

***CITY OF NORTHWOOD
WOOD COUNTY***

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007

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



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the City of Northwood, Wood County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 11, 2008

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CITY OF NORTHWOOD
WOOD COUNTY, OHIO
AUDIT REPORT
For the Year Ended December 31, 2007

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

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

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

To the City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's financial statements and have issued our report thereon dated June 5, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated June 5, 2008.

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

Charles E. Harris and Associates, Inc.

June 5, 2008

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the year ending December 31, 2006, reported no material citations or recommendations.

Wood County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2007



Unity thru Diversification

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2007

Issued by:
Department of Finance
Toby Schroyer
Director



Unity thru Diversification

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WOOD COUNTY, OHIO

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City of Northwood, Ohio

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Northwood, Ohio 43619

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June 5, 2008

Introduction

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

I am pleased to present the tenth Comprehensive Annual Financial Report for the City of Northwood, Ohio for the fiscal year ended December 31, 2007. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Auditing Standards (GAAS) by Charles Harris and Associates, Inc. GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Report

State law, along with *Administrative Rules* of the Auditor of State, requires all city governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the CAFR of the City of Northwood, Ohio, for the fiscal year ended December 31, 2007.

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

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

The City's financial statements have been audited by the audit staff of Charles Harris and Associates, Inc. The Auditor issued an unqualified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2007. The report from the Auditor is presented as the first component of the financial section of this report.

PROFILE OF THE CITY OF NORTHWOOD

Early History

In 1846, John Mossler built a log cabin on the east side of Plank Road, later named Goss Road and now called East Broadway. This road was made of logs, smoothed on one side 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.

Form of Government

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

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

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

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

City Services

Police:

The Northwood Police Department is a full-time department with an authorized strength of 21 sworn full-time positions. Current staffing includes the Chief, a Captain, 5 sergeants, 14 patrol officers, a secretary, a part-time animal control officer, a part-time traffic camera operator, and 2 seasonal crossing guards. The City receives partial grant funding for 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), a Block Watch program, Wood County Youth Violence Prevention, Ohio Public Safety Department's Third Grade Safety Belt Program, A.L.E.I.A. (Area Law Enforcement Investigators Association), and Bike Patrol.

Fire:

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

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 Senior Program.

Public Works:

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

Water and Wastewater:

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

The Reporting Entity

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

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

Accounting Controls

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

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

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

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

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

Budgetary Controls

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

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

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

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

INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Economic Outlook

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

Over \$5.7 million dollars were spent for new construction projects in Northwood in 2007. The number of permits for commercial, industrial and residential totaled 420. Northwood welcomed 13 new commercial and industrial businesses in 2007 which included Campbell Equipment Company, Fluor Constructors, Advanced Specialty Contractors, Kitchen, Bath and Custom Imports, T.C. Paintball, Big Boi, Cutting Edge, American Family Insurance, The Ultimate Hair Salon, Aristelle Hair & Nail Salon, National Association of Letter Carriers, School Matters and Taco Bell. Unity United Methodist Church began construction of a new \$725,000 church. Meijer's gas station was torn down to build a larger facility for \$350,000. The McNerney Company invested \$420,000 for a new construction project and CC Bella built a new \$325,000 facility and Taco Bell invested \$1.1 million to build a new restaurant. The Planning and Zoning Department will continue to work on economic development issues and plan for the future of the city through promotion of the Comprehensive Plan and will continue to support and encourage the necessary enforcement of our Zoning Code to promote the livability and desirability of Northwood.

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

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

Unemployment Rates

According to the Ohio Bureau of Employment Services, the 2007 annual average unemployment rate for Wood County was 5.4%, which was lower than the state rate of 5.9% but higher than the national rate of 5.0%.

Employee Relations

The City has 50 full-time and 61 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining. There are three bargaining units representing 36 full-time employees. The A.F.S.C.M.E. (American Federation of State, County and Municipal Employees) Local 755 Ohio represents 11 full-time employees. The O.P.B.A. (Ohio Patrolmen's Benevolent Association) represents 14 patrol officers and 6 police dispatchers. The FOP/OLC represents 5 sergeants.

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

Major City Initiatives

During 2007, the City continued focusing on improving the quality of life and employment opportunities for its residents and taxpayers. The City pursued possible assistance such as federal, state and local grant funds. In 2007 the City received the following Police related grants; DARE, Alcohol Compliance, Bulletproof Vest, and D.U.I. Task Force. The City also received grants from Wood County Recycling, Landfill Sponsorship, a Fire Training Grant, a Fire AFG Grant, and an E.M.S Fire Grant.

During 2007, the City repaved Lemoyne Rd. The Ravenwood Sanitary and Storm Sewer Improvements project and the Gould Street Improvements project were completed in 2007.

Continuing and Future Projects

The City has been awarded a Grant from the OPWC to pay for one-half the cost of Coy & Curtice Road Intersection Improvements. Other storm sewer improvements are also scheduled.

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, 2007 was \$2,790,000. At December 31, 2007, the City had no long-term special assessment related debt. During the year the City retired \$75,000 in general obligation debt. General obligation bonds are retired from income tax collections.

Cash Management

Cash management is an integral component of the City's overall financial plan. The City attempts to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. Cash flow forecasting and the use of short-term investments, such as repurchase agreements, allows the City to earn interest on all funds. The City had its operating accounts at Huntington Bank as of December 31, 2007.

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

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

The City's cash resources had a balance of \$4,299,268 as of December 31, 2007.

The amount of interest earned for fiscal year 2007 was \$217,168. 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, 2007 the City had bank balances of \$4,336,030. Federal depository insurance covered \$100,000 of the bank balance. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

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

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

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 14 to the basic financial statements for additional information.

