

CITY OF NORTHWOOD, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

Honorable Mayor and Members of City Council
City of Northwood
6000 Wales Road
Northwood, Ohio 43619

We have reviewed the *Independent Auditor's Report* of the City of Northwood, Wood County, prepared by James G. Zupka, C.P.A., Inc., for the audit period January 1, 2004 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 28, 2005

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CITY OF NORTHWOOD, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, City Manager, and
Members of Council
City of Northwood, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Ohio, as of and for the year ended December 31, 2004, which collectively comprise the City of Northwood, Ohio's basic financial statements and have issued our report thereon dated May 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Northwood, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Northwood, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain matter that we have reported to the management of the City of Northwood, Ohio, in a separate letter dated May 18, 2005.

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

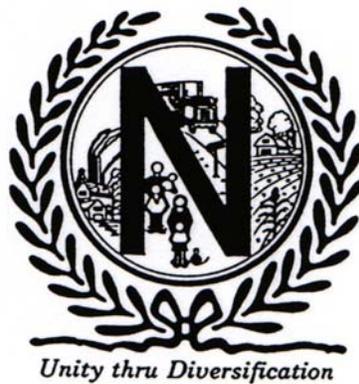
James G. Zupka, CPA, Inc.
Certified Public Accountants

May 18, 2005

CITY OF NORTHWOOD, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004

The prior audit report, as of December 31, 2003, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

Wood County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2004



Unity thru Diversification

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2004

Issued by:
Department of Finance
Toby Schroyer
Director



Unity thru Diversification

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WOOD COUNTY, OHIO

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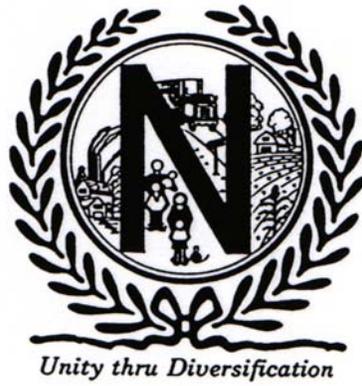
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INTRODUCTORY SECTION



Unity thru Diversification



City of Northwood, Ohio

6000 Wales Road

Northwood, Ohio 43619

Phone (419) 693-9328

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May 20, 2005

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

I am pleased to present the seventh Comprehensive Annual Financial Report for the City of Northwood, Ohio for the fiscal year ended December 31, 2004. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Auditing Standards (GAAS) by James G. Zupka, CPA, Inc. GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Northwood (the "City") to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness of the presentation, including all disclosures, rests with the City. I believe the enclosed data, as presented, is accurate in all material respects and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

This Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of three major sections:

The Introductory Section includes this letter of transmittal, which presents the City's organization, operational structure and accomplishments; a list of principal officials; and an organizational chart.

The Financial Section contains the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the Combining Financial Statements of the Individual Funds that provide detailed information to the Basic Financial Statements;

The Statistical Section presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

Letter of Transmittal

For the Year Ended December 31, 2004

The Reporting Entity

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

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

Early History

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

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

Location

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

***Letter of Transmittal
For the Year Ended December 31, 2004***

Form of Government

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

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

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

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

City Services

Police:

The Northwood Police Department is a full-time department with an authorized strength of 21 sworn full-time positions. Current staffing includes the Chief, a Captain, 5 sergeants, 14 patrol officers, a secretary, a part-time animal control officer, and 2 seasonal crossing guards. The City receives partial grant funding for GREAT, DARE, and Third Grade Safety Belt programs.

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

The Northwood Police Department serves the community in many different capacities. The police are involved in the protection of life and property, law enforcement and community education. Community service programs include D.A.R.E. (Drug Abuse Resistance Education), G.R.E.A.T. (Gang Resistance Education and Training), a Block Watch program, Wood County Youth Violence Prevention, Ohio Public Safety Department's Third Grade Safety Belt Program, A.L.E.I.A. (Area Law Enforcement Investigators Association), and Bike Patrol.

CITY OF NORTHWOOD, OHIO

Letter of Transmittal

For the Year Ended December 31, 2004

Fire:

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

Parks and Recreation:

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

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

Public Works:

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

Water and Wastewater:

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

***Letter of Transmittal
For the Year Ended December 31, 2004***

Basis of Accounting

Except for that used for budgetary purposes, the basis of accounting utilized by the City is in conformity with generally accepted accounting principles (GAAP) applicable to governmental units and is consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental funds are accounted for using current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservation of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 2004, all accounting policies were applied consistently with those of 2003. Accounting policies are further explained in Note 1.

ECONOMIC OUTLOOK

Located virtually at the crossroads of North America's most accessible highways, Northwood is at the center of it all. From Canada to Florida, I-75 connects the north and south. Interstate 80/90 bisects I-75 five miles south of Northwood, providing direct links between Northwest Ohio and the east and west coasts. Northwood is located within the Toledo metropolitan commercial truck zone, access to the services of some 100 truck lines as well as air freight and parcel services. There is approximately 100 acres of property adjacent to Interstate 75 known as Access Pointe which offers opportunities for light industrial and office park developments.

Over \$10.5 million dollars were spent for new construction projects in Northwood in 2004. This represents a 39% increase. The amount of permits for commercial, industrial and residential increased by 17%. The 2005 population of Northwood will be in an upswing with the construction of two new subdivisions completing phase one with 40 villa home and 37 single family homes. New construction consisted of Sterling Convenience Store, Luther Home of Mercy, Masters of Northwest Ohio and Restaurant Mega Store. New industrial construction is the Fastenal Company, Campbell Heating and Air Conditioning, Moore Acquisition and the Paul Avery Company.

The City of Northwood has a J.E.D.Z. (Joint Economic Development Zone) agreement with the City of Oregon and an agreement with the City of Rossford.

Unemployment Rates

According to the Ohio Bureau of Employment Services, the 2004 annual average unemployment rate for Wood County was 5.4%, which was lower than the state and national unemployment rates of 6.0% and 5.5% respectively.

CITY OF NORTHWOOD, OHIO

Letter of Transmittal

For the Year Ended December 31, 2004

Employee Relations

The City has 51 full-time and 62 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining. There are three bargaining units representing 38 full-time employees. The A.F.S.C.M.E. (American Federation of State, County and Municipal Employees) Local 755 Ohio represents 13 full-time employees. The O.P.B.A. (Ohio Patrolmen's Benevolent Association) represents 14 patrol officers and 6 police dispatchers. The FOP/OLC represents 5 sergeants.

The City negotiated in 2003 with A.F.S.C.M.E. for a 3-year term ending on March 31, 2006. The contract with O.P.B.A. was negotiated in 2002 for a 3-year term ending December 31, 2005. The City reached agreement with FOP/OLC in 2004 for a 3-year term ending June 30, 2007.

MAJOR CITY INITIATIVES

During 2004, the City continued focusing on improving the quality of life and employment opportunities for its residents and taxpayers. The City pursued possible assistance such as State Issue II funds and other federal, state and local grant funds. In 2004 the City received the following Police related grants; G.R.E.A.T, Safety Belt, Bulletproof Vest, Homeland Security, NPD Fingerprint Upgrade, and Alcohol Compliance. The City also received grants from Wood County Solid Waste, Wood County Recycling, Landfill Sponsorship, Wood County Park District, Nature Works, a Fire Training Grant, and an E.M.S Fire Grant. The City received \$497,500 in CDBG and Home Funds from the Ohio Department of Development for their FY 2003 Community Housing Improvement Program.

During 2004, the City constructed new storm sewers in the Mound View Park Subdivision and Wilson Street. The intersection of Woodville and Wheeling was also reconstructed. Oregon Road was repaved and sidewalk improvements made throughout the City. Soccer fields were constructed at Brentwood Park and the Police Station was renovated.

Continuing and Future Projects

The City has been awarded an Issue II Grant to pay for one-half the cost of Curtice Road Improvements Phase II. The City's cost is estimated at \$155,700. A new Fire Station will be constructed on Tracy Road replacing current Fire Station #1. A parking lot will be constructed at Brentwood Park for the new soccer fields. Four street projects are also scheduled in 2005.

FINANCIAL INFORMATION

Accounting Controls

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

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

Letter of Transmittal

For the Year Ended December 31, 2004

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

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

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

Budgetary Controls

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

The City maintains budgetary control on a non-GAAP basis by fund and within each fund by department at major object levels, which include personal services, contractual services, supplies and materials, other expenditures, capital outlay, debt service and operating transfers. For management purposes, the major object level is further defined with budgeted amounts not to exceed the aggregate appropriated by Council.

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

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

CITY OF NORTHWOOD, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2004**

Debt Administration

The debt service funds accumulate resources for the payment of principal, interest and associated administrative costs on the City's general obligation long-term debt. Resources are derived from property taxes (real and personal), income taxes, TIF payments and operating transfers. The total bonded debt of the City at December 31, 2004 was \$0. At December 31, 2004, the City had no long-term special assessment related debt. During the year the City retired \$0 in general obligation debt. General obligation bonds are retired from income tax collections.

The City had an outstanding note liability of \$300,000 at December 31, 2004. During the year the City issued \$300,000 in notes and retired \$400,000. The City's general obligation notes are prepared by Squire, Sanders and Dempsey and purchased under private sale with J.J.B. Hilliard, W.L. Lyons, Inc. The rate on the 2004 \$300,000 note issuance was 2.5%.

CASH MANAGEMENT

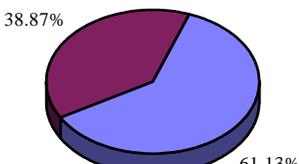
Cash management is an integral component of the City's overall financial plan. The City attempts to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. Cash flow forecasting and the use of short-term investments, such as repurchase agreements, allows the City to earn interest on all funds. The City bid its banking services contract in December 2004, leaving its operating accounts at Sky Bank, effective January 1, 2005.

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

Authorized investments are described in detail in Note 5 of the footnotes to the basic financial statements included within the financial section of this comprehensive annual financial report. The City currently has all excess collected balances not needed to cover daily check clearings transferred into a repurchase investment account at Sky Bank, Toledo, Ohio. All funds held in the repurchase investment account are collateralized with eligible securities as defined by Chapter 135 of Ohio Revised Code, held by the trust department at Sky Bank.

The City's cash resources were invested as follows at December 31, 2004:

U.S. Government Securities	\$1,490,945	61.13%
Cash	947,951	38.87%
Total Resources	<u>\$2,438,896</u>	<u>100.00%</u>



A 3D pie chart illustrating the investment distribution of cash resources. The chart is divided into two segments: a larger blue segment representing U.S. Government Securities at 61.13%, and a smaller maroon segment representing Cash at 38.87%.

Letter of Transmittal

For the Year Ended December 31, 2004

The amount of interest earned on investments for fiscal year 2004 was \$36,055. Interest earnings are credited to the Street Construction, Maintenance and Repair Fund, Motor Vehicle License Tax Fund, State Highway Improvement Fund, Northwood Waste and Environmental Fund, Special Law Enforcement Fund and the Sanitary Sewer Operation, Maintenance and Repairs Fund based on City ordinance. All other interest earnings are credited to the City's General Fund.

At December 31, 2004 the City had bank balances of \$1,082,757. Federal depository insurance covered \$100,000 of the bank balance and the rest of the deposits were classified as Category 3. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

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

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

RISK MANAGEMENT

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, fleet, and general liability coverage. The City also carries police professional and public official's liability insurance. The City provides a self-funded dental insurance program for its employees, which is funded through the general fund. See Note 16 to the basic financial statements for additional information.

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

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

CITY OF NORTHWOOD, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2004**

The City contracted with Dawson Companies from January 1, 2004 through July 8, 2004 and with Brooks Insurance Agency from July 9, 2004 through December 31, 2004 for various insurance coverages, as follows:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Auto Fleet Liability/Physical Damage	\$5,000,000	\$250/500
Law Enforcement Liability	\$5,000,000	\$5,000
General Liability	\$5,000,000	\$1,000
Prior Acts Coverage	\$5,000,000	\$5,000
Real & Personal Property	\$4,462,578	\$1,000
Emergency Medical Services Liability	\$5,000,000	\$5,000
Inland Marine Equipment	\$1,603,430	\$1,000
Boiler & Machinery Property Damage	\$5,000,000	\$1,000
Demolition/Increased Cost-Construction	\$500,000	\$1,000
Public Officials Liability	\$5,000,000	\$5,000
Valuable Papers	\$250,000	\$1,000
Business Income and Extra Expense	\$100,000	\$1,000
Employee Benefit Liability	\$5,000,000	\$0

OTHER INFORMATION

Independent Audit

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2004, by James G. Zupka, CPA, Inc. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

Awards

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

***Letter of Transmittal
For the Year Ended December 31, 2004***

Public Disclosure

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

Acknowledgements

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

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

Respectfully,



Toby A. Schroyer
Finance & Revenue Director

CITY OF NORTHWOOD, OHIO

**List of Principal Officials
For the Year Ended December 31, 2004**

Elected Official

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Mark A. Stoner	Mayor	12/31/07
David A. Gallaher	City Council, President	12/31/05
Connie S. Hughes	City Council	12/31/05
James D. Barton	City Council	12/31/05
Mike Myers	City Council	12/31/05
Jim Moore	City Council	12/31/07
Richard B. Radocy	City Council	12/31/07
Tim Reardon	City Council	12/31/07

Administrative Personnel

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Surety</u>
Brian Ballenger	Director of Law	09/30/05	
Pat Bacon	City Administrator	Indefinite	\$50,000 Bond
Gerald Herman	Chief of Police	Indefinite	
Thomas Pack	Chief of Fire	Indefinite	
Craig Meier	Director of Public Service	Indefinite	
Toby Schroyer	Director of Finance	Indefinite	\$50,000 Bond
Paul Gercak	Director of Recreation	Indefinite	
Heather Saylor	Zoning Inspector	Indefinite	
Laura Schroeder	Clerk of Mayor's Courts	Indefinite	
Jeffrey Keller	Court Magistrate	Indefinite	

