\$0	\$0	\$1,698,755	\$1,698,755
Undistributed Monies	<u>1,722</u>	<u>5,263</u>	<u>0</u>	<u>6,985</u>
Total Liabilities	<u><u>\$1,722</u></u>	<u><u>\$5,263</u></u>	<u><u>\$1,698,755</u></u>	<u><u>\$1,705,740</u></u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Balance 1/1/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/08</u>
MAYOR'S COURT				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	<u>\$8,211</u>	<u>\$1,722</u>	<u>\$8,211</u>	<u>\$1,722</u>
Liabilities:				
Undistributed Monies	<u>\$8,211</u>	<u>\$1,722</u>	<u>\$8,211</u>	<u>\$1,722</u>
 BUILDING ASSESSMENT				
Assets:				
Equity in Pooled Cash and Cash Equivalents	<u>\$1,899</u>	<u>\$5,177</u>	<u>\$1,813</u>	<u>\$5,263</u>
Liabilities:				
Undistributed Monies	<u>\$1,899</u>	<u>\$5,177</u>	<u>\$1,813</u>	<u>\$5,263</u>
 SEWAGE				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$459,215	\$4,252,214	\$4,108,278	\$603,151
Accounts Receivable	<u>1,140,910</u>	<u>1,095,604</u>	<u>1,140,910</u>	<u>1,095,604</u>
Total Assets	<u>\$1,600,125</u>	<u>\$5,347,818</u>	<u>\$5,249,188</u>	<u>\$1,698,755</u>
Liabilities:				
Intergovernmental Payable	\$765	\$5,347,818	\$3,649,828	\$1,698,755
Undistributed Monies	<u>1,599,360</u>	<u>0</u>	<u>1,599,360</u>	<u>0</u>
Total Liabilities	<u>\$1,600,125</u>	<u>\$5,347,818</u>	<u>\$5,249,188</u>	<u>\$1,698,755</u>
 TOTAL - ALL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$8,211	\$1,722	\$8,211	\$1,722
Equity in Pooled Cash and Cash Equivalents	461,114	4,257,391	4,110,091	608,414
Accounts Receivable	<u>1,140,910</u>	<u>1,095,604</u>	<u>1,140,910</u>	<u>1,095,604</u>
Total Assets	<u>\$1,610,235</u>	<u>\$5,354,717</u>	<u>\$5,259,212</u>	<u>\$1,705,740</u>
Liabilities:				
Intergovernmental Payable	\$765	\$5,347,818	\$3,649,828	\$1,698,755
Undistributed Monies	<u>1,609,470</u>	<u>6,899</u>	<u>1,609,384</u>	<u>6,985</u>
Total Liabilities	<u>\$1,610,235</u>	<u>\$5,354,717</u>	<u>\$5,259,212</u>	<u>\$1,705,740</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property Taxes	2,277,372	\$2,693,759	\$416,387
Income Taxes	13,211,798	15,627,396	2,415,598
Other Local Taxes	4,790	5,666	876
Charges for Services	445,592	527,063	81,471
Fines, Licenses and Permits	493,109	583,267	90,158
Intergovernmental	1,270,696	1,503,026	232,330
Interest	133,951	158,442	24,491
Rent	13,087	15,480	2,393
Contributions and Donations	338	400	62
Other	171,587	202,959	31,372
Total Revenues	18,022,321	21,317,458	3,295,137
Expenditures:			
Current:			
General Government			
Legislative and Executive			
City Council			
Personal Services	76,262	74,915	1,347
Contractual Services	1,122	2,324	(1,202)
Other	83,090	25,776	57,314
Total City Council	160,474	103,015	57,459
Clerk of Council			
Personal Services	30,596	30,116	480
Contractual Services	16,924	16,233	691
Supplies and Materials	200	171	29
Total Clerk of Council	47,720	46,520	1,200
Mayor			
Personal Services	59,044	57,951	1,093
Contractual Services	3,400	1,828	1,572
Supplies and Materials	500	429	71
Total Mayor	62,944	60,208	2,736
Law Director			
Personal Services	179,906	174,482	5,424
Contractual Services	18,536	18,494	42
Supplies and Materials	800	690	110
Other	101,670	96,977	4,693
Total Law Director	300,912	290,643	10,269
Auditor			
Personal Services	232,764	228,192	4,572
Contractual Services	54,301	53,839	462
Supplies and Materials	6,150	6,128	22
Other	218,745	220,814	(2,069)
Total Auditor	511,960	508,973	2,987
Treasurer			
Personal Services	86,739	84,269	2,470
Contractual Services	41,800	47,142	(5,342)
Supplies and Materials	2,550	1,914	636
Total Treasurer	131,089	133,325	(2,236)
Earnings Tax			
Personal Services	141,927	138,537	3,390
Contractual Services	103,947	99,290	4,657
Supplies and Materials	2,971	2,931	40
Other	394,275	394,276	(1)
Total Earnings Tax	\$643,120	\$635,034	\$8,086

(Continued)

CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

	Final Budget	Actual	Variance with Final Budget
Civil Service Commission			
Personal Services	\$30,643	\$28,101	\$2,542
Contractual Services	29,000	16,383	12,617
Supplies and Materials	300	196	104
Total Civil Service Commission	<u>59,943</u>	<u>44,680</u>	<u>15,263</u>
Safety/Service Director's Office			
Personal Services	89,230	92,008	(2,778)
Contractual Services	2,530	2,343	187
Supplies and Materials	1,100	367	733
Total Safety/Service Director's Office	<u>92,860</u>	<u>94,718</u>	<u>(1,858)</u>
Transportation Unassigned Vehicle			
Contractual Services	168	168	0
Supplies and Materials	209,696	209,505	191
Total Transportation Unassigned Vehicle	<u>209,864</u>	<u>209,673</u>	<u>191</u>
Division of Buildings			
Personal Services	286,259	280,354	5,905
Contractual Services	61,766	59,479	2,287
Supplies and Materials	3,798	3,689	109
Total Division of Buildings	<u>351,823</u>	<u>343,522</u>	<u>8,301</u>
Public Works			
Personal Services	125,332	120,433	4,899
Contractual Services	7,800	7,295	505
Supplies and Materials	3,019	2,685	334
Total Public Works	<u>136,151</u>	<u>130,413</u>	<u>5,738</u>
Garage			
Personal Services	190,768	178,942	11,826
Contractual Services	2,503	1,716	787
Supplies and Materials	15,866	12,286	3,580
Other	21,000	19,088	1,912
Total Garage	<u>230,137</u>	<u>212,032</u>	<u>18,105</u>
Community Center			
Personal Services	102,051	100,088	1,963
Contractual Services	152,500	43,441	109,059
Supplies and Materials	3,247	2,827	420
Other	38,072	34,689	3,383
Total Community Center	<u>295,870</u>	<u>181,045</u>	<u>114,825</u>
Public Lands and Buildings			
Contractual Services	591,765	502,969	88,796
Supplies and Materials	26,416	26,374	42
Other	644,147	542,551	101,596
Total Public Land and Buildings	<u>1,262,328</u>	<u>1,071,894</u>	<u>190,434</u>
Parks and Playgrounds			
Personal Services	317,000	307,937	9,063
Contractual Services	10,231	8,763	1,468
Supplies and Materials	48,387	48,251	136
Total Parks and Playgrounds	<u>375,618</u>	<u>364,951</u>	<u>10,667</u>
Total Legislative and Executive	<u>4,872,813</u>	<u>4,430,646</u>	<u>442,167</u>
Judicial			
Mayor's Court			
Personal Services	70,060	68,459	1,601
Contractual Services	30,025	29,325	700
Supplies and Materials	2,213	2,208	5
Total Mayor's Court	<u>102,298</u>	<u>99,992</u>	<u>2,306</u>
Prisoner Housing			
Contractual Services	13,805	13,595	210
Total Judicial	<u>116,103</u>	<u>113,587</u>	<u>2,516</u>
Total General Government	<u>\$4,988,916</u>	<u>\$4,544,233</u>	<u>\$444,683</u>

CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

	Final Budget	Actual	Variance with Final Budget
Security of Persons and Property			
Police			
Personal Services	\$5,875,280	\$6,007,272	(\$131,992)
Contractual Services	99,462	91,780	7,682
Supplies and Materials	101,888	99,141	2,747
Other	568,495	543,871	24,624
Total Police	<u>6,645,125</u>	<u>6,742,064</u>	<u>(96,939)</u>
Fire			
Personal Services	7,221,532	7,318,345	(96,813)
Contractual Services	89,306	84,683	4,623
Supplies and Materials	27,444	23,951	3,493
Other	127,037	121,967	5,070
Total Fire	<u>7,465,319</u>	<u>7,548,946</u>	<u>(83,627)</u>
Total Security of Persons and Property	<u>14,110,444</u>	<u>14,291,010</u>	<u>(180,566)</u>
Public Services			
Personal Services	49,566	47,298	2,268
Other	13,122	8,748	4,374
Total Public Services	<u>62,688</u>	<u>56,046</u>	<u>6,642</u>
Public Health Services			
Personal Services	423,430	415,133	8,297
Contractual Services	34,310	33,886	424
Supplies and Materials	5,457	4,429	1,028
Refunds	233	0	233
Other	493,789	492,723	1,066
Total Public Health Services	<u>957,219</u>	<u>946,171</u>	<u>11,048</u>
Total Expenditures	<u>20,119,267</u>	<u>19,837,460</u>	<u>281,807</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,096,946)</u>	<u>1,479,998</u>	<u>3,576,944</u>
Other Financing Uses:			
Advances Out	(38,545)	(38,545)	0
Transfers Out	(3,451,484)	(3,342,682)	108,802
Total Other Financing Uses	<u>(3,490,029)</u>	<u>(3,381,227)</u>	<u>108,802</u>
Net Change in Fund Balance	(5,586,975)	(1,901,229)	3,685,746
Fund Balance at Beginning of Year	3,504,069	3,504,069	0
Prior Year Encumbrances Appropriated	<u>251,265</u>	<u>251,265</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$1,831,641)</u>	<u>\$1,854,105</u>	<u>\$3,685,746</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Payments in Lieu of Taxes	\$864,322	\$1,284,418	\$420,096
Special Assessments	\$739,700	\$369,848	(\$369,852)
Total Revenues	<u>1,604,022</u>	<u>1,654,266</u>	<u>50,244</u>
Expenditures:			
Current:			
General Government:			
Legislative and Executive	0	5,844	(5,844)
Community and Economic Development	888,607	15,923	872,684
Debt Service:			
Principal Retirement	1,069,089	866,721	202,368
Interest and Fiscal Charges	613,486	1,182,311	(568,825)
Total Expenditures	<u>2,571,182</u>	<u>2,070,799</u>	<u>500,383</u>
Excess of Revenues Over (Under) Expenditures	<u>(967,160)</u>	<u>(416,533)</u>	<u>550,627</u>
Other Financing Sources:			
Transfers In	1,111,090	1,603,672	492,582
Net Change in Fund Balance	143,930	1,187,139	1,043,209
Fund Balance at Beginning of Year	82,476	82,476	0
Prior Year Encumbrance Appropriated	<u>940</u>	<u>940</u>	<u>0</u>
Fund Balance at End of Year	<u>\$227,346</u>	<u>\$1,270,555</u>	<u>\$1,043,209</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
WATER ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$3,618,621	\$3,419,024	(\$199,597)
Other	47,055	2,737	(44,318)
Proceeds from OPWC Loans	0	32,450	32,450
Total Revenues	<u>3,665,676</u>	<u>3,454,211</u>	<u>(211,465)</u>
Expenses:			
Personal Services	587,260	564,028	23,232
Contractual Services	3,170,810	3,127,280	43,530
Supplies and Materials	90,019	89,516	503
Refunds	1,025	1,019	6
Other	54,139	0	54,139
Principal Retirement	58,359	58,356	3
Interest and Fiscal Charges	2,071	2,071	0
Total Expenses	<u>3,963,683</u>	<u>3,842,270</u>	<u>121,413</u>
Excess of Revenues Under Expenses	(298,007)	(388,059)	(90,052)
Transfers In	0	316,000	316,000
Net Change in Fund Equity	(298,007)	(72,059)	225,948
Fund Equity at Beginning of Year	303,486	303,486	0
Prior Year Encumbrances Appropriated	<u>13,169</u>	<u>13,169</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$18,648</u></u>	<u><u>\$244,596</u></u>	<u><u>\$225,948</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
REFUSE ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	<u>\$1,131,594</u>	<u>\$1,286,988</u>	<u>\$155,394</u>
Expenses:			
Contractual Services	1,663,194	1,653,102	10,092
Refunds	<u>1,314</u>	<u>1,069</u>	<u>245</u>
Total Expenses	<u>1,664,508</u>	<u>1,654,171</u>	<u>10,337</u>
Excess of Revenues Over (Under) Expenses	(532,914)	(367,183)	165,731
Transfers In	<u>0</u>	<u>109,000</u>	<u>109,000</u>
Net Change in Fund Equity	(532,914)	(258,183)	274,731
Fund Equity at Beginning of Year	(8,094)	(8,094)	0
Prior Year Encumbrances Appropriated	<u>229,668</u>	<u>229,668</u>	<u>0</u>
Fund Equity at End of Year	<u><u>(\$311,340)</u></u>	<u><u>(\$36,609)</u></u>	<u><u>\$274,731</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERMISSIVE TAX SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Other Local Taxes	\$125,000	\$118,937	(\$6,063)
Interest	0	6,386	6,386
	<u>125,000</u>	<u>125,323</u>	<u>323</u>
Total Revenues			
Expenditures:			
Current:			
Transportation	297,666	105,884	191,782
Debt Service:			
Principal Retirement	87,034	43,516	43,518
	<u>384,700</u>	<u>149,400</u>	<u>235,300</u>
Total Expenditures			
Net Change in Fund Balance	(259,700)	(24,077)	235,623
Fund Balance at Beginning of Year	320,674	320,674	0
Prior Year Encumbrances Appropriated	<u>16,183</u>	<u>16,183</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$77,157</u></u>	<u><u>\$312,780</u></u>	<u><u>\$235,623</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAYOR'S COURT COMPUTERIZATION SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines, Licenses and Permits	\$18,000	\$16,747	(\$1,253)
Other	0	1,510	1,510
	<hr/>	<hr/>	<hr/>
Total Revenues	18,000	18,257	257
Expenditures:			
Current:			
General Government:			
Judicial System	35,720	12,187	23,533
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(17,720)	6,070	23,790
Fund Balance at Beginning of Year	32,949	32,949	0
Prior Year Encumbrances Appropriated	2,771	2,771	0
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$18,000</u>	<u>\$41,790</u>	<u>\$23,790</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 TREE BOARD SPECIAL REVENUE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Contributions and Donations	\$2,655	\$461	(\$2,194)
Expenditures:			
Current:			
Leisure Time Services	2,412	619	1,793
Net Change in Fund Balance	243	(158)	(401)
Fund Balance at Beginning of Year	2,257	2,257	0
Prior Year Encumbrances Appropriated	155	155	0
Fund Balance at End of Year	<u>\$2,655</u>	<u>\$2,254</u>	<u>(\$401)</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PACE TELECOMMUNICATIONS SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$69,000	\$67,419	(\$1,581)
Expenditures:			
Current:			
Leisure Time Services	69,000	68,169	831
Net Change in Fund Balance	0	(750)	(750)
Fund Balance at Beginning of Year	68,169	68,169	0
Fund Balance at End of Year	<u>\$68,169</u>	<u>\$67,419</u>	<u>(\$750)</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 COUNCIL ON AGING SPECIAL REVENUE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$26,081	\$24,310	(\$1,771)
Expenditures:			
Current:			
Public Health Services	28,164	27,649	515
Net Change in Fund Balance	(2,083)	(3,339)	(1,256)
Fund Balance at Beginning of Year	24,791	24,791	0
Fund Balance at End of Year	<u>\$22,708</u>	<u>\$21,452</u>	<u>(\$1,256)</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 RECYCLE SPECIAL REVENUE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$3,963	\$0	(\$3,963)
Expenditures:			
Current:			
Public Health Services	3,774	0	3,774
Net Change in Fund Balance	189	0	(189)
Fund Balance at Beginning of Year	3,774	3,776	0
Fund Balance at End of Year	<u>\$3,963</u>	<u>\$3,776</u>	<u>(\$189)</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOMELAND SECURITY SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Contributions and Donations	\$6,126	\$500	(\$5,626)
Expenditures:			
Current:			
Security of Persons and Property			
Fire	1,526	4,391	(2,865)
Net Change in Fund Balance	4,600	(3,891)	(8,491)
Fund Balance at Beginning of Year	5,417	5,417	0
Fund Balance at End of Year	\$10,017	\$1,526	(\$8,491)