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

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

The City contracted with Brooks Insurance Agency from January 1, 2007 through December 31, 2007 for various insurance coverages, as follows:

| <u>Type of Coverage</u> | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| Auto Fleet Liability/Physical Damage | \$5,000,000 | \$250/500 |
| Law Enforcement Liability | \$5,000,000 | \$5,000 |
| General Liability | \$5,000,000 | \$1,000 |
| Stop Gap Liability | \$5,000,000 | \$1,000 |
| Real & Personal Property | \$6,750,361 | \$1,000 |
| Emergency Medical Services Liability | \$5,000,000 | \$5,000 |
| Inland Marine Equipment | \$1,446,009 | \$1,000 |
| Boiler & Machinery Property Damage | \$5,000,000 | \$1,000 |
| Demolition/Increased Cost-Construction | \$500,000 | \$1,000 |
| Public Officials Liability | \$5,000,000 | \$5,000 |
| Valuable Papers/EDP/Account Receivable | \$250,000 | \$1,000 |
| Extra Expense/Building Ordinance or Law | \$500,000 | \$1,000 |
| Employee Benefit Liability | \$5,000,000 | \$1,000 |

***Letter of Transmittal
For the Year Ended December 31, 2007***

AWARDS AND ACKNOWLEDGEMENTS

Awards

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

Public Disclosure

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

Acknowledgements

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

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

Respectfully,



Toby A. Schroyer
Finance & Revenue Director

CITY OF NORTHWOOD, OHIO

***List of Principal Officials
For the Year Ended December 31, 2007***

Elected Official

| <u>Name</u> | <u>Office</u> | <u>Term Expires</u> |
|--------------------|-------------------------|----------------------------|
| Mark A. Stoner | Mayor | 12/31/07 |
| James D. Barton | City Council | 12/31/09 |
| David A. Gallaher | City Council | 12/31/09 |
| Connie S. Hughes | City Council, President | 12/31/09 |
| Randy Kozina | City Council | 12/31/07 |
| Edward Schimmel | City Council, Appointed | 12/31/07 |
| Mike Myers | City Council | 12/31/09 |
| Richard B. Radocy | 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 | Indefinite | |
| Pat Bacon | City Administrator | Indefinite | \$50,000 Bond |
| Gerald Herman | Chief of Police | Indefinite | |
| Tim Romstadt | Chief of Fire | Indefinite | |
| Craig Meier | Director of Public Service | Indefinite | |
| Toby Schroyer | Director of Finance | Indefinite | \$50,000 Bond |
| Paul Gercak | Director of Recreation | Indefinite | |
| Heather Sayler | Zoning Inspector | Indefinite | |
| Laura Schroeder | Clerk of Mayor's Courts | Indefinite | |
| C. Drew Griffith | Court Magistrate | Indefinite | |

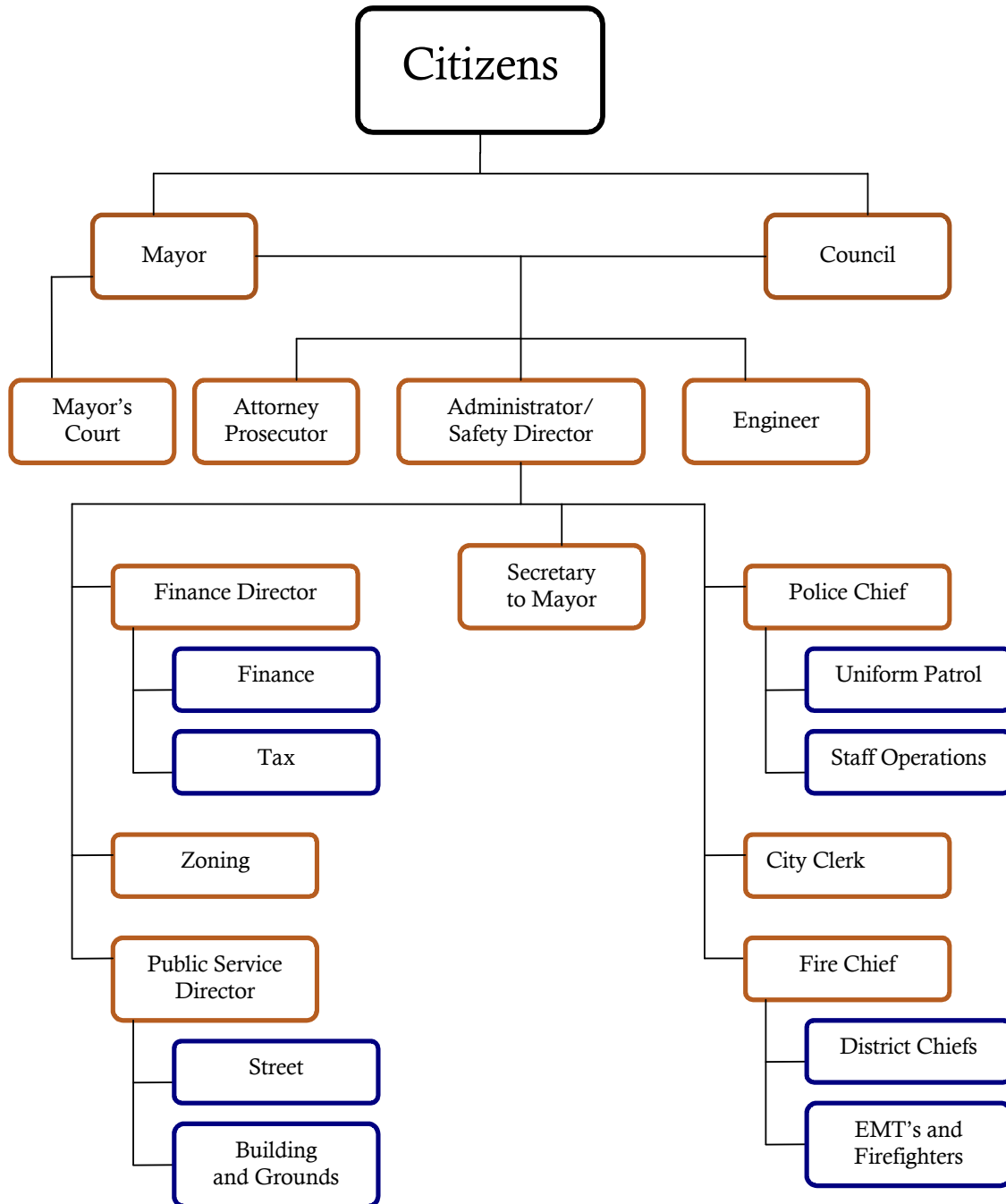
Applies to All Elected Officials

Public officials \$5 million/occurrence, \$7 million aggregate general liability.
Term July 9, 2007 to July 9, 2008

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, 2007*



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

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Northwood
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

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

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio, (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

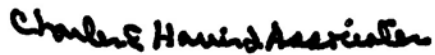
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Ohio, as of December 31, 2007, and the changes in financial position and the budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

A handwritten signature in black ink that reads "Charles E. Harris" followed by a stylized flourish.

Charles E. Harris & Associates, Inc.