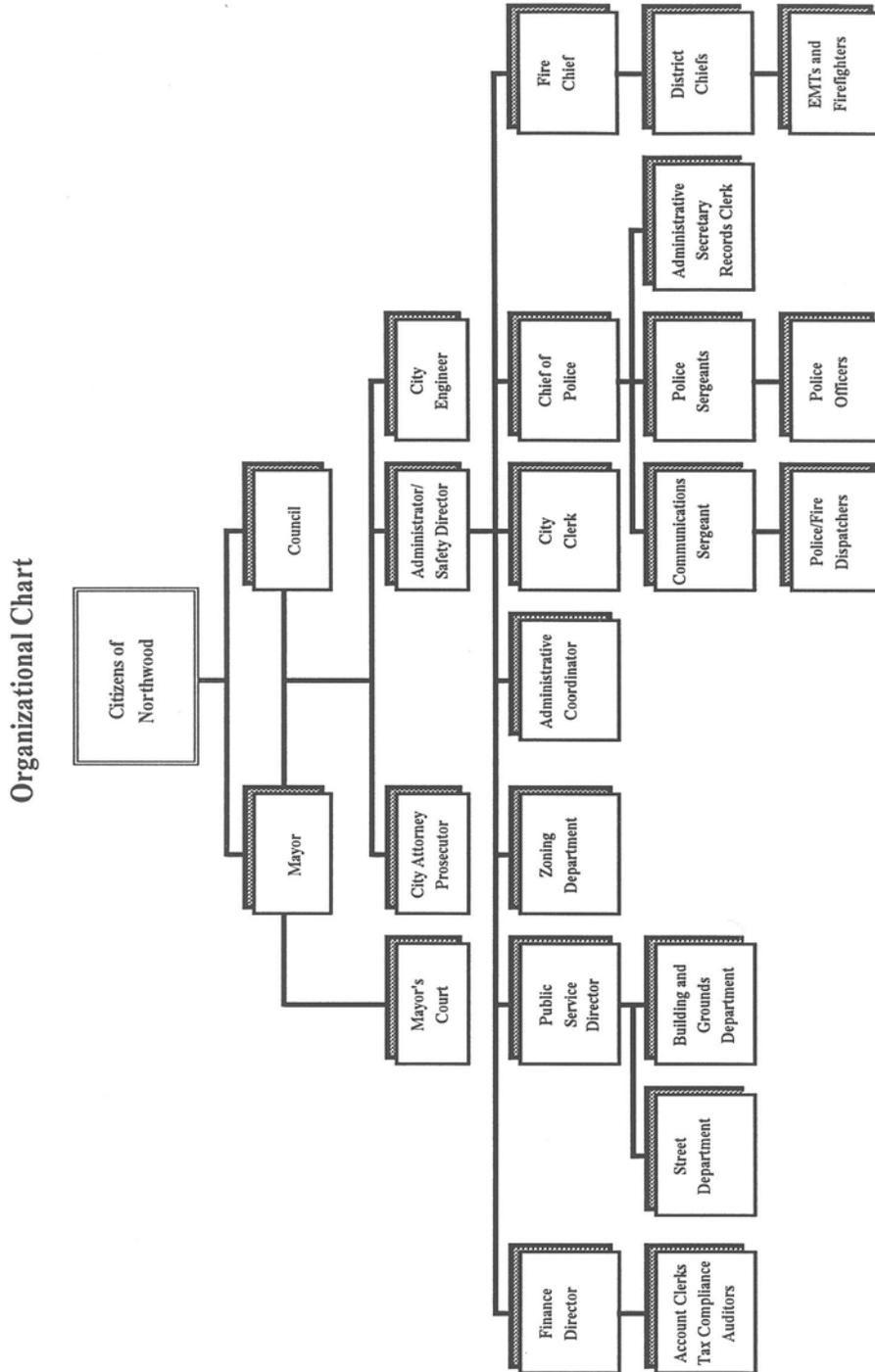
Applies to All Elected Officials

Public officials \$5 million/occurrence, \$7 million aggregate general liability.
Term July 9, 2004 to July 9, 2005.

City Address:

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

City Organizational Chart
For the Year Ended December 31, 2004



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Northwood,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Egan

Executive Director

FINANCIAL SECTION



Unity thru Diversification

JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Heights, Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475-6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, City Manager,
and Members of City Council
City of Northwood, Ohio

The Honorable Betty Montgomery
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Ohio, as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended December 31, 2004, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which changed its accounting for capital assets, long-term liabilities, and long-term deferred assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2005 on our consideration of the City of Northwood, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3-11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Northwood, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.


James G. Zupka, CPA, Inc.
Certified Public Accountants

May 18, 2005

The discussion and analysis of the City of Northwood's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2004 are as follows:

- ❑ In total, net assets increased \$1,124,783, which represents a 21.4% increase from 2003.
- ❑ General revenues accounted for \$5 million in revenue or 71% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 29% of total revenues of \$7 million.
- ❑ The City had \$5.9 million in expenses related to governmental activities; only \$2.0 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$5 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$4.3 million in revenues and \$4.2 million in expenditures. The general fund's fund balance increased \$120,469 to \$657,886.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management's discussion and analysis* and the *basic financial statements*. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

This is the first year for government-wide financial statements using the full accrual basis of accounting, therefore a comparison with prior year's information is not available. A comparative analysis will be provided in future years when prior year's information is available.

	Governmental Activities
	<u>2004</u>
Current and other assets	\$5,085,038
Capital assets, Net	3,865,087
Total assets	<u>8,950,125</u>
Long-term debt outstanding	1,408,284
Other liabilities	1,178,955
Total liabilities	<u>2,587,239</u>
Net assets	
Invested in capital assets, net of related debt	2,709,009
Restricted	2,561,935
Unrestricted	1,091,942
Total net assets	<u><u>\$6,362,886</u></u>

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CITY OF NORTHWOOD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2004:

	Governmental Activities
	<u>2004</u>
Revenues	
Program revenues:	
Charges for Services and Sales	\$1,217,343
Operating Grants and Contributions	564,483
Capital Grants and Contributions	215,488
General revenues:	
Property Taxes	313,017
Municipal Income Taxes	4,062,903
Other Local Taxes	76,183
Shared Revenues	349,931
Investment Earnings	33,322
Miscellaneous	163,296
Total revenues	<u>6,995,966</u>
Program Expenses	
Security of Persons and Property	2,687,303
Public Health and Welfare Services	7,919
Leisure Time Activities	83,270
Community Environment	454,832
Basic Utility Services	628,619
Transportation	481,056
General Government	1,456,201
Interest and Fiscal Charges	71,983
Total expenses	<u>5,871,183</u>
Total Change in Net Assets	1,124,783
Beginning Net Assets	<u>5,238,103</u>
Ending Net Assets	<u><u>\$6,362,886</u></u>

Governmental Activities

Net assets of the City's governmental activities increased by \$1,124,783. This was due primarily to an increase in income tax revenue, while holding operating expenses to a minimal increase.

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

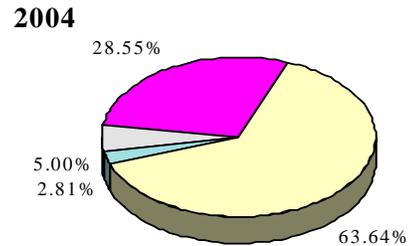
CITY OF NORTHWOOD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

Property taxes and income taxes made up 4.5% and 58% respectively of revenues for governmental activities for the City in fiscal year 2004. The City's reliance upon tax revenues is demonstrated by the following graph indicating 64% of total revenues from general tax revenues:

Revenue Sources	2004	Percent of Total
General Shared Revenues	\$349,931	5.00%
Program Revenues	1,997,314	28.55%
General Tax Revenues	4,452,103	63.64%
General Other	196,618	2.81%
Total Revenue	\$6,995,966	100.00%



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$2,595,951, which is an increase from last year's balance of \$2,478,333. The schedule below indicates the fund balance and the total change in fund balance by major and nonmajor fund as of December 31, 2004 and 2003:

	Fund Balance December 31, 2004	Fund Balance December 31, 2003	Increase (Decrease)
General	\$657,886	\$539,121	\$118,765
General Obligation Debt Retirement	71,677	43,481	28,196
Capital Improvement	1,223,023	974,449	248,574
Alcoa Projects	(303,082)	(402,055)	98,973
Other Governmental	946,447	1,323,337	(376,890)
Total	\$2,595,951	\$2,478,333	\$117,618

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CITY OF NORTHWOOD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

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

	2004	2003	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Property Taxes	\$222,682	\$199,812	\$22,870
Municipal Income Tax	2,688,479	2,788,244	(99,765)
Other Local Taxes	50,841	48,215	2,626
Intergovernmental Revenue	628,183	616,839	11,344
Charges for Services	11,398	619	10,779
Licenses and Permits	369,982	271,075	98,907
Investment Earnings	31,304	25,184	6,120
Special Assessments	54,111	46,893	7,218
Fines & Forfeitures	159,730	144,392	15,338
Donations	60	2,550	(2,490)
All Other Revenue	101,275	47,250	54,025
Total	<u>\$4,318,045</u>	<u>\$4,191,073</u>	<u>\$126,972</u>

General Fund revenues in 2004 increased approximately 3% compared to revenues in fiscal year 2003. The most significant factor contributing to this increase was an increase in licenses and permits. This increase is attributed to a one-time adjustment of \$88,863 from the landfill for solid waste/host fees.

	2004	2003	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$2,454,283	\$2,375,691	\$78,592
Public Health and Welfare Services	7,919	7,923	(4)
Leisure Time Activities	76,855	77,602	(747)
Community Development	122,647	119,433	3,214
Basic Utility Services	5,174	31,182	(26,008)
Transportation	145,342	182,182	(36,840)
General Government	1,345,356	1,268,668	76,688
Total	<u>\$4,157,576</u>	<u>\$4,062,681</u>	<u>\$94,895</u>

General Fund expenditures increased by \$94,895 or 2.3% over the prior year mostly due to increases in wages and health insurance premiums for the City's employees.

CITY OF NORTHWOOD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

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

During the course of fiscal year 2004 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$4.5 million did not significantly change over the original budget estimates of \$4.3 million. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2004 the City had \$3,865,087 net of accumulated depreciation invested in land, improvements, infrastructure, buildings and machinery and equipment. The following table shows fiscal year 2004 and 2003 balances:

	Governmental Activities		Increase (Decrease)
	2004	2003	
Land	\$407,945	\$407,945	\$0
Construction in Progress	52,326	0	52,326
Land Improvements	121,950	121,950	0
Buildings and Improvements	2,160,425	2,160,425	0
Machinery and Equipment	971,591	927,447	44,144
Vehicles	1,986,709	1,853,520	133,189
Infrastructure	757,115	0	757,115
Less: Accumulated Depreciation	(2,592,974)	(2,407,673)	(185,301)
Totals	<u>\$3,865,087</u>	<u>\$3,063,614</u>	<u>\$801,473</u>

The primary increases occurred in vehicles and infrastructure. The increase in infrastructure resulted largely from the completion of Mound View Park Subdivision and Wilson Street storm sewers and Oregon Road resurfacing.

As of December 31, 2004, the City had contractual commitments of \$350,799. These projects include a sewer rehabilitation project, and several roadway improvement projects. Additional information on the City's capital assets can be found in Note 10.

Debt

The following table summarizes the City's debt outstanding as of December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Governmental Activities:		
Ohio Public Works Commission	\$136,145	\$145,535
Ohio Water Development Authority	1,019,932	1,050,332
Compensated Absences	252,207	213,222
Capital Leases Payable	<u>0</u>	<u>47,098</u>
Total Governmental Activities	<u>\$1,408,284</u>	<u>\$1,456,187</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Northwood lies, is limited to 11.5 mills. At December 31, 2004, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

ECONOMIC FACTORS

The City's original budget for 2004 utilized conservative revenue estimates with limited increases in base operating costs. Original General Fund revenues were projected to be just under 1% less than the actual receipts for 2004. This difference was due to increases in municipal income tax collections.

General Fund expenditures were originally budgeted at 1.5% more than 2004 actual expenditures. Department requests were reduced from original submissions and only those items that management and City Council determined necessary were appropriated.

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

REQUESTS FOR INFORMATION

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

CITY OF NORTHWOOD, OHIO

**Statement of Net Assets
December 31, 2004**

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 931,299
Cash and Cash Equivalents with Fiscal Agent	15,118
Investments	1,490,945
Receivables:	
Taxes	1,157,614
Accounts	292,493
Intergovernmental	899,979
Interest	10,867
Special Assessments	212,067
Inventory of Supplies at Cost	22,879
Prepaid Items	51,777
Capital Assets:	
Capital Assets Not Being Depreciated	460,271
Capital Assets Being Depreciated, Net	3,404,816
Total Assets	8,950,125
Liabilities:	
Accounts Payable	369,119
Accrued Wages and Benefits	275,199
Intergovernmental Payable	2,732
Claims Payable	1,163
Retainage Payable	15,118
Deferred Revenue	212,542
Accrued Interest Payable	3,082
Special Assessment Notes Payable	300,000
Long-Term Liabilities:	
Due Within One Year	147,173
Due in More Than One Year	1,261,111
Total Liabilities	2,587,239
Net Assets:	
Invested in Capital Assets, Net of Related Debt	2,709,009
Restricted For:	
Capital Projects	1,739,454
Debt Service	246,199
Other Purposes	576,282
Unrestricted (Deficit)	1,091,942
Total Net Assets	\$ 6,362,886

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Statement of Activities
For the Year Ended December 31, 2004**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities:					
Current:					
Security of Persons and Property	\$ 2,687,303	\$ 254,143	\$ 38,780	\$ 0	\$ (2,394,380)
Public Health and Welfare Services	7,919	0	0	0	(7,919)
Leisure Time Activities	83,270	8,622	0	0	(74,648)
Community Environment	454,832	24,189	152,962	112,500	(165,181)
Basic Utility Services	628,619	378,804	0	0	(249,815)
Transportation	481,056	43,905	372,741	102,988	38,578
General Government	1,456,201	507,680	0	0	(948,521)
Interest and Fiscal Charges	71,983	0	0	0	(71,983)
Total Governmental Activities	\$ 5,871,183	\$ 1,217,343	\$ 564,483	\$ 215,488	(3,873,869)
General Revenues					
Property Taxes					313,017
Municipal Income Taxes					4,062,903
Other Local Taxes					76,183
Grants and Entitlements not Restricted to Specific Programs					349,931
Investment Earnings					33,322
Miscellaneous					163,296
Total General Revenues					<u>4,998,652</u>
Change in Net Assets					1,124,783
Net Assets Beginning of Year					<u>5,238,103</u>
Net Assets End of Year					<u>\$ 6,362,886</u>