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
21ST CENTURY GRANT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$69,457	\$40,705	(\$28,752)
Contributions and Donations	82,593	101,792	19,199
Other	0	23	23
	<hr/>	<hr/>	<hr/>
Total Revenues	152,050	142,520	(9,530)
Expenditures:			
Current:			
Leisure Time Services	220,411	131,983	88,428
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(68,361)	10,537	78,898
Fund Balance at Beginning of Year	64,927	64,927	0
Prior Year Encumbrances Appropriated	3,499	3,499	0
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$65</u>	<u>\$78,963</u>	<u>\$78,898</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SEPARATION PAY SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
General Government:			
Legislative and Executive	<u>475,889</u>	<u>341,139</u>	<u>134,750</u>
Excess of Revenues Under Expenditures	(475,889)	(341,139)	134,750
Other Financing Sources:			
Transfer In	<u>581,714</u>	<u>367,275</u>	<u>(214,439)</u>
Net Change in Fund Balance	105,825	26,136	(79,689)
Fund Balance at Beginning of Year	<u>(24,611)</u>	<u>(24,611)</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$81,214</u></u>	<u><u>\$1,525</u></u>	<u><u>(\$79,689)</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines, Licenses and Permits	\$20,000	\$12,399	(\$7,601)
Intergovernmental	1,196,633	717,658	(478,975)
Interest	26,107	10,751	(15,356)
Other	5,416	0	(5,416)
Total Revenues	1,248,156	740,808	(507,348)
Expenditures:			
Current:			
Transportation	1,582,128	1,435,027	147,101
Excess of Revenues Under Expenditures	(333,972)	(694,219)	(360,247)
Other Financing Sources:			
Transfers In	0	505,000	505,000
Net Change in Fund Balance	(333,972)	(189,219)	144,753
Fund Balance at Beginning of Year	261,625	261,625	0
Prior Year Encumbrances Appropriated	74,084	74,084	0
Fund Balance at End of Year	<u>\$1,737</u>	<u>\$146,490</u>	<u>\$144,753</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$37,289	\$6,340	(\$30,949)
Intergovernmental	47,714	101,377	53,663
	<hr/>	<hr/>	<hr/>
Total Revenues	85,003	107,717	22,714
Expenditures:			
Current:			
Security of Persons and Property			
Fire	392,947	266,369	126,578
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(307,944)	(158,652)	149,292
Other Financing Sources:			
Transfers In	198,567	204,611	6,044
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(109,377)	45,959	155,336
Fund Balance at Beginning of Year	67,624	67,624	0
Prior Year Encumbrances Appropriated	49,219	49,219	0
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$7,466</u>	<u>\$162,802</u>	<u>\$155,336</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines, Licenses and Permits	\$67,658	\$81,430	\$13,772
Intergovernmental	42,990	15,454	(27,536)
Contributions and Donations	26,250	4,566	(21,684)
Other	0	44	44
Total Revenues	<u>136,898</u>	<u>101,494</u>	<u>(35,404)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police	211,246	94,184	117,062
Debt Service:			
Principal Retirement	172	0	172
Total Expenditures	<u>211,418</u>	<u>94,184</u>	<u>117,234</u>
Excess of Revenues Over (Under) Expenditures	(74,520)	7,310	81,830
Other Financing Sources:			
Transfers In	0	4,084	4,084
Net Change in Fund Balance	(74,520)	11,394	85,914
Fund Balance at Beginning of Year	85,127	85,127	0
Prior Year Encumbrances Appropriated	<u>15,915</u>	<u>15,915</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$26,522</u></u>	<u><u>\$112,436</u></u>	<u><u>\$85,914</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$0	\$12,270	\$12,270
Expenditures:			
Current:			
General Government:			
Legislative and Executive	750,000	0	750,000
Leisure Time Services	10,000	0	10,000
Community and Economic Development	129,654	77,310	52,344
Total Expenditures	889,654	77,310	812,344
Excess of Revenues Over (Under) Expenditures	(889,654)	(65,040)	824,614
Other Financing Sources:			
Transfers In	10,000	82,180	72,180
Net Change in Fund Balance	(879,654)	17,140	896,794
Fund Balance at Beginning of Year	1,182,084	1,182,084	0
Prior Year Encumbrances Appropriated	30,727	30,727	0
Fund Balance at End of Year	\$333,157	\$1,229,951	\$896,794