June 5, 2008

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, 2007. 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 2007 are as follows:

- In total, net assets decreased \$663,789, which represents a 7 % decrease from 2006.
- General revenues accounted for \$6.2 million in revenue or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 25% of total revenues of \$8.3 million.
- The City had \$8.9 million in expenses related to governmental activities; only \$2.1 million of these expenses were offset by program specific charges for services, grants or contributions.
- Among major funds, the general fund had \$5.2 million in revenues and \$4.8 million in expenditures. The general fund's fund balance increased \$415,285 to \$1,731,349.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net assets between 2007 and 2006:

| | Governmental Activities | |
|--|----------------------------|-------------|
| | 2007 | 2006 |
| Current and other assets | \$6,726,235 | \$6,128,168 |
| Capital assets, Net | 7,202,868 | 6,497,104 |
| Total assets | 13,929,103 | 12,625,272 |
| Long-term debt outstanding | 4,167,325 | 2,063,058 |
| Other liabilities | 601,758 | 738,405 |
| Total liabilities | 4,769,083 | 2,801,463 |
| Net assets | | |
| Invested in capital assets, net of related debt | 5,587,177 | 4,761,018 |
| Restricted | 3,867,539 | 3,558,021 |
| Unrestricted | (294,696) | 1,504,770 |
| Total net assets | \$9,160,020 | \$9,823,809 |

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***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2007 and 2006:

| | Governmental Activities | |
|--|----------------------------|---------------------------|
| | 2007 | 2006 |
| Revenues | | |
| Program revenues: | | |
| Charges for Services and Sales | \$1,186,809 | \$1,047,862 |
| Operating Grants and Contributions | 810,546 | 483,324 |
| Capital Grants and Contributions | 96,445 | 263,996 |
| General revenues: | | |
| Property Taxes | 349,006 | 289,354 |
| Municipal Income Taxes | 4,378,660 | 4,222,764 |
| Other Local Taxes | 61,285 | 73,800 |
| Grants and Entitlements not Restricted to Specific Programs | 1,156,122 | 471,649 |
| Investment Earnings | 217,168 | 180,924 |
| Miscellaneous | 68,091 | 74,378 |
| Total revenues | <u>8,324,132</u> | <u>7,108,051</u> |
| Program Expenses | | |
| Security of Persons and Property | 2,891,340 | 2,774,120 |
| Public Health and Welfare Services | 7,869 | 7,256 |
| Leisure Time Activities | 98,108 | 81,343 |
| Community Environment | 582,567 | 271,984 |
| Basic Utility Services | 416,410 | 344,234 |
| Transportation | 3,152,393 | 559,877 |
| General Government | 1,765,444 | 1,526,552 |
| Interest and Fiscal Charges | 73,790 | 43,463 |
| Total expenses | <u>8,987,921</u> | <u>5,608,829</u> |
| Total Change in Net Assets | (663,789) | 1,499,222 |
| Beginning Net Assets | <u>9,823,809</u> | <u>8,324,587</u> |
| Ending Net Assets | <u><u>\$9,160,020</u></u> | <u><u>\$9,823,809</u></u> |

Governmental Activities

Net assets of the City's governmental activities decreased by \$663,789. This was due primarily to an increase in transportation program expenses including the issuance of \$2.2 million Tax Increment Financing Bonds to pay for improvements to ramps, traffic signalization, and related improvements at the Route 280 interchange at Curtice Road.

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.

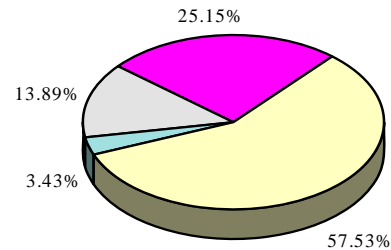
CITY OF NORTHWOOD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Unaudited

Property taxes and income taxes made up 4.2% and 52.6% respectively of revenues for governmental activities for the City in fiscal year 2007. The City's reliance upon tax revenues is demonstrated by the following graph indicating 57.53% of total revenues from general tax revenues:

| Revenue Sources | 2007 | Percent of Total |
|-------------------------|--------------------|---------------------|
| General Shared Revenues | \$1,156,122 | 13.89% |
| Program Revenues | 2,093,800 | 25.15% |
| General Tax Revenues | 4,788,951 | 57.53% |
| General Other | 285,259 | 3.43% |
| Total Revenue | \$8,324,132 | 100.00% |



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$5,228,675, which is an increase from last year's balance of \$4,492,500. The schedule below indicates the fund balance and the total change in fund balance by major and nonmajor fund as of December 31, 2007 and 2006:

| | Fund Balance December 31, 2007 | Fund Balance December 31, 2006 | Increase (Decrease) |
|------------------------------------|-----------------------------------|-----------------------------------|------------------------|
| General | \$1,731,349 | \$1,318,325 | \$413,024 |
| General Obligation Debt Retirement | 125,182 | 26,487 | 98,695 |
| Capital Improvement | 1,335,210 | 1,284,182 | 51,028 |
| Capital Replacement | 847,014 | 722,769 | 124,245 |
| Other Governmental | 1,189,920 | 1,140,737 | 49,183 |
| Total | \$5,228,675 | \$4,492,500 | \$736,175 |

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CITY OF NORTHWOOD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

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:

| | 2007 | 2006 | Increase |
|---------------------------|--------------------|--------------------|------------------|
| | Revenues | Revenues | (Decrease) |
| Property Taxes | \$264,876 | \$251,435 | \$13,441 |
| Municipal Income Tax | 3,045,387 | 2,965,991 | 79,396 |
| Other Local Taxes | 41,386 | 50,879 | (9,493) |
| Intergovernmental Revenue | 1,198,047 | 863,067 | 334,980 |
| Charges for Services | 74,094 | 50,303 | 23,791 |
| Licenses and Permits | 157,298 | 152,649 | 4,649 |
| Investment Earnings | 195,450 | 193,055 | 2,395 |
| Special Assessments | 68,259 | 69,282 | (1,023) |
| Fines & Forfeitures | 137,320 | 176,610 | (39,290) |
| Donations | 2,250 | 2,925 | (675) |
| All Other Revenue | 78,834 | 68,295 | 10,539 |
| Total | <u>\$5,263,201</u> | <u>\$4,844,491</u> | <u>\$418,710</u> |

General Fund revenues in 2007 increased slightly compared to revenues in fiscal year 2006. The most significant factor contributing to this increase was an increase in estate and inheritance taxes compared to 2006.

| | 2007 | 2006 | Increase |
|------------------------------------|--------------------|--------------------|------------------|
| | Expenditures | Expenditures | (Decrease) |
| Security of Persons and Property | \$2,752,492 | \$2,663,267 | \$89,225 |
| Public Health and Welfare Services | 7,869 | 7,256 | 613 |
| Leisure Time Activities | 87,164 | 72,183 | 14,981 |
| Community Development | 165,474 | 133,371 | 32,103 |
| Basic Utility Services | 0 | 6,006 | (6,006) |
| Transportation | 203,446 | 195,760 | 7,686 |
| General Government | 1,631,471 | 1,438,234 | 193,237 |
| Total | <u>\$4,847,916</u> | <u>\$4,516,077</u> | <u>\$331,839</u> |

General Fund expenditures increased by \$331,839 or 7.3% over the prior year mostly due to increases in wages and health insurance premiums for the City's employees and income tax refunds.