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Balance Sheet
Governmental Funds
December 31, 2004**

	General	General Obligation Debt Retirement	Capital Improvement
Assets:			
Cash and Cash Equivalents	\$ 63,104	\$ 71,677	\$ 189,824
Cash and Cash Equivalents with Fiscal Agent	0	0	15,118
Investments	236,469	0	738,555
Receivables:			
Taxes	822,726	80,526	164,397
Accounts	168,568	0	33,550
Intergovernmental	410,882	70,420	285,585
Interest	9,779	0	0
Special Assessments	66,925	93,996	51,146
Interfund Loans Receivables	12,124	0	200,000
Inventory of Supplies, at Cost	5,539	0	0
Prepaid Items	49,640	0	0
Total Assets	\$ 1,845,756	\$ 316,619	\$ 1,678,175
Liabilities:			
Accounts Payable	\$ 96,237	\$ 0	\$ 106,308
Accrued Wages and Benefits Payable	259,355	0	0
Intergovernmental Payable	2,732	0	0
Claims Payable	1,163	0	0
Retainage Payable	0	0	15,118
Interfund Loans Payable	0	0	0
Deferred Revenue	828,383	244,942	333,726
Accrued Interest Payable	0	0	0
Special Assessment Notes Payable	0	0	0
Total Liabilities	1,187,870	244,942	455,152
Fund Balances:			
Reserved for Encumbrances	0	0	45,902
Reserved for Prepaid Items	49,640	0	0
Reserved for Supplies Inventory	5,539	0	0
Reserved for Debt Service	0	71,677	0
Reserved for Interfund Loans Receivable	12,124	0	0
Undesignated/Unreserved in:			
General Fund	590,583	0	0
Special Revenue Funds	0	0	0
Capital Projects Funds	0	0	1,177,121
Total Fund Balances	657,886	71,677	1,223,023
Total Liabilities and Funds Balances	\$ 1,845,756	\$ 316,619	\$ 1,678,175

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

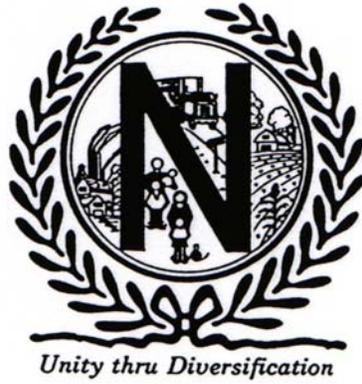
Alcoa Project	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 606,694	\$ 931,299
0	0	15,118
0	515,921	1,490,945
0	89,965	1,157,614
0	90,375	292,493
0	133,092	899,979
0	1,088	10,867
0	0	212,067
0	0	212,124
0	17,340	22,879
0	2,137	51,777
<u>\$ 0</u>	<u>\$ 1,456,612</u>	<u>\$ 5,297,162</u>
\$ 0	\$ 166,574	\$ 369,119
0	15,844	275,199
0	0	2,732
0	0	1,163
0	0	15,118
0	212,124	212,124
0	115,623	1,522,674
3,082	0	3,082
300,000	0	300,000
<u>303,082</u>	<u>510,165</u>	<u>2,701,211</u>
0	0	45,902
0	2,137	51,777
0	17,340	22,879
0	0	71,677
0	0	12,124
0	0	590,583
0	461,813	461,813
(303,082)	465,157	1,339,196
<u>(303,082)</u>	<u>946,447</u>	<u>2,595,951</u>
<u>\$ 0</u>	<u>\$ 1,456,612</u>	<u>\$ 5,297,162</u>

CITY OF NORTHWOOD, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2004***

Total Governmental Fund Balances	\$ 2,595,951
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	3,865,087
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	1,310,132
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,408,284)</u>
<i>Net Assets of Governmental Funds</i>	<u><u>\$ 6,362,886</u></u>

See accompanying notes to the basic financial statements



CITY OF NORTHWOOD, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004**

	General	General Obligation Debt Retirement	Capital Improvement
Revenues:			
Property Taxes	\$ 222,682	\$ 81,312	\$ 0
Municipal Income Tax	2,688,479	0	830,418
Other Local Taxes	50,841	0	0
Intergovernmental Revenues	628,183	4,695	152,519
Charges for Services	11,398	0	0
Licenses and Permits	369,982	0	33,350
Investment Earnings	31,304	0	0
Special Assessments	54,111	15,935	30,685
Fines and Forfeitures	159,730	0	0
Donations	60	0	12,200
All Other Revenue	101,275	0	22,223
Total Revenue	4,318,045	101,942	1,081,395
Expenditures:			
Current:			
Security of Persons and Property	2,454,283	0	0
Public Health and Welfare Services	7,919	0	0
Leisure Time Activities	76,855	0	0
Community Environment	122,647	0	0
Basic Utility Services	5,174	0	0
Transportation	145,342	0	0
General Government	1,345,356	0	0
Capital Outlay	0	0	735,821
Debt Service:			
Principal Retirement	0	39,790	0
Interest & Fiscal Charges	0	65,956	0
Total Expenditures	4,157,576	105,746	735,821
Excess (Deficiency) of Revenues Over Expenditures	160,469	(3,804)	345,574
Other Financing Sources (Uses):			
Sale of Capital Assets	0	0	0
Transfers In	0	32,000	0
Transfers Out	(40,000)	0	(97,000)
Total Other Financing Sources (Uses)	(40,000)	32,000	(97,000)
Net Change in Fund Balances	120,469	28,196	248,574
Fund Balances at Beginning of Year	539,121	43,481	974,449
Increase (Decrease) in Inventory Reserve	(1,704)	0	0
Fund Balances End of Year	\$ 657,886	\$ 71,677	\$ 1,223,023

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

Alcoa Project	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 303,994
0	415,210	3,934,107
0	25,342	76,183
0	471,840	1,257,237
0	345,454	356,852
0	38,826	442,158
0	4,751	36,055
0	0	100,731
0	24,002	183,732
0	0	12,260
0	2,270	125,768
<u>0</u>	<u>1,327,695</u>	<u>6,829,077</u>
0	16,949	2,471,232
0	0	7,919
0	0	76,855
0	323,842	446,489
0	623,445	628,619
0	308,868	454,210
0	22,972	1,368,328
0	366,746	1,102,567
0	47,098	86,888
<u>6,027</u>	<u>0</u>	<u>71,983</u>
<u>6,027</u>	<u>1,709,920</u>	<u>6,715,090</u>
(6,027)	(382,225)	113,987
0	9,100	9,100
105,000	92,000	229,000
<u>0</u>	<u>(92,000)</u>	<u>(229,000)</u>
<u>105,000</u>	<u>9,100</u>	<u>9,100</u>
98,973	(373,125)	123,087
(402,055)	1,323,337	2,478,333
<u>0</u>	<u>(3,765)</u>	<u>(5,469)</u>
<u>\$ (303,082)</u>	<u>\$ 946,447</u>	<u>\$ 2,595,951</u>

CITY OF NORTHWOOD, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2004***

Net Change in Fund Balances - Total Governmental Funds \$ 123,087

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 855,162

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of fixed assets net of proceeds received. (53,689)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 157,789

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 86,888

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (44,454)

Change in Net Assets of Governmental Activities \$ 1,124,783

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 243,000	\$ 225,000	\$ 222,477	\$ (2,523)
Municipal Income Tax	2,540,000	2,857,500	2,700,650	(156,850)
Other Local Taxes	63,000	50,000	42,689	(7,311)
Intergovernmental Revenue	710,000	665,000	631,677	(33,323)
Charges for Services	16,700	9,700	5,577	(4,123)
Licenses and Permits	312,000	375,000	364,693	(10,307)
Special Assessments	61,200	55,200	54,111	(1,089)
Investment Earnings	50,200	43,200	42,783	(417)
Fines and Forfeitures	184,000	174,000	159,730	(14,270)
Donations	2,000	60	60	0
All Other Revenues	83,400	86,300	72,335	(13,965)
Total Revenues	4,265,500	4,540,960	4,296,782	(244,178)
Expenditures:				
Current:				
Security of Persons and Property	2,447,800	2,516,100	2,491,508	24,592
Public Health and Welfare Services	8,500	8,000	7,919	81
Leisure Time Activities	81,000	79,700	76,373	3,327
Community Environment	126,500	126,500	122,653	3,847
Basic Utility Services	4,000	6,000	5,174	826
Transportation	186,400	162,900	152,712	10,188
General Government	1,375,620	1,351,120	1,307,966	43,154
Total Expenditures	4,229,820	4,250,320	4,164,305	86,015
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,680	290,640	132,477	(158,163)
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	40	0	(40)
Transfers Out	(40,000)	(40,000)	(40,000)	0
Total Other Financing Sources (Uses):	(35,000)	(39,960)	(40,000)	(40)
Net Change In Fund Balance	680	250,680	92,477	(158,203)
Fund Balance at Beginning of Year	215,088	215,088	215,088	0
Prior Year Encumbrances	1,063	1,063	1,063	0
Fund Balance at End of Year	\$ 216,831	\$ 466,831	\$ 308,628	\$ (158,203)

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2004**

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 1,534
Total Assets	<u>1,534</u>
Liabilities:	
Due to Others	<u>1,534</u>
Total Liabilities	<u>1,534</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying basic financial statements of the City present the financial position of the various fund types and the results of operations of the various fund types. The financial statements are presented as of December 31, 2004 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

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

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

Alcoa Project – This fund is used to account for revenues and expenditures related to the construction of a public access road built for the new Alcoa Automotive Structures Plant locating in Northwood.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and therefore not available to support the City's own programs. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on a full accrual basis of accounting. The City's only fiduciary fund is an agency fund.

C. Basis of Presentation – Financial Statements

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

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

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

D. Basis of Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2004, but which are not intended to finance 2004 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 6.

E. Budgetary Process

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay, and transfers) by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the major object level for each department within each fund without the approval of City Council. Budgetary modifications above the major object level by fund may only be made by ordinance of the City Council.

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2004.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by ordinance of the City Council. During 2004, several supplemental appropriations were necessary to budget for unanticipated expenditures. Total fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations (Continued)

appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--General Fund" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

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

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

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

	<u>Net Change In Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$120,469
Increase (Decrease):	
Accrued Revenues at December 31, 2004 received during 2005	(653,566)
Accrued Revenues at December 31, 2003 received during 2004	603,520
Accrued Expenditures at December 31, 2004 paid during 2005	359,487
Accrued Expenditures at December 31, 2003 paid during 2004	(340,075)
2003 Prepays for 2004	52,282
2004 Prepays for 2005	(49,640)
Budget Basis	<u>\$92,477</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and repurchase agreements. The repurchase agreements are considered cash equivalents because they are highly liquid investments with original maturity dates of three months or less. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Pooled Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and local ordinances. Interest revenue credited to the general fund during fiscal year 2004 amounted to \$31,304, which includes \$27,331 assigned from other City funds. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, "Pooled Cash, Cash Equivalents and Investments."

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

2. Depreciation

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

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

K. Long-Term Obligations

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

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

L. Compensated Absences

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction of improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Pensions

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

O. Interfund Activity

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

P. Reservations of Fund Balance

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Estimates

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2004.

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE

A. Changes in Accounting Principles

For fiscal year 2004, the City has implemented GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”; GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*”; GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*”; and GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement.*” At December 31, 2003, there was no effect on fund balance as a result of implementing GASB Statements 36, 37 and 38, or Interpretation No. 6.

GASB 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements present only governmental activities. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2003, caused by the conversion to the accrual basis of accounting.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE (Continued)

B. Restatement of Fund Balance

The transition from fund balance to net assets of the governmental activities are as follows:

	<u>Governmental Activities</u>
Fund Balance December 31, 2003	\$2,478,333
GASB 34 Adjustments:	
Capital Assets	3,063,614
Long-Term Liabilities	(1,456,187)
Long-Term (Deferred) Assets	<u>1,152,343</u>
Net Assets, December 31, 2003	<u><u>\$5,238,103</u></u>

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

Delinquent Income Tax Revenue	\$206,298
Delinquent Property Tax Revenue	101,496
Shared Revenues	672,945
Investment Earnings	10,867
Charges for Services	106,461
Special Assessment Revenue	<u>212,065</u>
	\$1,310,132

Long-Term liabilities not reported in the funds:

Ohio Public Works Commission Loan	(\$136,145)
Ohio Water Development Authority Loans	(1,019,932)
Compensated Absences Payable	<u>(252,207)</u>
	(\$1,408,284)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

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

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

Capital Outlay	\$1,144,069
Depreciation Expense	<u>(288,907)</u>
	\$855,162

Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax Revenue	\$128,796
Increase in Delinquent Property Tax	9,023
Decrease in Shared Revenue	(127,335)
Decrease in Investment Earnings	(2,733)
Increase in Charges for Services	21,665
Increase in Special Assessment Revenue	<u>128,373</u>
	\$157,789

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$38,985)
Decrease in supplies inventory	<u>(5,469)</u>
	(\$44,454)

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits: The fund deficits at December 31, 2004 of \$30,572 in the CHIP CDBG Fund and \$97,084 in the CHIP HOME Fund (special revenue funds), were created by the recognition of expenditures on the modified accrual basis which are greater than expenditures on a budgetary basis. The fund deficit at December 31, 2004 of \$303,082 in the Alcoa Project Fund (capital projects fund) is the result of recognizing notes payable as a liability under the modified accrual basis. Deficits do not exist under the budgetary basis of accounting. The general fund provides transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 5 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 5 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3 "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. Deposits

At year end the carrying amount of the City's deposits was \$947,951 and the bank balance was \$1,082,757. The Federal Deposit Insurance Corporation (FDIC) covered \$100,000 of the bank balance. All remaining deposits were classified as Category 3. In addition, the City had \$700 petty cash on hand.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 5 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2004 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities	\$1,500,000	\$1,490,945
Total Investments	<u>\$1,500,000</u>	<u>\$1,490,945</u>

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Repurchase agreements are treated as cash and cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note is based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$947,951	\$1,490,945
Per GASB Statement No. 3	<u>\$947,951</u>	<u>\$1,490,945</u>

* Includes Cash with Fiscal Agent and Petty Cash.