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$57,725	\$83,889	\$26,164
Intergovernmental	30,000	60,200	30,200
Contributions and Donations	235,288	1,469	(233,819)
Other	0	65	65
Total Revenues	<u>323,013</u>	<u>145,623</u>	<u>(177,390)</u>
Expenditures:			
Current:			
Leisure Time Services	460,322	326,444	133,878
Capital Outlay	51,405	49,680	1,725
Total Expenditures	<u>511,727</u>	<u>376,124</u>	<u>135,603</u>
Excess of Revenues Under Expenditures	<u>(188,714)</u>	<u>(230,501)</u>	<u>(41,787)</u>
Other Financing Sources:			
Transfers In	0	132,860	132,860
Advances In	0	38,545	38,545
Total Other Financing Sources	<u>0</u>	<u>171,405</u>	<u>171,405</u>
Net Change in Fund Balance	(188,714)	(59,096)	129,618
Fund Balance at Beginning of Year	153,653	153,653	0
Prior Year Encumbrances Appropriated	<u>49,018</u>	<u>49,018</u>	<u>0</u>
Fund Balance at End of Year	<u>\$13,957</u>	<u>\$143,575</u>	<u>\$129,618</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines, Licenses and Permits	\$8,500	\$8,879	\$379
Intergovernmental	226,917	74,198	(152,719)
Other	0	3,297	3,297
	<hr/>	<hr/>	<hr/>
Total Revenues	235,417	86,374	(149,043)
Expenditures:			
Current:			
Public Health Services	101,860	95,161	6,699
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	133,557	(8,787)	(142,344)
Fund Balance at Beginning of Year	88,117	88,117	0
Prior Year Encumbrances Appropriated	4,474	4,474	0
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$226,148</u>	<u>\$83,804</u>	<u>(\$142,344)</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PARKS AND RECREATION CAPITAL PROJECTS FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Leisure Time Services	10,055	5,000	5,055
Net Change in Fund Balance	(10,055)	(5,000)	5,055
Fund Balance at Beginning of Year	10,055	10,055	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$5,055</u>	<u>\$5,055</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	<u>63,706</u>	<u>0</u>	<u>63,706</u>
Net Change in Fund Balance	(63,706)	0	63,706
Fund Balance at Beginning of Year	<u>63,706</u>	<u>63,706</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$63,706</u></u>	<u><u>\$63,706</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL ASSETS CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	<u>50,383</u>	<u>47,520</u>	<u>2,863</u>
Excess of Revenues Over (Under) Expenditures	(50,383)	(47,520)	2,863
Other Financing Sources:			
Transfers In	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Net Change in Fund Balance	(32,383)	(29,520)	2,863
Fund Balance at Beginning of Year	<u>32,383</u>	<u>32,383</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$2,863</u></u>	<u><u>\$2,863</u></u>

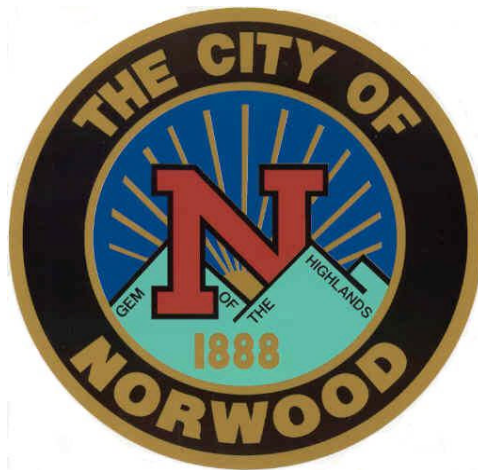
**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MONTGOMERY ROAD CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$0	\$306,813	\$306,813
Contributions and Donations	0	10,484	10,484
	<u>0</u>	<u>317,297</u>	<u>317,297</u>
Total Revenues			
Expenditures:			
Current:			
Transportation	51,231	27,023	24,208
Capital Outlay	0	306,813	(306,813)
Debt Service:			
Principal Retirement	38,666	38,666	0
	<u>89,897</u>	<u>372,502</u>	<u>(282,605)</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(89,897)	(55,205)	34,692
Other Financing Sources:			
Proceeds of Loans	0	16,539	16,539
	<u>0</u>	<u>16,539</u>	<u>16,539</u>
Net Change in Fund Balance	(89,897)	(38,666)	51,231
Fund Balance at Beginning of Year	62,875	62,875	0
	<u>62,875</u>	<u>62,875</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$27,022)</u>	<u>\$24,209</u>	<u>\$51,231</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 LINDEN POINTE CONSTRUCTION CAPITAL PROJECTS FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$150,000	\$0	(\$150,000)
Expenditures:	0	0	0
Net Change in Fund Balance	150,000	0	(150,000)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$150,000</u>	<u>\$0</u>	<u>(\$150,000)</u>

Statistical Section



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STATISTICAL TABLES

This part of the City of Norwood'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.

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	S2-S7
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	S8
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and income taxes.	
Debt Capacity	S9-S15
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.	
Demographic and Economic Information	S16-S18
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating information	S20-S25
These schedules contain service and capital asset 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: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year and/or City of Norwood records. The City implemented *GASB Statement No. 34* in 2007. From 2003 to 2006, the City prepared its financial statements using an other cash basis of accounting. Schedules presenting government-wide information include information beginning in that year.

City of Norwood, Ohio
Net Assets By Component
Last Three Years
(Accrual Basis of Accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities:			
Invested in Capital Assets, Net of Related Debt (Deficit)	\$8,937,229	\$8,280,277	(\$7,396,865)
Restricted for:			
Debt Service	16,671,512	15,873,066	2,299,339
Capital Outlay	155,006	143,385	14,247,888
Security of Persons and Property	267,469	0	0
Leisure Time Services	92,950	0	0
Community and Economic Development	1,140,219	0	0
Transportation	510,046	0	0
Other Purposes (1)	649,739	2,820,893	2,849,085
Unrestricted	<u>(9,592,896)</u>	<u>(9,705,845)</u>	<u>659,764</u>
<i>Total Governmental Activities Net Assets</i>	<u>18,831,274</u>	<u>17,411,776</u>	<u>12,659,211</u>
Business - Type Activities:			
Invested in Capital Assets, Net of Related Debt	1,747,681	1,747,399	1,436,315
Unrestricted	<u>942,344</u>	<u>1,064,214</u>	<u>1,243,503</u>
<i>Total Business-Type Activities Net Assets</i>	<u>2,690,025</u>	<u>2,811,613</u>	<u>2,679,818</u>
Primary Government:			
Invested in Capital Assets, Net of Related Debt (Deficit)	10,684,910	10,027,676	(5,960,550)
Restricted	19,486,941	18,837,344	19,396,312
Unrestricted	<u>(8,650,552)</u>	<u>(8,641,631)</u>	<u>1,903,267</u>
<i>Total Primary Government Net Assets</i>	<u>\$21,521,299</u>	<u>\$20,223,389</u>	<u>\$15,339,029</u>

(1) 2008 was the first year Other Purposes was further classified.