***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

Unaudited

The General Obligation Debt Retirement Fund balance increased by \$98,695 in 2007 due to the decrease in principal and interest payments compared to 2006.

The Capital Improvement Fund balance increased by \$51,028 to \$1,335,210 in 2007. This increase was due to decreased expenditures in 2007.

The Capital Replacement Fund balance increased by \$124,245 to \$847,014 in 2007. This increase was due to decreased expenditures in 2007.

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2007 the City had \$7,202,868 net of accumulated depreciation invested in land, improvements, infrastructure, buildings and machinery and equipment. The following table shows fiscal year 2007 and 2006 balances:

| | Governmental Activities | | Increase (Decrease) |
|--------------------------------|----------------------------|--------------------|------------------------|
| | 2007 | 2006 | |
| Land | \$407,945 | \$407,945 | \$0 |
| Land Improvements | 33,100 | 33,100 | 0 |
| Buildings and Improvements | 3,752,549 | 3,459,743 | 292,806 |
| Machinery and Equipment | 652,064 | 643,020 | 9,044 |
| Vehicles | 2,018,074 | 2,021,020 | (2,946) |
| Infrastructure | 3,326,654 | 2,701,453 | 625,201 |
| Less: Accumulated Depreciation | (2,987,518) | (2,769,177) | (218,341) |
| Totals | <u>\$7,202,868</u> | <u>\$6,497,104</u> | <u>\$705,764</u> |

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

As of December 31, 2007, the City had contractual commitments of \$86,072. This is related to outstanding road projects. Additional information on the City's capital assets can be found in Note 9.

Debt

The following table summarizes the City's debt outstanding as of December 31, 2007 and 2006:

| | <u>2007</u> | <u>2006</u> |
|----------------------------------|--------------------|--------------------|
| Governmental Activities: | | |
| General Obligation Bonds | \$2,790,000 | \$665,000 |
| Ohio Public Works Commission | 107,975 | 117,365 |
| Ohio Water Development Authority | 917,715 | 953,730 |
| Compensated Absences | 351,635 | 326,963 |
| Total Governmental Activities | <u>\$4,167,325</u> | <u>\$2,063,058</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, 2007, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

The City's original budget for 2007 utilized conservative revenue estimates with limited increases in base operating costs. Original General Fund revenues were projected to be 6.8% less than the actual receipts for 2007. This difference was due to increases in intergovernmental revenue.

General Fund expenditures were originally budgeted at 2.2% more than 2007 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, 2007

| | Governmental Activities |
|---|------------------------------------|
| Assets: | |
| Cash and Cash Equivalents | \$ 4,299,345 |
| Receivables: | |
| Taxes | 993,818 |
| Accounts | 333,557 |
| Intergovernmental | 901,016 |
| Special Assessments | 111,258 |
| Inventory of Supplies at Cost | 17,319 |
| Prepaid Items | 69,922 |
| Capital Assets: | |
| Capital Assets Not Being Depreciated | 407,945 |
| Capital Assets Being Depreciated, Net | <u>6,794,923</u> |
| Total Assets | <u><u>13,929,103</u></u> |
| Liabilities: | |
| Accounts Payable | 135,738 |
| Accrued Wages and Benefits | 211,926 |
| Intergovernmental Payable | 540 |
| Claims Payable | 127 |
| Unearned Revenue | 251,362 |
| Accrued Interest Payable | 2,065 |
| Long-Term Liabilities: | |
| Due Within One Year | 272,833 |
| Due in More Than One Year | <u>3,894,492</u> |
| Total Liabilities | <u><u>4,769,083</u></u> |
| Net Assets: | |
| Invested in Capital Assets, Net of Related Debt | 5,587,177 |
| Restricted For: | |
| Capital Projects | 2,358,240 |
| Debt Service | 275,443 |
| Street Construction, Maintenance and Repair | 365,281 |
| Water/Sewer Maintenance and Repair | 641,508 |
| Other Purposes | 227,067 |
| Unrestricted (Deficit) | <u>(294,696)</u> |
| Total Net Assets | <u><u>\$ 9,160,020</u></u> |

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Statement of Activities
For the Year Ended December 31, 2007**

| | 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 | \$ 2,891,340 | \$ 312,025 | \$ 38,233 | \$ 84,303 | \$ (2,456,779) |
| Public Health and Welfare Services | 7,869 | 0 | 0 | 0 | (7,869) |
| Leisure Time Activities | 98,108 | 7,980 | 0 | 0 | (90,128) |
| Community Environment | 582,567 | 91,830 | 412,577 | 12,142 | (66,018) |
| Basic Utility Services | 416,410 | 359,903 | 0 | 0 | (56,507) |
| Transportation | 3,152,393 | 32,915 | 359,736 | 0 | (2,759,742) |
| General Government | 1,765,444 | 382,156 | 0 | 0 | (1,383,288) |
| Interest and Fiscal Charges | 73,790 | 0 | 0 | 0 | (73,790) |
| Total Governmental Activities | \$ 8,987,921 | \$ 1,186,809 | \$ 810,546 | \$ 96,445 | (6,894,121) |
| General Revenues | | | | | |
| Property Taxes | | | | | 349,006 |
| Municipal Income Taxes | | | | | 4,378,660 |
| Other Local Taxes | | | | | 61,285 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | 1,156,122 |
| Investment Earnings | | | | | 217,168 |
| Miscellaneous | | | | | 68,091 |
| Total General Revenues | | | | | 6,230,332 |
| Change in Net Assets | | | | | (663,789) |
| Net Assets Beginning of Year | | | | | 9,823,809 |
| Net Assets End of Year | | | | | \$ 9,160,020 |