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2004 were levied after October 1, 2003 on assessed values as of January 1, 2003, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 6 – TAXES (Continued)

A. Property Taxes (Continued)

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder payable by September 20.

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

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

The full tax rate for all City operations for the year ended December 31, 2004 was \$1.60 per \$1,000 of assessed value. The assessed value upon which the 2004 tax receipts were based was \$141,109,588. This amount constitutes \$108,323,910 in real property assessed value, \$4,737,470 in public utility assessed value and \$28,048,208 in tangible personal property assessed value.

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

B. Income Tax

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 7 - RECEIVABLES

Receivables at December 31, 2004 consisted of taxes, special assessments, accounts receivable and intergovernmental receivables.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2004:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$40,000
General Bond Retirement Fund	32,000	0
Capital Improvement Fund	0	97,000
Alcoa Project Fund	105,000	0
Other Governmental Funds	92,000	92,000
Total Governmental Activity Transfers	<u>\$229,000</u>	<u>\$229,000</u>

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

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2004 consist of the following individual fund receivables and payables:

Fund	Interfund Loan	
	Receivable	Payable
General Fund	\$12,124	\$0
Capital Improvement	200,000	0
Other Governmental Funds	0	212,124
Totals	<u>\$212,124</u>	<u>\$212,124</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 10 – CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2004:

<i>Historical Cost:</i>	Restated			December 31,
Class	December 31, 2003	Additions	Deletions	2004
<i>Capital assets not being depreciated:</i>				
Land	\$407,945	\$0	\$0	\$407,945
Construction in Progress	0	52,326	0	52,326
	<u>407,945</u>	<u>52,326</u>	<u>0</u>	<u>460,271</u>
<i>Capital assets being depreciated:</i>				
Land Improvements	121,950	0	0	121,950
Buildings and Improvements	2,160,425	0	0	2,160,425
Machinery and Equipment	927,447	85,994	(41,850)	971,591
Vehicles	1,853,520	248,634	(115,445)	1,986,709
Infrastructure	0	757,115	0	757,115
	<u>5,063,342</u>	<u>1,091,743</u>	<u>(157,295)</u>	<u>5,997,790</u>
Total Cost	<u>\$5,471,287</u>	<u>\$1,144,069</u>	<u>(\$157,295)</u>	<u>\$6,458,061</u>
<i>Accumulated Depreciation:</i>				
Class	Restated December 31, 2003	Additions	Deletions	December 31, 2004
Land Improvements	(\$119,895)	(\$2,055)	\$0	(\$121,950)
Buildings and Improvements	(938,329)	(43,039)	0	(981,368)
Machinery and Equipment	(446,818)	(88,497)	41,849	(493,466)
Vehicles	(902,631)	(152,481)	61,757	(993,355)
Infrastructure	0	(2,835)	0	(2,835)
Total Depreciation	<u>(\$2,407,673)</u>	<u>(\$288,907) *</u>	<u>\$103,606</u>	<u>(\$2,592,974)</u>
<i>Net Value:</i>	<u>\$3,063,614</u>			<u>\$3,865,087</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$141,739
Leisure Time Activities	6,415
Community Development	7,013
Transportation	64,408
General Government	69,332
Total Depreciation Expense	<u>\$288,907</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 11 – DEFINED BENEFIT PENSION PLANS

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

A. Ohio Public Employees Retirement System (the “Ohio PERS”)

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

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

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2004, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2004 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2004, 2003 and 2002 were \$161,926, \$154,298 and \$145,808, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2004 employer contribution rate (identified above) that was used to fund health care for the year 2004 was 4.0% of covered payroll which amounted to \$47,801.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2003. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2003 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 369,885. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2003 is \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2004, 2003 and 2002 were \$197,619, \$195,547 and \$181,971 for police and \$12,843, \$12,412 and \$12,097 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2004 covered payroll that was used to fund postemployment health care benefits was \$78,541 representing 7.75% of covered payroll for police and \$4,147 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2003, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,662 for police and 10,474 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2003 were \$150,853,148, which was net of member contributions of \$17,207,506.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 12 - COMPENSATED ABSENCES

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

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

At December 31, 2004, the City's accumulated, unpaid compensated absences amounted to \$252,207, which has recorded as a liability of the Governmental Activities.

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	Maturity Date	Balance December 31, 2003	Issued	(Retired)	Balance December 31, 2004
Special Assessment Notes:					
1.75% Street Improvements	2004	\$400,000	\$0	(\$400,000)	\$0
2.50% Street Improvements	2005	0	300,000	0	300,000
Totals		<u>\$400,000</u>	<u>\$300,000</u>	<u>(\$400,000)</u>	<u>\$300,000</u>

CITY OF NORTHWOOD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 14 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2004 is as follows:

	Issue Date	Balance December 31, 2003	Issued (Retired)	Issued (Retired)	Balance December 31, 2004	Amounts Due Within One Year	
Governmental Activities:							
Ohio Public Works Commission Loan:							
	0.00% Wales Road Pavement & Storm Drainage	1999	\$145,535	\$0	(\$9,390)	\$136,145	\$9,390
Ohio Water Development Authority (OWDA) Loans:							
	5.88% Oregon Road Water Line	1997	733,395	0	(21,080)	712,315	22,319
	5.66% Oregon Road Trunk						
	Water Main Phase II	1998	316,937	0	(9,320)	307,617	9,847
	Total OWDA Loans		1,050,332	0	(30,400)	1,019,932	32,166
	Compensated Absences		213,222	252,207	(213,222)	252,207	105,617
	Capital Lease		47,098	0	(47,098)	0	0
	Total Governmental Activities Long-Term Debt		\$1,456,187	\$252,207	(\$300,110)	\$1,408,284	\$147,173

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2004, follow:

Years	OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest
2005	\$32,166	\$59,295	\$9,389	\$0
2006	34,036	57,426	9,389	0
2007	36,015	55,447	9,389	0
2008	38,108	53,354	9,389	0
2009	40,326	51,138	9,389	0
2010-2014	239,626	217,683	46,947	0
2015-2019	316,723	139,447	42,253	0
2020-2023	282,932	38,326	0	0
Totals	\$1,019,932	\$672,116	\$136,145	\$0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 15 - CONSTRUCTION COMMITMENTS

As of December 31, 2004 the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Mound View Storm Sewer Improvements	\$100,053	2005
Curtice Road Improvements	\$147,232	2005
Woodville & Wheeling Roads Intersection	\$49,379	2005
Brentwood Park Expansion - Soccer Fields	48,350	2005
Police Station Renovation	5,785	2005
Total	<u>\$350,799</u>	

NOTE 16 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City purchases insurance coverage to provide employee health benefits and pays unemployment claims to the State of Ohio as incurred.

During 2004 the City contracted with several different insurance providers for various insurance coverages, as follows:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Auto Fleet Liability/Physical Damage	\$5,000,000	\$250/500
Law Enforcement Liability	\$5,000,000	\$5,000
General Liability	\$5,000,000	\$0
Prior Acts Coverage	\$5,000,000	\$5,000
Real and Personal Property	\$4,462,578	\$1,000
Emergency Medical Services Liability	\$5,000,000	\$5,000
Inland Marine Equipment	\$1,603,430	\$1,000
Boiler and Machinery Property Damage	\$5,000,000	\$1,000
Demolition/Increased Cost-Construction	\$500,000	\$1,000
Public Officials Liability	\$5,000,000	\$5,000
Valuable Papers	\$250,000	\$1,000
Business Income and Extra Expense	\$100,000	\$1,000
Employee Benefit Liability	\$5,000,000	\$0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 16 - RISK MANAGEMENT (Continued)

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

Changes in the claims liability amount in fiscal 2004 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Year End</u>
2002	\$0	\$18,552	(\$17,874)	\$678
2003	678	20,580	(19,134)	2,124
2004	2,124	24,817	(25,778)	1,163

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

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

NOTE 17 - CONTINGENCIES

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

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

NOTE 18 – SUBSEQUENT EVENT

In January 2005, the City issued general obligation bonds for the purpose of paying the costs of constructing a fire station.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

Motor Vehicle License Tax Fund

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

State Highway Improvement Fund

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

Northwood Waste/Environmental Fund

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

Drug Fine Fund

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

Special Law Enforcement Fund

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

Enforcement and Education Fund

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

Computerized Research Fund

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

(Continued)

Special Revenue Funds

Community Housing Improvement Program (CHIP) - CDBG Fund

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

Community Housing Improvement Program (CHIP) - HOME Fund

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

Water Fund

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

Sanitary Sewer Operation, Maintenance and Repair Fund

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

Keep Northwood Beautiful Fund

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

Capital Projects Funds

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

Recreation Parks Combined Fund

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

Capital Replacement Fund

To account for 10% of the City's income tax collections which are designated for planned replacement of major capital items for various departments within the City.

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 479,554	\$ 127,140	\$ 606,694
Investments	235,361	280,560	515,921
Receivables (net of allowance for doubtful accounts):			
Taxes	7,767	82,198	89,965
Accounts	90,375	0	90,375
Intergovernmental	133,092	0	133,092
Interest	1,088	0	1,088
Inventory of Supplies, at Cost	17,340	0	17,340
Prepaid Items	2,137	0	2,137
Total Assets	\$ 966,714	\$ 489,898	\$ 1,456,612
Liabilities:			
Accounts Payable	\$ 162,462	\$ 4,112	\$ 166,574
Accrued Wages and Benefits Payable	15,844	0	15,844
Interfund Loans Payable	212,124	0	212,124
Deferred Revenue	94,994	20,629	115,623
Total Liabilities	485,424	24,741	510,165
Fund Balances:			
Reserved for Prepaid Items	2,137	0	2,137
Reserved for Supplies Inventory	17,340	0	17,340
Undesignated/Unreserved in:			
Special Revenue Funds	461,813	0	461,813
Capital Projects Funds	0	465,157	465,157
Total Fund Balances	481,290	465,157	946,447
Total Liabilities and Funds Balances	\$ 966,714	\$ 489,898	\$ 1,456,612

CITY OF NORTHWOOD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Municipal Income Tax	\$ 0	\$ 415,210	\$ 415,210
Other Local Taxes	17,342	8,000	25,342
Intergovernmental Revenues	445,740	26,100	471,840
Charges for Services	345,454	0	345,454
Licenses and Permits	38,826	0	38,826
Investment Earnings	4,751	0	4,751
Fines and Forfeitures	24,002	0	24,002
All Other Revenue	0	2,270	2,270
Total Revenue	876,115	451,580	1,327,695
Expenditures:			
Current:			
Security of Persons and Property	16,949	0	16,949
Community Environment	323,842	0	323,842
Basic Utility Services	623,445	0	623,445
Transportation	308,868	0	308,868
General Government	22,972	0	22,972
Capital Outlay	0	366,746	366,746
Debt Service:			
Principal Retirement	0	47,098	47,098
Total Expenditures	1,296,076	413,844	1,709,920
Excess (Deficiency) of Revenues Over Expenditures	(419,961)	37,736	(382,225)
Other Financing Sources (Uses):			
Proceeds from the Sale of Capital Assets	0	9,100	9,100
Transfers In	92,000	0	92,000
Transfers Out	(92,000)	0	(92,000)
Total Other Financing Sources (Uses)	0	9,100	9,100
Net Change In Fund Balance	(419,961)	46,836	(373,125)
Fund Balances at Beginning of Year	905,016	418,321	1,323,337
Decrease in Inventory Reserve	(3,765)	0	(3,765)
Fund Balances End of Year	\$ 481,290	\$ 465,157	\$ 946,447

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004**

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste / Environmental
Assets:				
Cash and Cash Equivalents	\$ 7,843	\$ 9,974	\$ 29,023	\$ 16,295
Investments	30,514	0	0	0
Receivables (net of allowance for doubtful accounts):				
Taxes	0	7,767	0	0
Accounts	0	0	0	2,004
Intergovernmental	123,111	0	9,981	0
Interest	543	109	109	109
Inventory of Supplies, at Cost	17,340	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 179,351	\$ 17,850	\$ 39,113	\$ 18,408
Liabilities:				
Accounts Payable	\$ 8,218	\$ 0	\$ 169	\$ 0
Accrued Wages and Benefits Payable	11,706	0	466	2,071
Interfund Loans Payable	0	0	0	0
Deferred Revenue	82,617	5,287	6,763	109
Total Liabilities	102,541	5,287	7,398	2,180
Fund Balances:				
Reserved for Prepaid Items	0	0	0	0
Reserved for Supplies Inventory	17,340	0	0	0
Undesignated/Unreserved	59,470	12,563	31,715	16,228
Total Fund Balances	76,810	12,563	31,715	16,228
Total Liabilities and Funds Balances	\$ 179,351	\$ 17,850	\$ 39,113	\$ 18,408

CITY OF NORTHWOOD, OHIO

<u>Drug Fine</u>	<u>Special Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Computerized Research</u>	<u>CHIP CDBG</u>	<u>CHIP HOME</u>
\$ 9,785	\$ 2,634	\$ 9,836	\$ 49,051	\$ 87,322	\$ 28,011
0	10,249	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	109	0	0	0	0
0	0	0	0	0	0
0	2,137	0	0	0	0
<u>\$ 9,785</u>	<u>\$ 15,129</u>	<u>\$ 9,836</u>	<u>\$ 49,051</u>	<u>\$ 87,322</u>	<u>\$ 28,011</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,770	\$ 25,095
0	0	0	0	0	0
0	0	0	0	112,124	100,000
0	109	0	0	0	0
<u>0</u>	<u>109</u>	<u>0</u>	<u>0</u>	<u>117,894</u>	<u>125,095</u>
0	2,137	0	0	0	0
0	0	0	0	0	0
9,785	12,883	9,836	49,051	(30,572)	(97,084)
<u>9,785</u>	<u>15,020</u>	<u>9,836</u>	<u>49,051</u>	<u>(30,572)</u>	<u>(97,084)</u>
<u>\$ 9,785</u>	<u>\$ 15,129</u>	<u>\$ 9,836</u>	<u>\$ 49,051</u>	<u>\$ 87,322</u>	<u>\$ 28,011</u>