City of Norwood, Ohio
Changes in Net Assets
Last Two Years
(Accrual Basis of Accounting)

	<u>2008 (1)</u>	<u>2007</u>
Program Revenues		
Governmental Activities:		
Charges for Services and Sales:		
General Government	\$693,459	\$983,896
Security of Persons and Property:		
Police	93,659	112,556
Fire	569,358	430,339
Public Health Services	59,898	67,660
Leisure Time Services	192,013	275,589
Transportation	12,399	8,199
Subtotal - Charges for Services	<u>1,620,786</u>	<u>1,878,239</u>
Operating, Grants, Contributions and Interest	1,128,039	1,190,753
Capital Grants, Contributions and Interest	<u>306,813</u>	<u>3,546,556</u>
<i>Total Governmental Activities Program Revenues</i>	<u>3,055,638</u>	<u>6,615,548</u>
Business-Type Activities:		
Charges for Services:		
Water	3,305,623	3,089,958
Refuse	<u>1,282,655</u>	<u>1,250,592</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>4,588,278</u>	<u>4,340,550</u>
<i>Total Primary Government Program Revenues</i>	<u>\$7,643,916</u>	<u>\$10,956,098</u>

(continued)

City of Norwood, Ohio
Changes in Net Assets
Last Two Years
(Accrual Basis of Accounting)
(continued)

	<u>2008 (1)</u>	<u>2007</u>
Expenses		
Governmental Activities:		
General Government	\$4,621,827	\$4,550,813
Security of Persons and Property:		
Police	6,550,466	6,514,479
Fire	7,739,810	7,324,613
Public Services	55,684	69,114
Public Health Services	1,045,310	1,059,730
Leisure Time Services	465,298	492,524
Community and Economic Development	96,214	111,048
Public Works	0	392,265
Transportation	1,805,625	1,832,601
Intergovernmental	70,165	56,521
Interest and Fiscal Charges	1,366,982	1,627,876
<i>Total Governmental Activities Expenses</i>	<u>23,817,381</u>	<u>24,031,584</u>
Business-Type Activities:		
Water	3,650,452	3,367,657
Refuse	1,433,012	1,206,583
<i>Total Business-Type Activities Expenses</i>	<u>5,083,464</u>	<u>4,574,240</u>
<i>Total Primary Government Program Expenses</i>	<u>28,900,845</u>	<u>28,605,824</u>
Net (Expense)/Revenue		
Governmental Activities	(20,761,743)	(17,416,036)
Business-Type Activities	(495,186)	(233,690)
<i>Total Primary Government Net Expense</i>	<u>(21,256,929)</u>	<u>(17,649,726)</u>
General Revenues and Transfers		
Governmental Activities:		
Taxes:		
Property Taxes Levied for General Purposes	2,691,282	2,839,462
Income Taxes	16,133,313	15,692,244
Other Local Taxes	124,800	126,034
Payments in Lieu of Taxes	567,049	0
Grants and Entitlements not Restricted to		
Specific Programs	1,359,809	1,381,070
Unrestricted Contributions	138,646	1,261,003
Interest	1,412,149	1,151,979
Other	207,898	74,018
Transfers	(425,000)	(357,209)
<i>Total Governmental Activities</i>	<u>\$22,209,946</u>	<u>\$22,168,601</u>

(continued)

City of Norwood, Ohio
Changes in Net Assets
Last Two Years
(Accrual Basis of Accounting)
(continued)

	<u>2008 (1)</u>	<u>2007</u>
Business-Type Activities:		
Other	\$2,737	\$8,276
Transfers	<u>425,000</u>	<u>357,209</u>
<i>Total Business-Type Activities</i>	<u>427,737</u>	<u>365,485</u>
<i>Total Primary Government General Revenues and Transfers</i>	<u>22,637,683</u>	<u>22,534,086</u>
Change in Net Assets		
Governmental Activities	1,448,203	4,752,565
Business-Type Activities	<u>(67,449)</u>	<u>131,795</u>
<i>Total Primary Government Change in Net Assets</i>	<u><u>\$1,380,754</u></u>	<u><u>\$4,884,360</u></u>

(1) In 2008, the C-9 Trust Fund was reclassified and restated as a fiduciary fund from governmental activities.

City of Norwood, Ohio
Fund Balances, Governmental Funds
Last Three Years
(Modified Accrual Basis of Accounting)

	2008	2007	2006
General Fund			
Reserved	\$406,899	\$188,699	\$234,380
Unreserved	2,214,810	3,700,938	1,638,951
Total General Fund	2,621,709	3,889,637	1,873,331
All Other Governmental Funds			
Reserved	191,612	223,979	228,946
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	2,384,629	2,365,553	2,660,345
Debt Service Fund	2,382,977	1,204,809	36,213
Capital Projects Funds	795,220	971,990	1,241,120
Total All Other Governmental Funds	5,754,438	4,766,331	4,166,624
Total Governmental Funds	\$8,376,147	\$8,655,968	\$6,039,955

City of Norwood, Ohio
Changes in Fund Balances, Governmental Funds
Last Two Years
(Modified Accrual Basis of Accounting)

	2008	2007
Revenues		
Property Taxes	\$2,693,759	\$2,857,017
Income Taxes	15,594,632	15,649,829
Other Local Taxes	124,800	126,034
Payments in Lieu of Taxes	246,407	233,340
Special Assessments	192,569	177,483
Charges for Services	721,812	1,160,001
Fines, Licenses and Permits	716,098	679,251
Intergovernmental	2,774,602	5,823,646
Interest	1,435,611	1,187,422
Rent	15,480	13,919
Contributions and Donations	247,434	604,583
Reimbursements	0	20,000
Other	207,898	74,018
<i>Total Revenues</i>	<u>24,971,102</u>	<u>28,606,543</u>
Expenditures		
Current:		
General Government	4,414,079	4,303,518
Security of Persons and Property:		
Police	6,687,822	6,590,125
Fire	7,588,904	7,403,494
Public Services	48,154	54,640
Public Health Services	1,035,537	1,037,098
Leisure Time Services	505,952	475,947
Community and Economic Development	91,606	95,996
Public Works	0	392,265
Transportation	1,489,157	1,479,571
Intergovernmental	0	87,322
Capital Outlay	1,120,303	5,633,475
Debt Service:		
Principal Retirement	1,148,882	605,900
Interest and Fiscal Charges	1,353,433	1,625,796
Bond Issuance Costs	0	72,253
<i>Total Expenditures</i>	<u>25,483,829</u>	<u>29,857,400</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(512,727)</u>	<u>(1,250,857)</u>
Other Financing Sources (Uses)		
General Obligation Bonds Issued	0	3,550,000
Transfers In	2,917,682	968,194
Inception of Capital Lease	686,611	385,745
Transfers Out	(3,342,682)	(1,041,924)
<i>Total Other Financing Sources (Uses)</i>	<u>261,611</u>	<u>3,862,015</u>
<i>Net Change in Fund Balances</i>	<u>(251,116)</u>	<u>2,611,158</u>
Debt Service as a Percentage of Noncapital Expenditures	10.32%	9.54%