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Balance Sheet
Governmental Funds
December 31, 2007**

| | General | General Obligation Debt Retirement | Capital Improvement | Capital Replacement |
|--|---------------------|--|------------------------|------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 1,124,476 | \$ 125,182 | \$ 1,065,577 | \$ 790,827 |
| Receivables: | | | | |
| Taxes | 746,393 | 42,758 | 131,598 | 65,800 |
| Accounts | 196,745 | 0 | 2,648 | 0 |
| Intergovernmental | 552,842 | 56,335 | 141,545 | 0 |
| Special Assessments | 58,025 | 53,233 | 0 | 0 |
| Interfund Loans Receivables | 0 | 0 | 200,000 | 0 |
| Inventory of Supplies, at Cost | 3,984 | 0 | 0 | 0 |
| Prepaid Items | 67,408 | 0 | 0 | 0 |
| Total Assets | \$ 2,749,873 | \$ 277,508 | \$ 1,541,368 | \$ 856,627 |
| Liabilities: | | | | |
| Accounts Payable | \$ 33,821 | \$ 0 | \$ 100,861 | \$ 0 |
| Accrued Wages and Benefits Payable | 207,085 | 0 | 0 | 0 |
| Intergovernmental Payable | 540 | 0 | 0 | 0 |
| Claims Payable | 127 | 0 | 0 | 0 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Deferred Revenue | 776,951 | 152,326 | 105,297 | 9,613 |
| Total Liabilities | 1,018,524 | 152,326 | 206,158 | 9,613 |
| Fund Balances: | | | | |
| Reserved for Prepaid Items | 67,408 | 0 | 0 | 0 |
| Reserved for Supplies Inventory | 3,984 | 0 | 0 | 0 |
| Reserved for Interfund Loans Receivable | 0 | 0 | 200,000 | 0 |
| Undesignated/Unreserved in: | | | | |
| General Fund | 1,659,957 | 0 | 0 | 0 |
| Special Revenue Funds | 0 | 0 | 0 | 0 |
| Debt Service Funds | 0 | 125,182 | 0 | 0 |
| Capital Projects Funds | 0 | 0 | 1,135,210 | 847,014 |
| Total Fund Balances | 1,731,349 | 125,182 | 1,335,210 | 847,014 |
| Total Liabilities and Fund Balances | \$ 2,749,873 | \$ 277,508 | \$ 1,541,368 | \$ 856,627 |

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 1,193,283 | \$ 4,299,345 |
| 7,269 | 993,818 |
| 134,164 | 333,557 |
| 150,294 | 901,016 |
| 0 | 111,258 |
| 0 | 200,000 |
| 13,335 | 17,319 |
| 2,514 | 69,922 |
| <u>\$ 1,500,859</u> | <u>\$ 6,926,235</u> |
| | |
| \$ 1,056 | \$ 135,738 |
| 4,841 | 211,926 |
| 0 | 540 |
| 0 | 127 |
| 200,000 | 200,000 |
| 105,042 | 1,149,229 |
| <u>310,939</u> | <u>1,697,560</u> |
| | |
| 2,514 | 69,922 |
| 13,335 | 17,319 |
| 0 | 200,000 |
| 0 | 1,659,957 |
| 1,112,965 | 1,112,965 |
| 0 | 125,182 |
| 61,106 | 2,043,330 |
| <u>1,189,920</u> | <u>5,228,675</u> |
| <u>\$ 1,500,859</u> | <u>\$ 6,926,235</u> |

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2007***

| | |
|--|-----------------------------------|
| Total Governmental Fund Balances | \$ 5,228,675 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because</i> | |
| Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. | 7,202,868 |
| Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds. | 897,867 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | <u>(4,169,390)</u> |
| <i>Net Assets of Governmental Activities</i> | <u><u>\$ 9,160,020</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, 2007**

| | General | General Obligation Debt Retirement | Capital Improvement | Capital Replacement |
|--|---------------------|--|------------------------|------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 264,876 | \$ 84,004 | \$ 0 | \$ 0 |
| Municipal Income Tax | 3,045,387 | 0 | 870,171 | 435,086 |
| Other Local Taxes | 41,386 | 0 | 0 | 0 |
| Intergovernmental Revenues | 1,198,047 | 4,695 | 158,115 | 0 |
| Charges for Services | 74,094 | 0 | 0 | 0 |
| Licenses and Permits | 157,298 | 0 | 36,350 | 0 |
| Investment Earnings | 195,450 | 0 | 0 | 0 |
| Special Assessments | 68,259 | 11,764 | 32,915 | 0 |
| Fines and Forfeitures | 137,320 | 0 | 61,020 | 0 |
| Donations | 2,250 | 0 | 140,000 | 0 |
| All Other Revenue | 78,834 | 0 | 11,143 | 0 |
| Total Revenue | 5,263,201 | 100,463 | 1,309,714 | 435,086 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 2,752,492 | 0 | 0 | 0 |
| Public Health and Welfare Services | 7,869 | 0 | 0 | 0 |
| Leisure Time Activities | 87,164 | 0 | 0 | 0 |
| Community Environment | 165,474 | 0 | 0 | 0 |
| Basic Utility Services | 0 | 0 | 0 | 0 |
| Transportation | 203,446 | 0 | 0 | 0 |
| General Government | 1,631,471 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 3,256,686 | 311,341 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 120,405 | 0 | 0 |
| Interest & Fiscal Charges | 0 | 83,363 | 0 | 0 |
| Total Expenditures | 4,847,916 | 203,768 | 3,256,686 | 311,341 |
| Excess (Deficiency) of Revenues Over Expenditures | 415,285 | (103,305) | (1,946,972) | 123,745 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 500 |
| General Obligation Bonds Issued | 0 | 0 | 2,200,000 | 0 |
| Transfers In | 0 | 202,000 | 0 | 0 |
| Transfers Out | 0 | 0 | (202,000) | 0 |
| Total Other Financing Sources (Uses) | 0 | 202,000 | 1,998,000 | 500 |
| Net Change in Fund Balances | 415,285 | 98,695 | 51,028 | 124,245 |
| Fund Balances at Beginning of Year | 1,318,325 | 26,487 | 1,284,182 | 722,769 |
| Increase (Decrease) in Inventory Reserve | (2,261) | 0 | 0 | 0 |
| Fund Balances End of Year | \$ 1,731,349 | \$ 125,182 | \$ 1,335,210 | \$ 847,014 |