(Continued)

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004**

	Water	Sanitary Sewer Operation, Maintenance and Repair	Keep Northwood Beautiful	Total Nonmajor Special Revenue Funds
Assets:				
Cash and Cash Equivalents	\$ 130,083	\$ 50,015	\$ 49,682	\$ 479,554
Investments	0	194,598	0	235,361
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	7,767
Accounts	82,782	5,589	0	90,375
Intergovernmental	0	0	0	133,092
Interest	0	109	0	1,088
Inventory of Supplies, at Cost	0	0	0	17,340
Prepaid Items	0	0	0	2,137
Total Assets	\$ 212,865	\$ 250,311	\$ 49,682	\$ 966,714
Liabilities:				
Accounts Payable	\$ 123,210	\$ 0	\$ 0	\$ 162,462
Accrued Wages and Benefits Payable	1,495	106	0	15,844
Interfund Loans Payable	0	0	0	212,124
Deferred Revenue	0	109	0	94,994
Total Liabilities	124,705	215	0	485,424
Fund Balances:				
Reserved for Prepaid Items	0	0	0	2,137
Reserved for Supplies Inventory	0	0	0	17,340
Undesignated/Unreserved	88,160	250,096	49,682	461,813
Total Fund Balances	88,160	250,096	49,682	481,290
Total Liabilities and Funds Balances	\$ 212,865	\$ 250,311	\$ 49,682	\$ 966,714

CITY OF NORTHWOOD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste / Environmental
Revenues:				
Other Local Taxes	\$ 0	\$ 17,342	\$ 0	\$ 0
Intergovernmental Revenues	270,820	0	21,958	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	38,826
Investment Earnings	2,376	475	475	475
Fines and Forfeitures	0	0	0	0
Total Revenue	<u>273,196</u>	<u>17,817</u>	<u>22,433</u>	<u>39,301</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Community Environment	0	0	0	66,981
Basic Utility Services	0	0	0	0
Transportation	273,070	20,000	15,798	0
General Government	0	0	0	0
Total Expenditures	<u>273,070</u>	<u>20,000</u>	<u>15,798</u>	<u>66,981</u>
Excess (Deficiency) of Revenues Over Expenditures	126	(2,183)	6,635	(27,680)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	126	(2,183)	6,635	(27,680)
Fund Balances at Beginning of Year	80,449	14,746	25,080	43,908
Decrease in Inventory Reserve	(3,765)	0	0	0
Fund Balances End of Year	<u>\$ 76,810</u>	<u>\$ 12,563</u>	<u>\$ 31,715</u>	<u>\$ 16,228</u>

(Continued)

CITY OF NORTHWOOD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	Drug Fine	Special Law Enforcement	Enforcement and Education	Computerized Research
Revenues:				
Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	475	0	0
Fines and Forfeitures	2,276	5,280	1,111	15,335
Total Revenue	<u>2,276</u>	<u>5,755</u>	<u>1,111</u>	<u>15,335</u>
Expenditures:				
Current:				
Security of Persons and Property	1,153	15,796	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	22,972
Total Expenditures	<u>1,153</u>	<u>15,796</u>	<u>0</u>	<u>22,972</u>
Excess (Deficiency) of Revenues Over Expenditures	1,123	(10,041)	1,111	(7,637)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	1,123	(10,041)	1,111	(7,637)
Fund Balances at Beginning of Year	8,662	25,061	8,725	56,688
Decrease in Inventory Reserve	0	0	0	0
Fund Balances End of Year	<u>\$ 9,785</u>	<u>\$ 15,020</u>	<u>\$ 9,836</u>	<u>\$ 49,051</u>

CITY OF NORTHWOOD, OHIO

<u>CHIP CDBG</u>	<u>CHIP HOME</u>	<u>Water</u>	<u>Sanitary Sewer Operation, Maintenance and Repair</u>	<u>Keep Northwood Beautiful</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,342
83,205	64,286	0	0	5,471	445,740
0	0	321,156	24,298	0	345,454
0	0	0	0	0	38,826
0	0	0	475	0	4,751
0	0	0	0	0	24,002
<u>83,205</u>	<u>64,286</u>	<u>321,156</u>	<u>24,773</u>	<u>5,471</u>	<u>876,115</u>
0	0	0	0	0	16,949
95,491	161,370	0	0	0	323,842
0	0	618,506	4,939	0	623,445
0	0	0	0	0	308,868
0	0	0	0	0	22,972
<u>95,491</u>	<u>161,370</u>	<u>618,506</u>	<u>4,939</u>	<u>0</u>	<u>1,296,076</u>
(12,286)	(97,084)	(297,350)	19,834	5,471	(419,961)
0	0	92,000	0	0	92,000
0	0	(92,000)	0	0	(92,000)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(12,286)	(97,084)	(297,350)	19,834	5,471	(419,961)
(18,286)	0	385,510	230,262	44,211	905,016
0	0	0	0	0	(3,765)
<u>\$ (30,572)</u>	<u>\$ (97,084)</u>	<u>\$ 88,160</u>	<u>\$ 250,096</u>	<u>\$ 49,682</u>	<u>\$ 481,290</u>

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004**

	Recreation Parks Combined	Capital Replacement	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 55,030	\$ 72,110	\$ 127,140
Investments	0	280,560	280,560
Taxes	0	82,198	82,198
Total Assets	<u>\$ 55,030</u>	<u>\$ 434,868</u>	<u>\$ 489,898</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 4,112	\$ 4,112
Deferred Revenue	0	20,629	20,629
Total Liabilities	<u>0</u>	<u>24,741</u>	<u>24,741</u>
Fund Balances:			
Undesignated/Unreserved	<u>55,030</u>	<u>410,127</u>	<u>465,157</u>
Total Fund Balances	<u>55,030</u>	<u>410,127</u>	<u>465,157</u>
Total Liabilities and Funds Balances	<u>\$ 55,030</u>	<u>\$ 434,868</u>	<u>\$ 489,898</u>

CITY OF NORTHWOOD, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004***

	<u>Recreation Parks Combined</u>	<u>Capital Replacement</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:			
Municipal Income Tax	\$ 0	\$ 415,210	\$ 415,210
Other Local Taxes	8,000	0	8,000
Intergovernmental Revenues	26,100	0	26,100
All Other Revenue	0	2,270	2,270
Total Revenue	<u>34,100</u>	<u>417,480</u>	<u>451,580</u>
Expenditures:			
Capital Outlay	0	366,746	366,746
Debt Service:			
Principal Retirement	0	47,098	47,098
Total Expenditures	<u>0</u>	<u>413,844</u>	<u>413,844</u>
Excess (Deficiency) of Revenues Over Expenditures	34,100	3,636	37,736
Other Financing Sources (Uses):			
Sale of Capital Assets	0	9,100	9,100
Total Other Financing Sources (Uses)	<u>0</u>	<u>9,100</u>	<u>9,100</u>
Net Change In Fund Balances	34,100	12,736	46,836
Fund Balances at Beginning of Year	<u>20,930</u>	<u>397,391</u>	<u>418,321</u>
Fund Balances End of Year	<u>\$ 55,030</u>	<u>\$ 410,127</u>	<u>\$ 465,157</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 243,000	\$ 225,000	\$ 222,477	\$ (2,523)
Municipal Income Taxes	2,540,000	2,857,500	2,700,650	(156,850)
Other Local Taxes	63,000	50,000	42,689	(7,311)
Intergovernmental Revenues	710,000	665,000	631,677	(33,323)
Charges for Services	16,700	9,700	5,577	(4,123)
Licenses and Permits	312,000	375,000	364,693	(10,307)
Investment Earnings	50,200	43,200	42,783	(417)
Special Assessments	61,200	55,200	54,111	(1,089)
Fines and Forfeitures	184,000	174,000	159,730	(14,270)
Donations	2,000	60	60	0
All Other Revenues	83,400	86,300	72,335	(13,965)
Total Revenues	<u>4,265,500</u>	<u>4,540,960</u>	<u>4,296,782</u>	<u>(244,178)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	1,567,700	1,553,350	1,545,554	7,796
Materials and Supplies	65,650	70,150	66,778	3,372
Contractual Services	32,750	35,800	34,555	1,245
Other Expenditures	5,000	5,800	5,656	144
Capital Outlay	2,000	2,000	1,993	7
Total Police Department	<u>1,673,100</u>	<u>1,667,100</u>	<u>1,654,536</u>	<u>12,564</u>
Fire Department:				
Personal Services	346,600	408,150	404,062	4,088
Materials and Supplies	77,400	82,210	79,969	2,241
Contractual Services	21,500	29,840	29,142	698
Capital Outlay	1,000	1,100	1,041	59
Total Fire Department	<u>446,500</u>	<u>521,300</u>	<u>514,214</u>	<u>7,086</u>
Civil Defense:				
Contractual Services	1,400	1,900	1,805	95
Total Civil Defense	<u>1,400</u>	<u>1,900</u>	<u>1,805</u>	<u>95</u>
Police and Fire Communications				
Personal Services	308,900	309,250	306,241	3,009
Materials and Supplies	1,900	2,000	1,631	369
Contractual Services	8,000	6,550	6,418	132
Total Police and Fire Communications	<u>318,800</u>	<u>317,800</u>	<u>314,290</u>	<u>3,510</u>

(Continued)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Street Lighting:				
Contractual Services	4,000	4,000	3,053	947
Total Street Lighting	4,000	4,000	3,053	947
Railroad Lighting:				
Contractual Services	4,000	4,000	3,610	390
Total Railroad Lighting	4,000	4,000	3,610	390
Total Security of Persons and Property	2,447,800	2,516,100	2,491,508	24,592
Public Health and Welfare Services:				
County Board of Health:				
Contractual Services	8,500	8,000	7,919	81
Total County Board of Health	8,500	8,000	7,919	81
Total Public Health and Welfare Services	8,500	8,000	7,919	81
Leisure Time Activities:				
Parks and Playgrounds:				
Personal Services	14,300	300	264	36
Materials and Supplies	6,400	7,250	6,152	1,098
Contractual Services	13,400	27,750	26,502	1,248
Capital Outlay	3,500	2,300	2,288	12
Total Parks and Playgrounds	37,600	37,600	35,206	2,394
Recreation:				
Materials and Supplies	1,600	1,600	1,218	382
Contractual Services	19,000	17,700	17,655	45
Total Recreation	20,600	19,300	18,873	427
Baseball Programs:				
Personal Services	6,600	6,050	5,896	154
Materials and Supplies	5,950	7,600	7,413	187
Contractual Services	7,550	6,550	6,485	65
Other Expenditures	200	100	0	100
Total Baseball Programs	20,300	20,300	19,794	506
Special Events:				
Materials and Supplies	2,500	2,500	2,500	0
Total Special Events	2,500	2,500	2,500	0
Total Leisure Time Activities	81,000	79,700	76,373	3,327

(Continued)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Planning and Zoning:				
Personal Services	60,300	53,900	52,490	1,410
Materials and Supplies	4,600	4,900	4,472	428
Contractual Services	5,700	6,600	6,492	108
Capital Outlay	300	500	413	87
Total Planning and Zoning	<u>70,900</u>	<u>65,900</u>	<u>63,867</u>	<u>2,033</u>
Weed Control and Tree Care:				
Personal Services	20,100	28,100	27,825	275
Materials and Supplies	1,700	3,200	2,826	374
Contractual Services	6,700	8,400	8,113	287
Capital Outlay	6,800	600	472	128
Total Weed Control and Tree Care	<u>35,300</u>	<u>40,300</u>	<u>39,236</u>	<u>1,064</u>
Economic Development:				
Materials and Supplies	9,700	8,170	8,182	(12)
Contractual Services	0	1,530	1,520	10
Total Economic Development	<u>9,700</u>	<u>9,700</u>	<u>9,702</u>	<u>(2)</u>
Insect Control:				
Personal Services	1,300	2,200	1,897	303
Materials and Supplies	9,200	8,300	7,936	364
Contractual Services	100	100	15	85
Total Insect Control	<u>10,600</u>	<u>10,600</u>	<u>9,848</u>	<u>752</u>
Total Community Environment	<u>126,500</u>	<u>126,500</u>	<u>122,653</u>	<u>3,847</u>
Hydrant Maintenance:				
Personal Services	3,000	3,000	2,837	163
Materials and Supplies	1,000	3,000	2,337	663
Total Hydrant Maintenance	<u>4,000</u>	<u>6,000</u>	<u>5,174</u>	<u>826</u>
Total Basic Utility Services	<u>4,000</u>	<u>6,000</u>	<u>5,174</u>	<u>826</u>
Transportation:				
Street Maintenance and Repair:				
Personal Services	156,200	128,700	126,051	2,649
Materials and Supplies	16,600	18,100	14,612	3,488
Contractual Services	6,100	6,600	5,133	1,467
Total Street Maintenance and Repair	<u>178,900</u>	<u>153,400</u>	<u>145,796</u>	<u>7,604</u>

(Continued)

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sidewalks and Crossings:				
Personal Services	1,500	4,000	2,583	1,417
Contractual Services	500	0	0	0
Total Sidewalks and Crossings	<u>2,000</u>	<u>4,000</u>	<u>2,583</u>	<u>1,417</u>
Storm Emergency:				
Personal Services	2,000	2,000	1,402	598
Total Storm Emergency	<u>2,000</u>	<u>2,000</u>	<u>1,402</u>	<u>598</u>
Traffic Signals and Signs:				
Personal Services	2,000	3,000	2,431	569
Materials and Supplies	1,000	500	500	0
Contractual Services	500	0	0	0
Total Traffic Signals and Signs	<u>3,500</u>	<u>3,500</u>	<u>2,931</u>	<u>569</u>
Total Transportation	<u>186,400</u>	<u>162,900</u>	<u>152,712</u>	<u>10,188</u>
General Government:				
Mayor:				
Personal Services	21,500	14,750	13,895	855
Materials and Supplies	1,100	1,950	1,497	453
Contractual Services	1,400	1,300	1,033	267
Total Mayor	<u>24,000</u>	<u>18,000</u>	<u>16,425</u>	<u>1,575</u>
Finance Director:				
Personal Services	268,100	254,330	253,449	881
Materials and Supplies	6,400	9,920	9,170	750
Contractual Services	13,400	14,150	14,047	103
Total Finance Director	<u>287,900</u>	<u>278,400</u>	<u>276,666</u>	<u>1,734</u>
City Administrator:				
Personal Services	128,700	125,100	123,720	1,380
Materials and Supplies	3,600	3,100	2,739	361
Contractual Services	1,400	1,150	900	250
Capital Outlay	1,200	50	0	50
Total City Administrator	<u>134,900</u>	<u>129,400</u>	<u>127,359</u>	<u>2,041</u>