City of Norwood, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2008	2.00%	\$15,627,396	\$11,746,581	75.17%	\$2,438,822	15.61%	\$1,441,993	9.23%
2007	2.00	15,577,888	11,233,235	72.11	3,020,279	19.39	1,324,374	8.50
2006	2.00	13,662,821	10,598,189	77.57	2,113,132	15.47	951,500	6.96
2005	2.00	12,703,014	9,648,940	75.96	2,176,574	17.13	877,500	6.91
2004	2.00	11,215,645	9,105,294	81.18	1,201,022	10.71	909,329	8.11
2003	2.00	10,408,106	8,368,290	80.40	1,163,910	11.18	875,906	8.42
2002	2.00	10,124,144	8,144,173	80.44	1,054,170	10.41	925,801	9.14
2001	2.00	10,674,957	8,602,998	80.59	1,116,867	10.46	955,092	8.95
2000	2.00	9,908,609	8,193,394	82.69	809,445	8.17	905,770	9.14
1999	2.00	9,333,982	7,515,965	80.52	903,652	9.68	914,365	9.80

(1) All ten years are on a Cash Basis

City of Norwood, Ohio
*Ratio of General Obligation Bonded Debt to Assessed
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capital
2008	21,675	b	\$1,113,075,936	\$5,646,000	0.51 %	\$260.48
2007	21,675	b	1,145,812,172	6,195,752	0.54	\$285.85
2006	21,675	b	1,190,568,831	6,345,752	0.53	\$292.77
2005	21,675	b	1,099,175,470	6,495,752	0.59	\$299.69
2004	21,675	b	1,098,674,894	6,545,752	0.60	\$302.00
2003	21,675	b	1,100,265,362	6,595,752	0.60	\$304.30
2002	21,675	b	1,046,787,948	5,890,105	0.56	\$271.75
2001	21,675	b	1,043,243,828	6,423,544	0.62	\$296.36
2000	21,675	b	982,499,588	6,929,957	0.71	\$319.72
1999	23,674	a	964,644,038	7,410,730	0.77	\$313.03

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

City of Norwood, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension	TIF
2008	\$5,646,600	\$1,893,074	\$668,342	\$887,914	\$0	\$15,635,845
2007	6,195,752	2,085,643	711,858	439,948	0	15,753,490
2006	6,345,752	2,263,125	755,374	169,104	0	12,316,135
2005	6,495,752	2,426,705	798,892	0	0	10,335,000
2004	6,545,752	2,577,469	857,990	0	0	5,860,000
2003	6,595,752	2,716,422	418,879	0	2,611,167	0
2002	5,890,105	2,844,489	0	412,987	4,065,818	0
2001	6,423,544	2,962,522	0	762,558	4,315,771	0
2000	6,929,957	3,071,310	0	994,431	4,560,446	0
1999	7,410,730	3,171,575	0	1,138,543	4,844,759	0

Note: Population and Personal Income data are presented on page S16.

Business-Type Activities			
OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
\$118,393	\$24,850,168	6.33%	\$1,146
144,299	25,330,990	6.45	1,169
116,236	21,965,726	5.60	1,013
152,730	20,209,079	5.15	932
188,154	16,029,365	4.08	740
222,538	12,564,758	3.20	580
255,913	13,469,312	3.43	621
288,310	14,752,705	3.76	681
319,756	15,875,900	4.04	732
350,279	16,915,886	6.49	715

City of Norwood, Ohio
Legal Debt Margin
Last Ten Years

	2008	2007	2006	2005
Total Assessed Property Value	<u>\$382,102,410</u>	<u>\$397,405,920</u>	<u>\$410,646,810</u>	<u>\$372,394,400</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>40,120,753</u>	<u>41,727,622</u>	<u>43,117,915</u>	<u>39,101,412</u>
Debt Outstanding:				
General Obligation Bonds	\$5,646,600	\$6,195,752	\$6,345,752	\$6,495,752
Tax Incremental Financing Bonds	15,805,000	15,930,000	12,500,000	0
Special Assessment Bonds	1,893,074	2,085,643	2,263,126	2,426,705
Bond Anticipation Notes	0	0	0	0
Tax Incremental Financing Notes	0	0	10,335,000	0
OPWC Loans	<u>786,735</u>	<u>856,157</u>	<u>871,610</u>	<u>951,622</u>
Total Gross Indebtedness	24,131,409	25,067,552	32,315,488	9,874,079
Less:				
Tax Incremental Financing Bonds	(15,805,000)	(15,930,000)	(12,500,000)	0
Special Assessment Bonds	(1,893,074)	(2,085,643)	(2,263,126)	(2,426,705)
Tax Incremental Financing Notes	0	0	(10,335,000)	0
OPWC Loans	<u>(118,393)</u>	<u>(144,299)</u>	<u>(116,236)</u>	<u>(152,730)</u>
Total Net Debt Applicable to Debt Limit	<u>6,314,942</u>	<u>6,907,610</u>	<u>7,101,126</u>	<u>7,294,644</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$33,805,811</u>	<u>\$34,820,012</u>	<u>\$36,016,789</u>	<u>\$31,806,768</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.26%	83.45%	83.53%	81.34%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$21,015,633</u>	<u>\$21,857,326</u>	<u>\$22,585,575</u>	<u>\$20,481,692</u>
Total Gross Indebtedness	24,131,409	25,067,552	32,315,488	9,874,079
Less:				
Tax Incremental Financing Bonds	(15,805,000)	(15,930,000)	(12,500,000)	0
Special Assessment Bonds	(1,893,074)	(2,085,643)	(2,263,126)	(2,426,705)
Tax Incremental Financing Notes	0	0	(10,335,000)	0
OPWC Loans	<u>(118,393)</u>	<u>(144,299)</u>	<u>(116,236)</u>	<u>(152,730)</u>
Net Debt Within 5 ½ % Limitations	<u>6,314,942</u>	<u>6,907,610</u>	<u>7,101,126</u>	<u>7,294,644</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$14,700,691</u>	<u>\$14,949,716</u>	<u>\$15,484,449</u>	<u>\$13,187,048</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	69.95%	68.40%	68.56%	64.38%