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 0 | \$ 348,880 |
| 0 | 4,350,644 |
| 19,899 | 61,285 |
| 754,381 | 2,115,238 |
| 393,002 | 467,096 |
| 19,988 | 213,636 |
| 21,718 | 217,168 |
| 0 | 112,938 |
| 17,214 | 215,554 |
| 0 | 142,250 |
| 0 | 89,977 |
| 1,226,202 | 8,334,666 |
| 2,265 | 2,754,757 |
| 0 | 7,869 |
| 0 | 87,164 |
| 408,798 | 574,272 |
| 405,668 | 405,668 |
| 315,669 | 519,115 |
| 48,233 | 1,679,704 |
| 0 | 3,568,027 |
| 0 | 120,405 |
| 0 | 83,363 |
| 1,180,633 | 9,800,344 |
| 45,569 | (1,465,678) |
| 0 | 500 |
| 0 | 2,200,000 |
| 92,000 | 294,000 |
| (92,000) | (294,000) |
| 0 | 2,200,500 |
| 45,569 | 734,822 |
| 1,140,737 | 4,492,500 |
| 3,614 | 1,353 |
| \$ 1,189,920 | \$ 5,228,675 |

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2007***

Net Change in Fund Balances - Total Governmental Funds \$ 734,822

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. 712,044

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (6,280)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (11,034)

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. (2,079,595)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 9,573

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (23,319)

Change in Net Assets of Governmental Activities \$ (663,789)

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, 2007**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 272,000 | \$ 272,000 | \$ 264,876 | \$ (7,124) |
| Municipal Income Tax | 3,500,000 | 3,500,000 | 3,127,679 | (372,321) |
| Other Local Taxes | 50,000 | 50,000 | 38,158 | (11,842) |
| Intergovernmental Revenue | 1,120,000 | 1,120,000 | 1,022,531 | (97,469) |
| Charges for Services | 75,200 | 75,200 | 64,246 | (10,954) |
| Licenses and Permits | 176,500 | 176,500 | 155,410 | (21,090) |
| Special Assessments | 75,400 | 75,400 | 66,322 | (9,078) |
| Investment Earnings | 200,000 | 200,000 | 195,450 | (4,550) |
| Fines and Forfeitures | 241,000 | 206,000 | 137,320 | (68,680) |
| Donations | 1,000 | 6,000 | 2,250 | (3,750) |
| All Other Revenues | 65,700 | 95,700 | 72,878 | (22,822) |
| Total Revenues | <u>5,776,800</u> | <u>5,776,800</u> | <u>5,147,120</u> | <u>(629,680)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 2,893,200 | 2,867,700 | 2,796,553 | 71,147 |
| Public Health and Welfare Services | 8,000 | 8,000 | 7,869 | 131 |
| Leisure Time Activities | 90,700 | 97,700 | 87,252 | 10,448 |
| Community Environment | 151,300 | 178,300 | 168,480 | 9,820 |
| Transportation | 217,800 | 217,800 | 209,404 | 8,396 |
| General Government | 1,763,700 | 1,755,200 | 1,672,871 | 82,329 |
| Total Expenditures | <u>5,124,700</u> | <u>5,124,700</u> | <u>4,942,429</u> | <u>182,271</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 652,100 | 652,100 | 204,691 | (447,409) |
| Fund Balance at Beginning of Year | 919,785 | 919,785 | 919,785 | 0 |
| Fund Balance at End of Year | <u>\$ 1,571,885</u> | <u>\$ 1,571,885</u> | <u>\$ 1,124,476</u> | <u>\$ (447,409)</u> |

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2007***

| | <u>Agency</u> |
|---------------------------|---------------|
| Assets: | |
| Cash and Cash Equivalents | <u>\$ 623</u> |
| Total Assets | <u>623</u> |
| Liabilities: | |
| Due to Others | <u>623</u> |
| Total Liabilities | <u>\$ 623</u> |

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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, 2007 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, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

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

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and therefore not available to support the City's own programs. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on a full accrual basis of accounting. The City has one agency fund. This fund is used to account for monies received by the City in situations where the City's role is purely custodial in nature. The only agency fund is the Mayor's Court Fund, which accounts for monies that flow through the municipal court office.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

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

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2007, but which are not intended to finance 2007 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is by 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 2007.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by ordinance of the City Council. During 2007, several supplemental appropriations were necessary to budget for unanticipated expenditures. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the 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, 2007***

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) | \$415,285 |
| Increase (Decrease): | |
| Accrued Revenues at December 31, 2007 received during 2008 | (777,054) |
| Accrued Revenues at December 31, 2006 received during 2007 | 660,973 |
| Accrued Expenditures at December 31, 2007 paid during 2008 | 241,573 |
| Accrued Expenditures at December 31, 2006 paid during 2007 | (342,079) |
| 2006 Prepays for 2007 | 73,401 |
| 2007 Prepays for 2008 | <u>(67,408)</u> |
| Budget Basis | <u>\$204,691</u> |

F. Cash and Cash Equivalents

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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 2007 amounted to \$195,450, which includes \$144,331 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 4, "Pooled Cash, Cash Equivalents and Investments."

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

2. Depreciation

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

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

K. Long-Term Obligations

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

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

L. Compensated Absences

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

M. Net Assets

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

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

N. Pensions

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

O. Interfund Activity

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

P. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for interfund loans, inventory, prepaid items, 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, 2007***

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 2007.

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

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

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

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

| | |
|---------------------------------|-----------|
| Delinquent Income Tax Revenue | \$96,126 |
| Delinquent Property Tax Revenue | 65,063 |
| Shared Revenues | 482,998 |
| Charges for Services | 143,048 |
| Special Assessment Revenue | 110,632 |
| | <hr/> |
| | \$897,867 |

Long-Term liabilities not reported in the funds:

| | |
|--|---------------|
| General Obligation Bonds Payable | (\$2,790,000) |
| Ohio Water Development Authority Loans | (917,715) |
| Ohio Public Works Commission Loan | (107,975) |
| Accrued Interest on Long-Term Debt | (2,065) |
| Compensated Absences Payable | (351,635) |
| | <hr/> |
| | (\$4,169,390) |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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

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

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

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

| | |
|----------------------|------------------|
| Capital Outlay | \$1,077,304 |
| Depreciation Expense | (365,260) |
| | <u>\$712,044</u> |

Governmental revenues not reported in the funds:

| | |
|---|-------------------|
| Increase in Delinquent Income Tax Revenue | \$28,016 |
| Increase in Delinquent Property Tax | 126 |
| Decrease in Shared Revenue | (52,125) |
| Increase in Charges for Services | 2,472 |
| Decrease in Special Assessment Revenue | 10,477 |
| | <u>(\$11,034)</u> |

Expenses not requiring the use of current financial resources:

| | |
|--|-------------------|
| Increase in Compensated Absences Payable | (\$24,672) |
| Increase in supplies inventory | 1,353 |
| | <u>(\$23,319)</u> |