(Continued)

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Legal Administration:				
Personal Services	9,100	10,200	9,565	635
Materials and Supplies	3,200	3,600	2,823	777
Contractual Services	38,700	40,200	39,388	812
Total Legal Administration	51,000	54,000	51,776	2,224
City Cars				
Materials and Supplies	400	400	376	24
Total City Cars	400	400	376	24
City Council:				
Personal Services	53,250	51,750	51,612	138
Materials and Supplies	4,050	5,550	3,841	1,709
Contractual Services	1,000	850	591	259
Capital Outlay	100	250	144	106
Total City Council	58,400	58,400	56,188	2,212
City Clerk:				
Personal Services	49,900	50,910	49,993	917
Materials and Supplies	700	850	603	247
Contractual Services	14,200	11,040	10,778	262
Total City Clerk	64,800	62,800	61,374	1,426
Mayor's Court:				
Personal Services	138,300	141,600	140,694	906
Materials and Supplies	16,050	19,800	16,893	2,907
Contractual Services	49,400	43,250	41,821	1,429
Total Mayor's Court	203,750	204,650	199,408	5,242
Civil Service Commission:				
Personal Services	1,500	1,500	1,455	45
Materials and Supplies	250	250	190	60
Contractual Services	2,000	2,000	980	1,020
Total Civil Service Commission	3,750	3,750	2,625	1,125

(Continued)

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Buildings and Grounds:				
Personal Services	100,000	95,300	93,253	2,047
Materials and Supplies	14,500	18,650	16,934	1,716
Contractual Services	35,100	26,500	22,816	3,684
Other Expenditures	200	350	337	13
Total Buildings and Grounds	<u>149,800</u>	<u>140,800</u>	<u>133,340</u>	<u>7,460</u>
General Miscellaneous:				
Contractual Services	<u>42,100</u>	<u>83,300</u>	<u>79,557</u>	<u>3,743</u>
Total General Miscellaneous	<u>42,100</u>	<u>83,300</u>	<u>79,557</u>	<u>3,743</u>
Special Assessments:				
Personal Services	2,500	1,900	352	1,548
Contractual Services	61,320	65,820	59,419	6,401
Capital Outlay	<u>3,000</u>	<u>1,000</u>	<u>32</u>	<u>968</u>
Total Special Assessments	<u>66,820</u>	<u>68,720</u>	<u>59,803</u>	<u>8,917</u>
General Administrative:				
Personal Services	7,600	13,650	12,841	809
Materials and Supplies	7,500	6,050	5,053	997
Contractual Services	269,900	228,300	224,748	3,552
Other Expenditures	<u>3,000</u>	<u>500</u>	<u>427</u>	<u>73</u>
Total General Administrative	<u>288,000</u>	<u>248,500</u>	<u>243,069</u>	<u>5,431</u>
Total General Government	<u>1,375,620</u>	<u>1,351,120</u>	<u>1,307,966</u>	<u>43,154</u>
Total Expenditures	<u>4,229,820</u>	<u>4,250,320</u>	<u>4,164,305</u>	<u>86,015</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,680	290,640	132,477	(158,163)
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	40	0	(40)
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(39,960)</u>	<u>(40,000)</u>	<u>(40)</u>
Net Change In Fund Balance	680	250,680	92,477	(158,203)
Fund Balance at Beginning of Year	215,088	215,088	215,088	0
Prior Year Encumbrances	<u>1,063</u>	<u>1,063</u>	<u>1,063</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 216,831</u>	<u>\$ 466,831</u>	<u>\$ 308,628</u>	<u>\$ (158,203)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Debt Service Fund – General Bond Retirement Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 65,000	\$ 82,000	\$ 81,312	\$ (688)
Intergovernmental Revenues	5,000	5,000	4,695	(305)
Special Assessments	18,000	16,000	15,935	(65)
Total Revenues	<u>88,000</u>	<u>103,000</u>	<u>101,942</u>	<u>(1,058)</u>
Expenditures:				
Debt Service:				
Principal Retirement	440,300	440,300	439,790	510
Interest and Fiscal Charges	72,100	72,100	70,956	1,144
Total Expenditures	<u>512,400</u>	<u>512,400</u>	<u>510,746</u>	<u>1,654</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(424,400)	(409,400)	(408,804)	596
Other Financing Sources (Uses):				
General Obligation Notes Issued	300,000	300,000	300,000	0
Transfers In	141,400	141,400	137,000	(4,400)
Total Other Financing Sources (Uses)	<u>441,400</u>	<u>441,400</u>	<u>437,000</u>	<u>(4,400)</u>
Net Change in Fund Balance	17,000	32,000	28,196	(3,804)
Fund Balance at Beginning of Year	43,481	43,481	43,481	0
Fund Balance at End of Year	<u>\$ 60,481</u>	<u>\$ 75,481</u>	<u>\$ 71,677</u>	<u>\$ (3,804)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Fund – Capital Improvement Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 775,000	\$ 865,000	\$ 825,671	\$ (39,329)
Intergovernmental Revenues	137,000	110,000	110,000	0
Licenses and Permits	80,000	72,000	21,300	(50,700)
Special Assessments	22,000	31,000	30,685	(315)
Donations	0	13,000	12,200	(800)
All Other Revenues	0	23,000	22,023	(977)
Total Revenues	<u>1,014,000</u>	<u>1,114,000</u>	<u>1,021,879</u>	<u>(92,121)</u>
Expenditures:				
Capital Outlay:				
Security of Persons and Property	175,000	250,000	232,072	17,928
Leisure Time Activities	90,000	110,000	83,187	26,813
Transportation	920,700	636,894	349,313	287,581
General Government	150,400	167,400	147,729	19,671
Total Expenditures	<u>1,336,100</u>	<u>1,164,294</u>	<u>812,301</u>	<u>351,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(322,100)	(50,294)	209,578	259,872
Other Financing Sources (Uses):				
Transfers Out	(97,000)	(97,000)	(97,000)	0
Advances Out	0	(200,000)	(200,000)	0
Total Other Financing Sources (Uses)	<u>(97,000)</u>	<u>(297,000)</u>	<u>(297,000)</u>	<u>0</u>
Net Change In Fund Balance	(419,100)	(347,294)	(87,422)	259,872
Fund Balance at Beginning of Year	847,140	847,140	847,140	0
Prior Year Encumbrances	28,194	28,194	28,194	0
Fund Balance at End of Year	<u>\$ 456,234</u>	<u>\$ 528,040</u>	<u>\$ 787,912</u>	<u>\$ 259,872</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 260,000	\$ 260,000	\$ 259,082	\$ (918)
Investment Earnings	4,000	4,000	2,376	(1,624)
Total Revenues	<u>264,000</u>	<u>264,000</u>	<u>261,458</u>	<u>(2,542)</u>
Expenditures:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	161,000	185,563	185,537	26
Materials and Supplies	7,800	5,237	5,233	4
Contractual Services	2,000	0	0	0
Total Street Maintenance and Repair	<u>170,800</u>	<u>190,800</u>	<u>190,770</u>	<u>30</u>
Snow and Ice Removal:				
Personal Services	12,100	10,800	9,023	1,777
Materials and Supplies	46,000	27,300	26,280	1,020
Contractual Services	5,000	5,000	4,548	452
Total Snow and Ice Removal	<u>63,100</u>	<u>43,100</u>	<u>39,851</u>	<u>3,249</u>
Traffic Signals and Signs:				
Personal Services	5,000	7,400	7,269	131
Materials and Supplies	5,100	5,500	4,806	694
Contractual Services	12,000	8,200	8,065	135
Total Traffic Signals and Signs	<u>22,100</u>	<u>21,100</u>	<u>20,140</u>	<u>960</u>
Road Striping:				
Personal Services	5,000	4,500	4,484	16
Materials and Supplies	3,000	4,500	4,499	1
Total Road Striping	<u>8,000</u>	<u>9,000</u>	<u>8,983</u>	<u>17</u>
Total Transportation	<u>264,000</u>	<u>264,000</u>	<u>259,744</u>	<u>4,256</u>
Total Expenditures	<u>264,000</u>	<u>264,000</u>	<u>259,744</u>	<u>4,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,714	1,714
Fund Balance at Beginning of Year	36,643	36,643	36,643	0
Fund Balance at End of Year	<u>\$ 36,643</u>	<u>\$ 36,643</u>	<u>\$ 38,357</u>	<u>\$ 1,714</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 20,000	\$ 20,000	\$ 16,922	\$ (3,078)
Investment Earnings	1,000	1,000	475	(525)
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>17,397</u>	<u>(3,603)</u>
Expenditures:				
Transportation:				
Materials and Supplies	10,000	10,000	10,000	0
Contractual Services	10,000	10,000	10,000	0
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	(2,603)	(3,603)
Fund Balance at Beginning of Year	<u>12,577</u>	<u>12,577</u>	<u>12,577</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,577</u>	<u>\$ 13,577</u>	<u>\$ 9,974</u>	<u>\$ (3,603)</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

STATE HIGHWAY IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 23,000	\$ 23,000	\$ 21,007	\$ (1,993)
Investment Earnings	1,000	1,000	475	(525)
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>21,482</u>	<u>(2,518)</u>
Expenditures:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	9,500	9,500	8,921	579
Total Street Maintenance and Repair	<u>9,500</u>	<u>9,500</u>	<u>8,921</u>	<u>579</u>
Snow and Ice Removal:				
Materials and Supplies	4,300	7,800	6,956	844
Total Snow and Ice Removal	<u>4,300</u>	<u>7,800</u>	<u>6,956</u>	<u>844</u>
Traffic Signals and Signs:				
Contractual Services	6,200	2,700	2,502	198
Total Traffic Signals and Signs	<u>6,200</u>	<u>2,700</u>	<u>2,502</u>	<u>198</u>
Total Transportation	<u>20,000</u>	<u>20,000</u>	<u>18,379</u>	<u>1,621</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>18,379</u>	<u>1,621</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,000	4,000	3,103	(897)
Fund Balance at Beginning of Year	25,920	25,920	25,920	0
Fund Balance at End of Year	<u>\$ 29,920</u>	<u>\$ 29,920</u>	<u>\$ 29,023</u>	<u>\$ (897)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 33,000	\$ 41,000	\$ 39,001	\$ (1,999)
Investment Earnings	1,000	1,000	475	(525)
Total Revenues	<u>34,000</u>	<u>42,000</u>	<u>39,476</u>	<u>(2,524)</u>
Expenditures:				
Community Environment:				
Personal Services	24,000	24,900	24,495	405
Materials and Supplies	2,000	550	470	80
Capital Outlay	<u>40,000</u>	<u>40,550</u>	<u>40,550</u>	<u>0</u>
Total Expenditures	<u>66,000</u>	<u>66,000</u>	<u>65,515</u>	<u>485</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,000)	(24,000)	(26,039)	(2,039)
Fund Balance at Beginning of Year	<u>42,334</u>	<u>42,334</u>	<u>42,334</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,334</u>	<u>\$ 18,334</u>	<u>\$ 16,295</u>	<u>\$ (2,039)</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 5,000	\$ 5,000	\$ 2,276	\$ (2,724)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>2,276</u>	<u>(2,724)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	2,000	2,000	338	1,662
Capital Outlay	<u>7,000</u>	<u>7,000</u>	<u>815</u>	<u>6,185</u>
Total Expenditures	<u>9,000</u>	<u>9,000</u>	<u>1,153</u>	<u>7,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(4,000)	1,123	5,123
Fund Balance at Beginning of Year	<u>8,662</u>	<u>8,662</u>	<u>8,662</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,662</u>	<u>\$ 4,662</u>	<u>\$ 9,785</u>	<u>\$ 5,123</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

SPECIAL LAW ENFORCEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 1,000	\$ 700	\$ 475	\$ (225)
Fines and Forfeitures	5,000	5,300	5,280	(20)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>5,755</u>	<u>(245)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	0	500	495	5
Contractual Services	0	500	500	0
Capital Outlay	25,000	24,000	17,297	6,703
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>18,292</u>	<u>6,708</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,000)	(19,000)	(12,537)	6,463
Fund Balance at Beginning of Year	25,055	25,055	25,055	0
Prior Year Encumbrances	365	365	365	0
Fund Balance at End of Year	<u>\$ 6,420</u>	<u>\$ 6,420</u>	<u>\$ 12,883</u>	<u>\$ 6,463</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