Source: City Financial Records

2004	2003	2002	2001	2000	1999
<u>\$373,408,480</u>	<u>\$374,985,400</u>	<u>\$350,823,250</u>	<u>\$349,937,220</u>	<u>\$330,963,300</u>	<u>\$325,041,430</u>
39,207,890	39,373,467	36,836,441	36,743,408	34,751,147	34,129,350
\$6,545,752	\$6,595,752	\$5,890,105	\$6,423,544	\$6,929,957	\$7,410,730
0	0	0	0	0	0
2,577,469	2,716,422	2,844,489	2,962,522	307,310	3,171,575
5,860,000	0	0	0	0	0
0	0	0	0	0	0
1,046,144	641,417	255,913	288,310	319,756	350,279
16,029,365	9,953,591	8,990,507	9,674,376	7,557,023	10,932,584
0	0	0	0	0	0
(2,577,469)	(2,716,422)	(2,844,489)	(2,962,522)	(307,310)	(3,171,575)
0	0	0	0	0	0
(188,154)	(222,538)	(255,913)	(288,310)	(319,756)	(350,279)
13,263,742	7,014,631	5,890,105	6,423,544	6,929,957	7,410,730
<u>\$25,944,148</u>	<u>\$32,358,836</u>	<u>\$30,946,336</u>	<u>\$30,319,864</u>	<u>\$27,821,190</u>	<u>\$26,718,620</u>
66.17%	82.18%	84.01%	82.52%	80.06%	78.29%
<u>\$20,537,466</u>	<u>\$20,624,197</u>	<u>\$19,295,279</u>	<u>\$19,246,547</u>	<u>\$18,202,982</u>	<u>\$17,877,279</u>
16,029,365	9,953,591	8,990,507	9,674,376	7,557,023	10,932,584
0	0	0	0	0	0
(2,577,469)	(2,716,422)	(2,844,489)	(2,962,522)	(307,310)	(3,171,575)
0	0	0	0	0	0
(188,154)	(222,538)	(255,913)	(288,310)	(319,756)	(350,279)
13,263,742	7,014,631	5,890,105	6,423,544	6,929,957	7,410,730
<u>\$7,273,724</u>	<u>\$13,609,566</u>	<u>\$13,405,174</u>	<u>\$12,823,003</u>	<u>\$11,273,025</u>	<u>\$10,466,549</u>
35.42%	65.99%	69.47%	66.62%	61.93%	58.55%

City of Norwood, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2008

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of			
General Obligation Bonds	\$5,646,600	100.00%	\$5,646,600
Special Assessment Bonds	1,893,074	100.00	1,893,074
OPWC Loans	668,342	100.00	668,342
Capital Leases	887,914	100.00	887,914
Tax Increment Financing Bonds	<u>15,635,845</u>	100.00	<u>15,635,845</u>
<i>Total Direct Debt</i>	<u>24,731,775</u>		<u>24,731,775</u>
Overlapping			
Norwood City School District (2)	4,828,000	100.00%	4,828,000
Hamilton County	<u>106,915,000</u>	1.90	<u>2,031,385</u>
<i>Total Overlapping Debt</i>	<u>111,743,000</u>		<u>6,859,385</u>
Total	<u><u>\$136,474,775</u></u>		<u><u>\$31,591,160</u></u>

Source: County Auditor

(1) Percentages were determined by dividing total valuation of the City by each overlapping subdivision's assessed valuation within the City.

(2) The debt outstanding is as of June 30, 2008 and is a capital lease.

Overlapping Governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account.

City of Norwood, Ohio
Pledged Revenue Coverage
Special Assessment Bonds
Last Ten Years

Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2008	\$369,848	\$192,569	\$177,280	1.00
2007	369,848	177,483	192,366	1.00
2006	369,848	163,578	206,270	1.00
2005	369,848	150,763	219,085	1.00
2004	369,848	138,953	230,896	1.00
2003	369,848	128,067	241,781	1.00
2002	369,848	118,034	251,814	1.00
2001	369,848	108,787	261,061	1.00
2000	369,848	100,265	269,584	1.00
1999	369,848	92,410	277,439	1.00

City of Norwood, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2008	21,675	\$392,490,900	\$18,108	\$32,223	34
2007	21,675	392,490,900	18,108	32,223	34
2006	21,675	392,490,900	18,108	32,223	34
2005	21,675	392,490,900	18,108	32,223	34
2004	21,675	392,490,900	18,108	32,223	34
2003	21,675	392,490,900	18,108	32,223	34
2002	21,675	392,490,900	18,108	32,223	34
2001	21,675	392,490,900	18,108	32,223	34
2000	21,675	392,490,900	18,108	32,223	34
1999	23,674	260,721,762	11,013	N/A	N/A

(1) Source: U. S. Census

(a) Years 2000 through 2008 - 2000 Federal Census

(b) Years 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

(3) Source: County Planning Commission

(4) Source: County Auditor

(5) Computation of per capita personal income multiplied by population

N/A - Information not available

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Hamilton County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
1,494	2,276	7.1%	\$224,204	\$382,102,410
1,494	2,323	5.2	273,636	397,405,920
1,494	2,304	5.2	311,853	410,646,810
1,494	2,527	5.6	296,544	372,394,400
1,494	2,620	5.8	232,211	373,408,480
1,494	2,809	5.7	229,431	374,985,400
1,494	2,850	5.9	231,654	350,823,250
1,494	2,947	4.3	182,871	349,937,220
1,494	3,055	4.0	248,376	330,963,300
N/A	3,148	4.5	216,251	325,041,430

City of Norwood, Ohio

Principal Employers

2008 and 1999

2008

<u>Employer</u>	<u>Nature of Business</u>	<u>Rank</u>
Cincinnati Bell Telephone	Communications	1
Siemens Energy & Automation	Capital Goods	2
MedPace, Inc.	Medical	3
U.S. Playing Card Co.	Consumer Goods Manufacturing	4
Norwood Board of Education	Education	5
United Dairy Farmers, Inc.	Consumer Goods Manufacturing	6
City of Norwood	Municipal Government	7
Shepherd Chemical Co.	Chemical Manufacturing	8
Zumbiel Box Company	Packaging Manufacturing	9
EMD Chemical Inc.	Chemical Manufacturing	10

1999

<u>Employer</u>	<u>Nature of Business</u>	<u>Rank</u>
Convergys	Service	1
U.S. Playing Card Co.	Consumer Goods Manufacturing	2
Siemens Energy & Automation	Capital Goods	3
Star Bank	Banking	4
United Dairy Farmers, Inc.	Consumer Goods Manufacturing	5
Norwood Board of Education	Education	6
Zumbiel Box Company	Packaging Manufacturing	7
City of Norwood	Municipal Government	8
American Laundry	Capital Goods Manufacturing	9
EM Industries	Chemical Manufacturing	10

Source: Number of employees obtained from the W2's
from the City Tax Department

Information on number of employees by employer and in total for the City was not
available.