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits: The fund deficit at December 31, 2007 of \$3,181 in the CHIP HOME Fund (special revenue fund) was created by the recognition of expenditures on the modified accrual basis, which are greater than expenditures on a budgetary basis. A deficit does not exist under the budgetary basis of accounting. The general fund provides transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 4 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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, 2007**

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

A. Deposits

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

At year end the carrying amount of the City's deposits was \$4,299,268 and the bank balance was \$4,336,030. In addition, the City had \$700 petty cash on hand. Federal depository insurance covered \$100,000 of the bank balance and \$4,236,030 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

| | <u>Balance</u> |
|--|---------------------------|
| Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name | <u>\$4,236,030</u> |
| Total Balance | <u><u>\$4,236,030</u></u> |

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2007 were levied after October 1, 2006 on assessed values as of January 1, 2006, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2005. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 5 – 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, 2007 was \$1.60 per \$1,000 of assessed value. The assessed value upon which the 2007 tax receipts were based was \$149,509,617. This amount constitutes \$129,286,640 in real property assessed value, \$3,829,750 in public utility assessed value and \$16,393,227 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.

CITY OF NORTHWOOD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2007 consisted of taxes, special assessments, accounts receivable and intergovernmental receivables.

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2007:

| Transfers Out: | Transfers In: | | |
|--------------------------|--|--------------------------------|------------------|
| | General Obligation Debt Retirement Fund | Other Governmental Funds | Total |
| Capital Improvement Fund | \$202,000 | \$0 | \$202,000 |
| Other Governmental Funds | 0 | 92,000 | 92,000 |
| | <u>\$202,000</u> | <u>\$92,000</u> | <u>\$294,000</u> |

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

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2007 consist of the following individual fund receivables and payables:

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 9 – CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2007:

Historical Cost:

| Class | December 31, 2006 | Additions | Deletions | December 31, 2007 |
|--|----------------------|--------------------|--------------------|----------------------|
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$407,945 | \$0 | \$0 | \$407,945 |
| <i>Capital assets being depreciated:</i> | | | | |
| Land Improvements | 33,100 | 0 | 0 | 33,100 |
| Buildings and Improvements | 3,459,743 | 292,806 | 0 | 3,752,549 |
| Machinery and Equipment | 597,608 | 77,456 | (23,000) | 652,064 |
| Vehicles | 2,066,432 | 81,841 | (130,199) | 2,018,074 |
| Infrastructure | 2,701,453 | 625,201 | 0 | 3,326,654 |
| | <u>8,858,336</u> | <u>1,077,304</u> | <u>(153,199)</u> | <u>9,782,441</u> |
| Total Cost | <u>\$9,266,281</u> | <u>\$1,077,304</u> | <u>(\$153,199)</u> | <u>\$10,190,386</u> |

Accumulated Depreciation:

| Class | December 31, 2006 | Additions | Deletions | December 31, 2007 |
|----------------------------|----------------------|----------------------|------------------|----------------------|
| Land Improvements | (\$33,100) | \$0 | \$0 | (\$33,100) |
| Buildings and Improvements | (1,088,283) | (73,128) | 0 | (1,161,411) |
| Machinery and Equipment | (421,744) | (47,202) | 23,000 | (445,946) |
| Vehicles | (1,166,408) | (161,345) | 123,919 | (1,203,834) |
| Infrastructure | (59,642) | (83,585) | 0 | (143,227) |
| Total Depreciation | <u>(\$2,769,177)</u> | <u>(\$365,260) *</u> | <u>\$146,919</u> | <u>(\$2,987,518)</u> |
| <i>Net Value:</i> | <u>\$6,497,104</u> | | | <u>\$7,202,868</u> |

* Depreciation expenses were charged to governmental functions as follows:

| | |
|----------------------------------|------------------|
| Security of Persons and Property | \$114,231 |
| Leisure Time Activities | 10,944 |
| Community Environment | 6,645 |
| Basic Utility Services | 10,742 |
| Transportation | 136,397 |
| General Government | <u>86,301</u> |
| Total Depreciation Expense | <u>\$365,260</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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

A. Ohio Public Employees Retirement System (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, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2007, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 9.5%. The 2007 employer contribution rate for local government employer units was 13.85%, of covered payroll. From January 1 through June 30, 2007, 8.85% was allocated to fund the pension and 5.0% to fund health care and from July 1, 2007 through December 31, 2007, 7.85% was allocated to fund the pension and 6.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Ohio Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2007, 2006, and 2005 were \$189,394, \$222,871 and \$172,701, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 10 – 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 under the TP and CO plans 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 2007 employer contribution rate (identified above) that was used to fund health care was 5.0% from January 1 through June 30, 2007 and 6.0% from July 1 through December 31, 2007, of covered payroll which amounted to \$75,211.

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, 2006. The individual entry age 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 annually, not to exceed a 12% corridor. The investment assumption rate for 2006 was 6.5%. 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 .50% to 5% 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 for the TP and CO Plans was 374,979. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2006 is \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 10 – 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, 2007, 2006, and 2005 were \$228,681, \$215,584 and \$208,341 for police and \$14,704, \$14,760 and \$13,680 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 2007 covered payroll that was used to fund postemployment health care benefits was \$79,159 representing 6.75% of covered payroll for police and \$4,135 representing 6.75% 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, 2006, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 14,120 for police and 10,563 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, 2006 were \$120,373,722, which was net of member contributions of \$58,532,848.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 11 - 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, 2007, the City's accumulated, unpaid compensated absences amounted to \$351,635, which has recorded as a liability of the Governmental Activities.

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CITY OF NORTHWOOD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 12 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2007 is as follows:

| | Issue Date | Original Issue Amount | Balance December 31, 2006 | Issued | (Retired) | Balance December 31, 2007 | Amounts Due Within One Year |
|---|---------------|-----------------------------|---------------------------------|-------------|-------------|---------------------------------|-----------------------------------|
| Governmental Activities: | | | | | | | |
| General Obligation Bonds: | | | | | | | |
| 4.20% Fire Station Improvement | 2005 | \$800,000 | \$665,000 | \$0 | (\$75,000) | \$590,000 | \$75,000 |
| 8.00% TIF Improvement | 2007 | 2,200,000 | 0 | 2,200,000 | 0 | 2,200,000 | 0 |
| Total General Obligation Bonds | | | 665,000 | 2,200,000 | (75,000) | 2,790,000 | 75,000 |
| Ohio Public Works Commission Loan: | | | | | | | |
| 0.00% Wales Road Pavement & Storm Drainage | 1999 | 187,790 | 117,365 | 0 | (9,390) | 107,975 | 9,390 |
| Ohio Water Development Authority (OWDA) Loans: | | | | | | | |
| 5.88% Oregon Road Water Line | 1997 | 830,174 | 666,365 | 0 | (25,021) | 641,344 | 25,736 |
| 5.66% Oregon Road Trunk Water Main Phase II | 1998 | 360,006 | 287,365 | 0 | (10,994) | 276,371 | 11,616 |
| Total OWDA Loans | | | 953,730 | 0 | (36,015) | 917,715 | 37,352 |
| Compensated Absences | | | 326,963 | 351,635 | (326,963) | 351,635 | 151,091 |
| Total Governmental Activities Long-Term Debt | | | \$2,063,058 | \$2,551,635 | (\$447,368) | \$4,167,325 | \$272,833 |