ENFORCEMENT AND EDUCATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 1,111	\$ (1,889)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,111</u>	<u>(1,889)</u>
Expenditures:				
General Government:				
Materials and Supplies	5,000	5,000	0	5,000
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(2,000)	1,111	3,111
Fund Balance at Beginning of Year	8,725	8,725	8,725	0
Fund Balance at End of Year	<u>\$ 6,725</u>	<u>\$ 6,725</u>	<u>\$ 9,836</u>	<u>\$ 3,111</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 17,000	\$ 17,000	\$ 15,335	\$ (1,665)
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>15,335</u>	<u>(1,665)</u>
Expenditures:				
General Government:				
Materials and Supplies	5,000	5,000	0	5,000
Contractual Services	3,000	3,000	0	3,000
Capital Outlay	<u>27,000</u>	<u>27,000</u>	<u>25,660</u>	<u>1,340</u>
Total Expenditures	<u>35,000</u>	<u>35,000</u>	<u>25,660</u>	<u>9,340</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,000)	(18,000)	(10,325)	7,675
Fund Balance at Beginning of Year	55,382	55,382	55,382	0
Prior Year Encumbrances	<u>3,994</u>	<u>3,994</u>	<u>3,994</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 41,376</u>	<u>\$ 41,376</u>	<u>\$ 49,051</u>	<u>\$ 7,675</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	CHIP CDBG FUND			Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 160,100	\$ 83,205	\$ (76,895)
Total Revenues	<u>0</u>	<u>160,100</u>	<u>83,205</u>	<u>(76,895)</u>
Expenditures:				
Community Environment:				
Capital Outlay	0	160,100	95,883	64,217
Total Expenditures	<u>0</u>	<u>160,100</u>	<u>95,883</u>	<u>64,217</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(12,678)	(12,678)
Other Financing Sources (Uses):				
Advances In	0	100,000	100,000	0
Advances Out	0	(100,000)	0	100,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Net Change in Fund Balance	0	0	87,322	87,322
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 87,322</u>	<u>\$ 87,322</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	CHIP HOME FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 337,400	\$ 64,286	\$ (273,114)
Total Revenues	<u>0</u>	<u>337,400</u>	<u>64,286</u>	<u>(273,114)</u>
Expenditures:				
Community Environment:				
Capital Outlay	0	337,400	136,275	201,125
Total Expenditures	<u>0</u>	<u>337,400</u>	<u>136,275</u>	<u>201,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(71,989)	(71,989)
Other Financing Sources (Uses):				
Advances In	0	100,000	100,000	0
Advances Out	0	(100,000)	0	100,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Net Change in Fund Balance	0	0	28,011	28,011
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,011</u>	<u>\$ 28,011</u>

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	WATER FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 335,000	\$ 391,000	\$ 358,156	\$ (32,844)
Total Revenues	<u>335,000</u>	<u>391,000</u>	<u>358,156</u>	<u>(32,844)</u>
Expenditures:				
Basic Utility Services:				
Personal Services	37,000	29,200	25,655	3,545
Materials and Supplies	2,000	500	276	224
Contractual Services	54,000	56,300	55,867	433
Capital Outlay	227,000	484,000	465,916	18,084
Total Expenditures	<u>320,000</u>	<u>570,000</u>	<u>547,714</u>	<u>22,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,000	(179,000)	(189,558)	(10,558)
Other Financing Sources (Uses):				
Transfers In	92,000	92,000	92,000	0
Transfers Out	(92,000)	(92,000)	(92,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	15,000	(179,000)	(189,558)	(10,558)
Fund Balance at Beginning of Year	265,777	265,777	265,777	0
Fund Balance at End of Year	<u>\$ 280,777</u>	<u>\$ 86,777</u>	<u>\$ 76,219</u>	<u>\$ (10,558)</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 30,000	\$ 30,000	\$ 24,391	\$ (5,609)
Investment Earnings	1,000	1,000	475	(525)
Total Revenues	<u>31,000</u>	<u>31,000</u>	<u>24,866</u>	<u>(6,134)</u>
Expenditures:				
Basic Utility Services:				
Personal Services	7,500	7,500	4,120	3,380
Materials and Supplies	4,000	4,000	0	4,000
Contractual Services	7,500	7,500	0	7,500
Capital Outlay	25,000	25,000	7,133	17,867
Total Expenditures	<u>44,000</u>	<u>44,000</u>	<u>11,253</u>	<u>32,747</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,000)	(13,000)	13,613	26,613
Fund Balance at Beginning of Year	231,000	231,000	231,000	0
Fund Balance at End of Year	<u>\$ 218,000</u>	<u>\$ 218,000</u>	<u>\$ 244,613</u>	<u>\$ 26,613</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 6,000	\$ 6,000	\$ 5,471	\$ (529)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>5,471</u>	<u>(529)</u>
Expenditures:				
Community Environment:				
Materials and Supplies	4,000	4,000	0	4,000
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	5,471	4,471
Fund Balance at Beginning of Year	<u>44,211</u>	<u>44,211</u>	<u>44,211</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 45,211</u>	<u>\$ 45,211</u>	<u>\$ 49,682</u>	<u>\$ 4,471</u>

CITY OF NORTHWOOD, OHIO

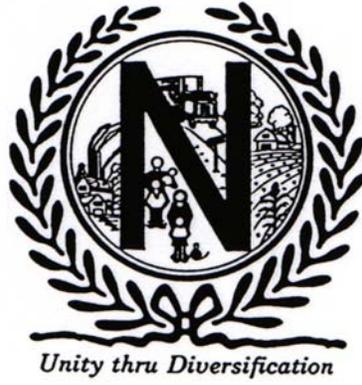
***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004***

RECREATION PARKS COMBINED FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 5,000	\$ 10,000	\$ 8,000	\$ (2,000)
Intergovernmental Revenues	26,500	26,500	26,100	(400)
Total Revenues	<u>31,500</u>	<u>36,500</u>	<u>34,100</u>	<u>(2,400)</u>
Expenditures:				
Capital Outlay	50,000	50,000	0	50,000
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,500)	(13,500)	34,100	47,600
Fund Balance at Beginning of Year	20,930	20,930	20,930	0
Fund Balance at End of Year	<u>\$ 2,430</u>	<u>\$ 7,430</u>	<u>\$ 55,030</u>	<u>\$ 47,600</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 388,000	\$ 426,600	\$ 412,836	\$ (13,764)
All Other Revenues	0	2,300	2,270	(30)
Total Revenues	<u>388,000</u>	<u>428,900</u>	<u>415,106</u>	<u>(13,794)</u>
Expenditures:				
Capital Outlay	<u>417,000</u>	<u>417,000</u>	<u>411,847</u>	<u>5,153</u>
Total Expenditures	<u>417,000</u>	<u>417,000</u>	<u>411,847</u>	<u>5,153</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,000)	11,900	3,259	(8,641)
Other Financing Sources (Uses):				
Sale of Capital Assets	<u>0</u>	<u>9,100</u>	<u>9,100</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>9,100</u>	<u>9,100</u>	<u>0</u>
Net Change in Fund Balance	(29,000)	21,000	12,359	(8,641)
Fund Balance at Beginning of Year	<u>340,311</u>	<u>340,311</u>	<u>340,311</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 311,311</u>	<u>\$ 361,311</u>	<u>\$ 352,670</u>	<u>\$ (8,641)</u>



Fiduciary Fund

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

Agency Fund

Mayor's Court Fund

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

CITY OF NORTHWOOD, OHIO

***Statement Of Changes In Assets And Liabilities
Agency Fund
For the Year Ended December 31, 2004***

	Balance December 31, 2003	Additions	Deductions	Balance December 31, 2004
<u>Mayor's Court Fund</u>				
Restricted Assets:				
Cash with Fiscal Agent	\$3,016	\$231,838	(\$233,320)	\$1,534
Total Assets	<u>\$3,016</u>	<u>\$231,838</u>	<u>(\$233,320)</u>	<u>\$1,534</u>
Liabilities:				
Due to Others	\$3,016	\$231,838	(\$233,320)	\$1,534
Total Liabilities	<u>\$3,016</u>	<u>\$231,838</u>	<u>(\$233,320)</u>	<u>\$1,534</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF NORTHWOOD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2004***

Capital Assets:

Land	\$407,945
Construction in Progress	52,326
Land Improvements	121,950
Buildings and Improvements	2,160,425
Machinery, Equipment, Furniture and Fixtures	971,591
Vehicles	1,986,709
Infrastructure	<u>757,115</u>
Total Capital Assets	<u><u>\$6,458,061</u></u>

Investment in Capital Assets from:

Capital Projects Funds	<u><u>\$6,458,061</u></u>
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CITY OF NORTHWOOD, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2004**

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
<u>General Government:</u>				
Finance	\$0	\$0	\$0	\$0
Administration	0	0	0	0
City Clerk	0	0	0	0
Public Land and Buildings	407,945	0	121,950	2,160,425
Total	407,945	0	121,950	2,160,425
<u>Security of Persons and Property:</u>				
Police	0	0	0	0
Fire	0	0	0	0
Dispatcher	0	0	0	0
Total	0	0	0	0
<u>Transportation:</u>				
Street	0	52,326	0	0
<u>Basic Utility Services:</u>				
Storms, Sewers and Drains	0	0	0	0
<u>Leisure Time Activities:</u>				
Parks	0	0	0	0
<u>Community Environment:</u>				
Planning and Zoning	0	0	0	0
Brush Pickup	0	0	0	0
Insect Control	0	0	0	0
Total	0	0	0	0
Total Capital Assets	<u>\$407,945</u>	<u>\$52,326</u>	<u>\$121,950</u>	<u>\$2,160,425</u>

CITY OF NORTHWOOD, OHIO

<u>Machinery, Equipment, Furniture and Fixtures</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Total</u>
\$31,686	\$0	\$0	\$31,686
27,861	18,724	0	46,585
13,264	0	0	13,264
<u>19,428</u>	<u>82,247</u>	<u>24,500</u>	<u>2,816,495</u>
<u>92,239</u>	<u>100,971</u>	<u>24,500</u>	<u>2,908,030</u>
285,738	333,659	0	619,397
113,625	1,105,019	0	1,218,644
<u>13,383</u>	<u>0</u>	<u>0</u>	<u>13,383</u>
<u>412,746</u>	<u>1,438,678</u>	<u>0</u>	<u>1,851,424</u>
346,919	433,860	248,549	1,081,654
0	0	484,066	484,066
66,657	0	0	66,657
0	13,200	0	13,200
47,730	0	0	47,730
<u>5,300</u>	<u>0</u>	<u>0</u>	<u>5,300</u>
<u>53,030</u>	<u>13,200</u>	<u>0</u>	<u>66,230</u>
<u>\$971,591</u>	<u>\$1,986,709</u>	<u>\$757,115</u>	<u>\$6,458,061</u>

CITY OF NORTHWOOD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2004***

Function and Activity	December 31, 2003	Additions	Deletions	December 31, 2004
<u>General Government:</u>				
Finance	\$31,686	\$0	\$0	\$31,686
Administration	40,628	5,957	0	46,585
City Clerk	13,264	0	0	13,264
Public Land and Buildings	2,791,995	24,500	0	2,816,495
Total	<u>2,877,573</u>	<u>30,457</u>	<u>0</u>	<u>2,908,030</u>
<u>Security of Persons and Property:</u>				
Police	561,277	67,776	(9,656)	619,397
Fire	1,175,211	117,340	(73,907)	1,218,644
Dispatcher	13,383	0	0	13,383
Total	<u>1,749,871</u>	<u>185,116</u>	<u>(83,563)</u>	<u>1,851,424</u>
<u>Transportation:</u>				
Street	758,686	396,700	(73,732)	1,081,654
<u>Basic Utility Services:</u>				
Storms, Sewers and Drains	0	484,066	0	484,066
<u>Leisure Time Activities:</u>				
Parks	66,657	0	0	66,657
<u>Community Environment:</u>				
Planning and Zoning	13,200	0	0	13,200
Brush Pickup	0	47,730	0	47,730
Insect Control	5,300	0	0	5,300
Total	<u>18,500</u>	<u>47,730</u>	<u>0</u>	<u>66,230</u>
Total Capital Assets	<u>\$5,471,287</u>	<u>\$1,144,069</u>	<u>(\$157,295)</u>	<u>\$6,458,061</u>

STATISTICAL SECTION



Unity thru Diversification

STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

CITY OF NORTHWOOD, OHIO

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS**

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Capital Outlay (2)	Debt Service	Total
1995	\$1,373,062	\$17,102	\$75,814	\$70,393	\$73,545	\$418,514	\$959,625	\$236,355	\$141,248	\$3,365,658
1996	1,566,473	5,883	77,004	103,797	7,341	397,450	1,403,501	181,132	180,705	3,923,286
1997	1,463,463	6,387	91,410	111,295	48,200	384,845	1,180,242	0	120,644	3,406,486
1998	1,784,433	6,340	95,323	177,893	66,372	354,503	998,920	0	167,555	3,651,339
1999	1,976,336	6,200	93,451	149,643	42,194	387,917	1,158,867	0	214,120	4,028,728
2000	2,120,072	6,002	95,045	119,711	61,485	407,742	1,139,537	0	223,422	4,173,016
2001	2,149,659	6,325	75,303	146,698	48,769	406,330	1,233,798	0	220,838	4,287,720
2002	2,217,835	7,937	79,701	162,908	48,460	429,463	1,257,868	0	229,998	4,434,170
2003	2,387,311	7,923	77,602	163,911	81,488	487,007	1,281,256	0	103,788	4,590,286
2004	2,471,232	7,919	76,855	446,489	628,619	454,210	1,368,328	0	105,746	5,559,398

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

(2) Included in functions since 1996.