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City of Norwood, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2008	2007	2006	2005
General Government				
Council	8	8	9	6
Clerk of Council	2	1	1	1
Mayor	1	1	1	1
Mayor's Clerk of Court	2	2	2	2
Finance	4	6	6	4
Tax	1	2	2	2
Treasurer	2	2	2	2
City Manager	1	1	1	1
Law	2	3	2	2
Administration	27	27	25	25
Civil Service	4	4	4	3
Public Building	1	1	1	1
Security of Persons and Property				
Police Administration	1	1	1	1
Police	51	53	52	48
Police - Auxiliary/Guards	5	6	7	7
Police - Dispatchers/Office/Other	7	8	12	7
Crossing Guards	19	13	19	13
Fire	58	57	57	57
Fire - Secretary - Other	1	1	1	1
Public Health Services				
Health Administration	1	1	1	1
Leisure Time Activities				
Recreation	30	37	32	25
Community Center	1	1	1	1
Community Development				
Economic Development	1	1	1	1
Transportation				
Service	1	1	1	1
Street Maintenance and Repair	20	20	19	18
Basic Utility Services				
Water	3	3	3	3
Totals:	254	261	263	234

Source: City Payroll Department W-2 Audit Listing

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

2004	2003	2002	2001	2000	1999
6	4	4	3	3	1
1	0	0	0	0	0
1	1	1	1	1	1
2	1	2	2	1	1
4	4	4	4	4	3
1	0	0	0	0	0
2	2	2	2	2	2
1	1	1	0	0	0
2	2	1	0	0	0
24	22	23	20	20	18
2	3	3	2	2	2
1	1	1	1	0	0
1	1	1	1	1	1
48	53	42	39	35	32
7	7	7	7	6	6
2	1	1	1	1	1
10	9	8	7	7	7
57	57	56	52	46	38
1	1	1	1	1	1
1	1	2	1	5	1
17	17	35	31	16	13
1	1	1	1	1	1
1	1	1	1	1	1
1	1	3	3	2	2
17	16	6	5	4	3
3	3	3	5	5	5
<u>214</u>	<u>210</u>	<u>209</u>	<u>190</u>	<u>164</u>	<u>140</u>

City of Norwood, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2008	2007	2006	2005
General Government				
<i>Finance Department</i>				
Number of checks/ vouchers issued	3,104	2,726	2,700	2,500
Amount of checks written	\$25,820,163	\$27,683,727	\$28,677,852	\$25,012,588
Number of Receipts issued	1,259	1,327	1,430	1,357
General Fund Receipts (cash basis)	\$21,284,479	\$21,200,444	\$22,426,635	\$18,654,279
General Fund Expenditures (cash basis)	\$22,668,728	\$18,735,747	\$21,665,892	\$18,084,471
General Fund Cash Balances	2,237,959	3,922,070	1,418,146	762,229
<i>Municipal Court</i>				
Number of Civil Cases	N/A	N/A	N/A	N/A
<i>Building Department Indicators</i>				
Number of Building Permits	893	696	404	457
Number of Building Inspections	1,813	2,491	1,461	N/A
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	0	34,240	33,800	31,834
Number of traffic citations issued	0	804	1,784	2,870
Number of parking citations issued	914	357	2,818	2,715
Number of criminal arrests	3,500	3,394	3,286	4,172
DUI Arrests	0	0	104	120
Prisoner meal costs	\$138	\$153	\$394	\$370
Gasoline Gallons Used	32,079	32,239	30,191	N/A
<i>Fire</i>				
EMS Calls	3,302	N/A	2,635	3,000
Fire Calls	1,319	N/A	1,078	500
Fire Safety Inspections	3,504	3,504	4,971	3,412
Leisure Time Activities				
<i>Recreation</i>				
Number of Programs	23	23	22	25
Number of Pool Passes Issued	22,070	16,665	16,209	19,078

(continued)

N/A - Information not available

2004	2003	2002	2001	2000	1999
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
1,365	1,228	1,128	N/A	N/A	N/A
\$16,627,452	\$15,846,663	\$17,901,746	\$16,664,235	\$15,533,735	\$15,235,982
\$16,904,824	\$16,350,773	\$18,114,298	\$16,295,998	\$15,667,239	\$15,317,028
63,352	128,319	448,483	577,302	391,115	465,525
N/A	N/A	N/A	N/A	N/A	N/A
487	541	N/A	N/A	868	N/A
1,015	1,505	N/A	N/A	2,375	N/A
31,796	31,478	N/A	59,882	38,578	N/A
1,642	2,331	N/A	4,236	3,398	N/A
2,400	2,193	N/A	2,011	2,256	N/A
3,266	2,738	N/A	2,593	2,624	N/A
117	213	N/A	205	76	N/A
\$194	\$290	\$525	\$341	\$375	\$263
N/A	N/A	N/A	N/A	N/A	N/A
3,000	3,020	N/A	N/A	N/A	3,300
500	604	N/A	N/A	N/A	N/A
3,482	N/A	3,482	3,376	3,480	3,984
25	24	20	26	27	27
14,634	15,197	23,033	28,531	31,163	36,054

City of Norwood, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2008	2007	2006	2005
General Government				
Square Footage Occupied	9,860	9,860	9,860	9,860
Administrative Vehicles	11	11	11	11
Lands and Buildings Vehicles	8	7	7	7
Police				
Stations	1	1	1	1
Square Footage of Building	2,809	2,809	2,809	2,809
Vehicles	39	39	35	35
Fire				
Stations	1	1	1	1
Square Footage of Building	5,770	5,770	5,770	5,770
Vehicles	14	14	14	13
Recreation				
Number of Parks	11	11	11	9
Libraries	1	1	1	1
Number of Pools	3	3	3	3
Number of Tennis Courts	1	1	1	1
Number of Baseball Diamonds	8	8	8	8
Number of Basketball Courts	2	2	2	2
Number of Soccer Fields	5	5	5	5
Square Footage of Building	3,772	3,772	3,772	3,772
Vehicles	2	2	1	1
Other Public Works				
Streets (miles)	142	n/a	n/a	n/a
Number of Streetlights (per light bill)	42	42	42	42
Service Vehicles	7	7	3	3
Wastewater				
Storm Sewers (miles)	100,000	100,000	100,000	100,000
Water Department				
Water Lines (miles)	302,000	302,000	302,000	302,000

2004	2003	2002	2001	2000	1999
9,860	9,860	9,860	9,860	9,860	9,860
11	11	11	11	11	11
7	7	7	7	5	5
1	1	1	1	1	1
2,809	2,809	2,809	2,809	2,809	2,809
30	30	28	25	23	18
1	1	1	1	1	1
5,770	5,770	5,770	5,770	5,770	5,770
13	13	13	13	13	12
9	9	9	9	9	9
1	1	1	1	1	1
3	3	4	4	4	4
1	1	1	1	1	1
8	8	8	8	8	8
2	2	2	2	2	2
5	5	5	5	5	5
3,772	3,772	3,772	3,772	3,772	3,772
1	1	1	1	1	1
n/a	n/a	60	60	60	60
42	42	42	30	30	30
3	3	3	3	3	3
100,000	100,000	100,000	100,000	100,000	100,000
302,000	302,000	302,000	302,000	302,000	302,000



Mary Taylor, CPA
Auditor of State

CITY OF NORWOOD

HAMILTON 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
FEBRUARY 11, 2010**