CITY OF NORTHWOOD, OHIO

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS**

<u>Year</u>	<u>Taxes</u>	<u>Inter- Governmental Revenue</u>	<u>Charges for Services</u>	<u>Licenses and Permits</u>	<u>Investment Earnings</u>	<u>Fines and Forfeitures</u>	<u>(2) Miscellaneous</u>	<u>Total</u>
1995	\$2,141,199	\$1,415,224	\$164,462	\$47,809	\$52,280	\$207,937	\$187,024	\$4,215,935
1996	2,321,869	776,619	225,851	55,021	67,280	239,371	152,970	3,838,981
1997	2,032,570	805,931	39,685	234,277	86,093	244,585	228,083	3,671,224
1998	2,271,957	857,314	47,145	229,021	87,354	309,574	182,399	3,984,764
1999	2,365,937	745,775	46,147	257,746	67,598	281,115	134,284	3,898,602
2000	2,477,978	994,362	205,864	231,595	119,399	208,583	132,475	4,370,256
2001	2,496,939	1,125,561	103,350	337,566	79,602	193,317	134,577	4,470,912
2002	2,702,131	912,097	143,954	326,616	51,373	202,845	153,023	4,492,039
2003	3,054,687	876,882	315,978	298,873	29,889	160,275	96,693	4,833,277
2004	3,060,656	1,078,618	356,852	408,808	36,055	183,732	171,381	5,296,102

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

(2) Includes Special Assessments, Donations and All Other Revenues

CITY OF NORTHWOOD, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
1995	\$100,565	\$97,035	\$1,980	\$99,015	98.46%	\$1,549	1.54%
1996	108,177	104,080	2,032	106,112	98.09%	2,065	1.91%
1997	125,373	116,947	3,617	120,564	96.16%	4,809	3.84%
1998	115,983	109,252	2,230	111,482	96.12%	4,501	3.88%
1999	150,097	142,971	5,479	148,450	98.90%	1,647	1.10%
2000	159,834	153,172	5,277	158,449	99.13%	1,383	0.87%
2001	160,624	153,927	3,873	157,800	98.24%	2,824	1.76%
2002	158,430	145,556	5,963	151,519	95.64%	1,791	1.13%
2003	174,393	163,198	6,138	169,336	97.10%	5,058	2.90%
2004	171,983	157,139	4,483	161,622	93.98%	10,361	6.02%

Source: Wood County Auditor

**TANGIBLE TAX COLLECTED
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1995	\$28,008
1996	28,919
1997	29,958
1998	28,989
1999	42,747
2000	46,220
2001	44,780
2002	46,733
2003	44,833
2004	44,411

CITY OF NORTHWOOD, OHIO

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1995	\$64,297,490	\$183,707,114	\$6,908,130	\$7,850,148	\$18,404,941	\$73,619,764	\$89,610,561	\$265,177,026	33.79%
1996	69,434,960	198,385,600	6,876,510	7,814,216	19,077,393	76,309,572	95,388,863	282,509,388	33.76%
1997	69,877,870	199,651,057	7,323,850	8,322,557	19,046,701	76,186,804	96,248,421	284,160,418	33.87%
1998	69,960,220	199,886,343	7,238,800	8,225,909	18,844,181	75,376,724	96,043,201	283,488,976	33.88%
1999	92,173,200	263,352,000	7,751,280	8,808,273	25,418,752	101,675,008	125,343,232	373,835,281	33.53%
2000	95,993,720	274,267,771	6,769,490	7,692,602	27,854,103	111,416,412	130,617,313	393,376,786	33.20%
2001	97,391,950	278,262,714	4,989,780	5,670,205	27,943,740	111,774,960	130,325,470	395,707,879	32.93%
2002	104,907,100	299,734,571	4,381,860	4,979,386	29,938,535	119,754,140	139,227,495	424,468,098	32.80%
2003	106,417,290	304,049,400	4,810,890	5,466,920	27,713,620	110,854,480	138,941,800	420,370,800	33.05%
2004	108,323,910	309,496,886	4,737,470	5,383,489	28,048,208	112,192,832	141,109,588	427,073,206	33.04%

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Source: Wood County Auditor

CITY OF NORTHWOOD, OHIO

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS**

Collection Year	City of Northwood		Northwood School District	Wood County	Wood County Library	Wood County	Total
	General Fund	Total City		Penta Joint Vocational School District			
1995	1.60	1.60	54.70	2.20	n/a	11.90	70.40
1996	1.60	1.60	55.10	2.20	n/a	11.90	70.80
1997	1.60	1.60	54.70	2.20	n/a	11.90	70.40
1998	1.60	1.60	61.20	2.20	n/a	11.90	76.90
1999	1.60	1.60	62.70	2.20	n/a	10.80	77.30
2000	1.60	1.60	62.80	2.20	n/a	12.80	79.40
2001	1.60	1.60	63.30	2.20	n/a	14.10	81.20
2002	1.60	1.60	67.90	2.20	0.24	14.40	86.34
2003	1.60	1.60	67.90	3.20	0.30	14.40	87.40
2004	1.60	1.60	72.00	3.20	0.30	14.40	91.50

Source: Wood County Auditor
Wood County Treasurer

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (1)
LAST TEN YEARS**

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1995	\$36,091	\$31,898	88.38%
1996	14,698	12,105	82.36%
1997	12,790	12,462	97.44%
1998	27,484	29,668	107.95%
1999	96,725	82,565	85.36%
2000	157,755	151,989	96.34%
2001	111,607	111,345	99.77%
2002	110,086	108,766	98.80%
2003	102,704	93,030	90.58%
2004	133,361	127,931	95.93%

(1) All assessments are for operating expenses, they are not debt related.

Source: Wood County Auditor

**COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2004**

	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Valuation	\$141,109,588	\$141,109,588
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	14,816,507	7,761,027
Applicable City Debt Outstanding (2)	0	0
Less: Applicable Debt Service Fund Amounts	(71,677)	(71,677)
Net Indebtedness Subject to Limitation	<u>(71,677)</u>	<u>(71,677)</u>
Legal Debt Margin	<u><u>\$14,888,184</u></u>	<u><u>\$7,832,704</u></u>

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Bonds Only
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin

CITY OF NORTHWOOD, OHIO

**RATIO OF NET GENERAL OBLIGATION DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Obligation Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of General Obligation Debt to Assessed Valuation</u>	<u>Net General Obligation Debt Per Capita</u>
1995	a 5,851	\$89,610,561	\$675,000	\$0	\$675,000	0.75%	\$115.36
1996	a 5,918	95,388,863	590,000	137,722	452,278	0.47%	76.42
1997	a 6,009	96,248,421	510,000	171,047	338,953	0.35%	56.41
1998	a 6,124	96,043,201	420,000	40,582	379,418	0.40%	61.96
1999	a 6,124	125,343,232	325,000	6,447	318,553	0.25%	52.02
2000	b 5,471	130,617,313	225,000	31,023	193,977	0.15%	35.46
2001	a 5,484	130,325,470	115,000	59,646	55,354	0.04%	10.09
2002	a 5,484	139,227,495	0	48,818	(48,818)	-0.04%	(8.90)
2003	a 5,484	138,941,800	0	43,481	0	0.00%	0.00
2004	a 5,484	141,109,588	0	71,677	0	0.00%	0.00

- (1) Source: a) Ohio Department of Job and Family Services - estimated
b) U.S. Bureau of Census, Federal 2000 Census
- (2) Source: Wood County Auditor
- (3) Includes all general obligation debt supported by property taxes

CITY OF NORTHWOOD, OHIO

***RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS***

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
1995	\$80,000	\$41,988	\$121,988	\$3,365,658	3.62%
1996	80,000	37,548	117,548	3,923,286	3.00%
1997	85,000	33,108	118,108	3,406,486	3.47%
1998	90,000	28,348	118,348	3,651,339	3.24%
1999	95,000	23,218	118,218	3,933,728	3.01%
2000	100,000	18,230	118,230	4,173,016	2.83%
2001	110,000	12,830	122,830	4,287,720	2.86%
2002	115,000	12,830	127,830	4,434,170	2.88%
2003	0	0	0	4,590,286	0.00%
2004	0	0	0	5,559,398	0.00%

CITY OF NORTHWOOD, OHIO

**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 2004**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Northwood</u>	<u>Amount Applicable to City of Northwood</u>
Direct			
City of Northwood	\$0	100.00%	\$0
Overlapping Subdivisions			
Northwood School District	2,143,799	100.00%	2,143,799
Wood County	10,501,572	5.38%	564,985
		Subtotal	<u>2,708,784</u>
		Total	<u><u>\$2,708,784</u></u>

Source: Wood County

CITY OF NORTHWOOD, OHIO

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

<u>Year</u>		<u>City of Northwood Population (1)</u>	<u>Wood County Population (1)</u>	<u>Unemployment Rate County Area (2)</u>	<u>Per Capita Income County Area (2)</u>	<u>School Enrollment (3)</u>
1995	a	5,851	116,720	3.9%	22,111	1,110
1996	a	5,918	117,546	3.7%	23,027	1,009
1997	a	6,009	118,855	3.5%	N/A	988
1998	a	6,124	119,498	3.4%	N/A	988
1999	a	6,124	120,292	3.4%	N/A	1,035
2000	b	5,471	121,065	3.2%	N/A	985
2001	a	5,484	122,001	3.5%	N/A	985
2002	a	5,484	122,387	4.7%	N/A	996
2003	a	5,484	122,387	5.1%	N/A	1,008
2004	a	5,484	123,020	5.4%	N/A	1,020

Source: (1) a) Ohio Department of Job and Family Services - estimated
b) U.S. Bureau of Census, Federal 2000 Census
(2) Ohio Bureau of Employment Services
(3) Northwood School District, Board of Education

**PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS**

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1995	39	\$1,369,155	35	\$7,030,469
1996	32	2,280,885	26	5,944,148
1997	44	2,982,840	38	47,923,150
1998	49	3,192,030	35	12,452,527
1999	50	3,613,995	30	7,880,747
2000	33	2,297,055	18	6,381,305
2001	42	2,395,440	25	7,430,100
2002	31	1,508,805	33	18,730,700
2003	45	1,842,690	33	4,671,940
2004	33	2,086,500	17	10,734,175

Source: Wood County Building Inspection Department

CITY OF NORTHWOOD, OHIO

**PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)
DECEMBER 31, 2004**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Norplas Industries, Inc.	Automotive Parts Manufacturer	\$5,317,800	18.96%
2	Pilkington North America	Float Galss Manufacturer	2,117,860	7.55%
3	Hirzel Canning Co.	Cannery	1,707,630	6.09%
4	T L Industries, Inc.	Manufacturing	1,061,580	3.79%
5	North American Science	Testing Laboratory	938,130	3.35%
6	Advance Engineering Co.	Engineering	937,180	3.34%
7	Andersons Inc	Retail	894,940	3.19%
8	Malcolm Meat Co.	Distributor	841,170	3.00%
9	Treu House of Munch, Inc.	Distributor	698,390	2.49%
10	Sears Roebuck and Co.	Retail	697,970	2.49%
		Sub-Total	15,212,650	54.25%
		All Others	12,835,558	45.75%
		Total	<u>\$28,048,208</u>	<u>100.00%</u>

Based on 2003 Property Tax Assessed Valuations
Source: Wood County Auditor - Land and Buildings

CITY OF NORTHWOOD, OHIO

PRINCIPAL TAXPAYERS (REAL PROPERTY AND PUBLIC UTILITY PERSONAL PROPERTY TAX) DECEMBER 31, 2004

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Toledo Great Eastern	Shopping Center	\$3,147,360	2.78%
2	Ohio Waste Systems	Landfill	3,139,960	2.78%
3	NFO Worldgroup Inc.	Market Research	3,133,260	2.77%
4	Nationwide Toledo Real Estate	Shopping Center	1,406,930	1.24%
5	Toledo Edison	Utility - Electric	1,324,030	1.17%
6	LOF Glass	Float Glass Manufacturer	1,242,180	1.10%
7	North American Science Association	Testing Laboratory	1,183,440	1.05%
8	Ohio Bell Telephone Co.	Utility - Telephone	1,050,170	0.93%
9	Stratford Apartments LLC	Apartments	1,050,000	0.93%
10	Future Lodging Northwood	Hotel	985,390	0.87%
		Sub-Total	17,662,720	15.62%
		All Others	95,398,660	84.38%
		Total	<u>\$113,061,380</u>	<u>100.00%</u>

Based on 2003 Property Tax Assessed Valuations
Source: Wood County Auditor - Land and Buildings

CITY OF NORTHWOOD, OHIO

**PRINCIPAL TAXPAYERS (INCOME TAX)
DECEMBER 31, 2004**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2004</u>	<u>Percentage of Total</u>
1	Norplas Industries Inc.	Automotive	\$396,907	9.61%
2	NFO Worldwide, Inc.	Market Research	360,616	8.73%
3	Interstate Brands, Inc.	Bakery and Distribution	154,885	3.75%
4	Johnson Controls, Inc.	Manufacturing	117,135	2.84%
5	Pilkington	Glass Manufacturer	111,752	2.71%
6	Alcoa Automotive Structures, Inc.	Automotive	103,603	2.51%
7	North American Science Association	Testing Laboratory	103,037	2.50%
8	Treu House of Munch, Inc.	Beverage Distributor	82,650	2.00%
9	Advance Engineering Co.	Engineering	73,480	1.78%
10	Northwood Local Board of Education	Education	73,393	1.78%
		Sub-Total	1,577,458	38.21%
		All Others	2,550,898	61.79%
		Total	<u>\$4,128,356</u>	<u>100.00%</u>

Source: City of Northwood Income Tax Department

CITY OF NORTHWOOD, OHIO

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2004**

	<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
1	NFO Worldwide, Inc.	Market Research	1,070
2	Norplas Industries, Inc.	Automotive	714
3	Andersons, Inc.	Retail	294
4	Northwood Local Board of Education	Education	251
5	Hirzel Canning Co.	Cannery	241
6	Sears Merchandise Group	Retail	213
7	Alcoa Automotive Structures	Automotive	207
8	Advance Engineering Co.	Engineering	200
9	Malcolm Meat Company	Meat	189
10	Johnson Controls, Inc.	Manufacturing	187

Source: Finance Department

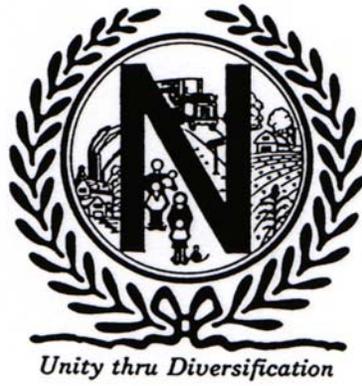
CITY OF NORTHWOOD, OHIO

**MISCELLANEOUS STATISTICS
DECEMBER 31, 2004**

Date of Incorporation - January 1, 1982

Form of Government - Council / Mayor

Facilities and Services:		Major Highway:	I-75	Location:	Northwest Ohio Wood County
Miles of Streets	40.55				
Number of Street Lights	361				
		Population:	5,484		
		Area (square miles)	8		
Police Services:		Education:		Recreation and Culture:	
Number of Stations	1	Elementary Schools	2	Community Room	
Community Substations	2	Secondary Schools	2	(square feet)	1,300
Number of Employees	31	Enrollment	1,020	(seating capacity)	120
Number of Patrol Units	6			Number of Parks	3
Criminal/Juvenile Arrests	642			Park Area (acres)	78
Traffic Citations Issued	1,672			Number of Ball Fields:	
Parking Tickets Written	286			Unlighted	4
Number of Calls Answered	10,633			Number of Tennis Courts:	
				Lighted	4
Fire/Emergency Medical Services:					
Number of Stations	2				
Number of Officers and Firefighters and Paramedics	50				
Number of Calls Answered	849				
Number of Inspections	200				





**Auditor of State
Betty Montgomery**

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800-282-0370

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CITY OF NORTHWOOD

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 12, 2005**