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2007, follow:

| Years | General Obligation Bonds | | OWDA Loans | | OPWC Loan | |
|-----------|--------------------------|-------------|------------|-----------|-----------|----------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2008 | \$75,000 | \$24,780 | \$37,352 | \$53,354 | \$9,390 | \$0 |
| 2009 | 75,000 | 197,630 | 40,326 | 51,138 | 9,389 | 0 |
| 2010 | 80,000 | 194,480 | 42,668 | 48,794 | 9,389 | 0 |
| 2011 | 85,000 | 191,120 | 45,148 | 46,314 | 9,389 | 0 |
| 2012 | 115,000 | 188,032 | 47,773 | 43,739 | 9,389 | 0 |
| 2013-2017 | 340,000 | 859,418 | 283,894 | 153,646 | 46,947 | 0 |
| 2018-2022 | 235,000 | 773,624 | 371,627 | 100,619 | 14,082 | 0 |
| 2023-2027 | 350,000 | 662,378 | 48,927 | 2,523 | 0 | 0 |
| 2028-2032 | 505,000 | 499,744 | 0 | 0 | 0 | 0 |
| 2033-2037 | 745,000 | 262,914 | 0 | 0 | 0 | 0 |
| 2038 | 185,000 | 14,800 | 0 | 0 | 0 | 0 |
| Totals | \$2,790,000 | \$3,868,920 | \$917,715 | \$500,129 | \$107,975 | \$0 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 13 - CONSTRUCTION COMMITMENTS

As of December 31, 2007 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> |
|--|--|--|
| Bradnor Road and Williston Road Intersection | \$86,072 | May 2008 |

NOTE 14 - RISK MANAGEMENT

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

The City contracted with Brooks Insurance Agency from January 1, 2007 through December 31, 2007 for various insurance coverages, as follows:

| <u>Type of Coverage</u> | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| Auto Fleet Liability/Physical Damage | \$5,000,000 | \$250/500 |
| Law Enforcement Liability | \$5,000,000 | \$5,000 |
| General Liability | \$5,000,000 | \$1,000 |
| Stop Gap Liability | \$5,000,000 | \$1,000 |
| Real and Personal Property | \$6,750,361 | \$1,000 |
| Emergency Medical Services Liability | \$5,000,000 | \$5,000 |
| Inland Marine Equipment | \$1,446,009 | \$1,000 |
| Boiler and Machinery Property Damage | \$5,000,000 | \$1,000 |
| Demolition/Increased Cost-Construction | \$500,000 | \$1,000 |
| Public Officials Liability | \$5,000,000 | \$5,000 |
| Valuable Papers/EDP/Account Receivable | \$250,000 | \$1,000 |
| Extra Expense/Building Ordinance or Law | \$500,000 | \$1,000 |
| Employee Benefit Liability | \$5,000,000 | \$1,000 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 14 - 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 2007 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> |
|--------------------|--|---|----------------------------|--------------------------------|
| 2005 | \$1,163 | \$34,200 | (\$33,681) | \$1,682 |
| 2006 | 1,682 | 30,656 | (31,874) | 464 |
| 2007 | 464 | 34,822 | (35,159) | 127 |

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 15 - CONTINGENCIES

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

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

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

Motor Vehicle License Tax Fund

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

State Highway Improvement Fund

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

Northwood Waste/Environmental Fund

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

Drug Fine Fund

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

Special Law Enforcement Fund

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

Enforcement and Education Fund

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

Computerized Research Fund

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

Community Housing Improvement Program (CHIP) - CDBG Fund

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

(Continued)

Special Revenue Funds

Community Housing Improvement Program (CHIP) - HOME Fund

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

Ohio Housing Trust Program (CHIP) - OHTF Fund

To account for financial resources used by the City to undertake home/building repair and new construction costs for the residents of the City. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Water Fund

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

Sanitary Sewer Operation, Maintenance and Repair Fund

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

Keep Northwood Beautiful Fund

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

Water Maintenance - Homecraft Fund

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

Capital Projects Funds

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

Recreation Parks Combined Fund

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

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007**

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|---------------------------------------|---|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 1,132,177 | \$ 61,106 | \$ 1,193,283 |
| Receivables: | | | |
| Taxes | 7,269 | 0 | 7,269 |
| Accounts | 134,164 | 0 | 134,164 |
| Intergovernmental | 150,294 | 0 | 150,294 |
| Inventory of Supplies, at Cost | 13,335 | 0 | 13,335 |
| Prepaid Items | 2,514 | 0 | 2,514 |
| Total Assets | <u>\$ 1,439,753</u> | <u>\$ 61,106</u> | <u>\$ 1,500,859</u> |
| Liabilities: | | | |
| Accounts Payable | \$ 1,056 | \$ 0 | \$ 1,056 |
| Accrued Wages and Benefits Payable | 4,841 | 0 | 4,841 |
| Interfund Loans Payable | 200,000 | 0 | 200,000 |
| Deferred Revenue | 105,042 | 0 | 105,042 |
| Total Liabilities | <u>310,939</u> | <u>0</u> | <u>310,939</u> |
| Fund Balances: | | | |
| Reserved for Prepaid Items | 2,514 | 0 | 2,514 |
| Reserved for Supplies Inventory | 13,335 | 0 | 13,335 |
| Undesignated/Unreserved in: | | | |
| Special Revenue Funds | 1,112,965 | 0 | 1,112,965 |
| Capital Projects Funds | 0 | 61,106 | 61,106 |
| Total Fund Balances | <u>1,128,814</u> | <u>61,106</u> | <u>1,189,920</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,439,753</u> | <u>\$ 61,106</u> | <u>\$ 1,500,859</u> |

CITY OF NORTHWOOD, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2007***

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|---------------------------------------|---|
| Revenues: | | | |
| Other Local Taxes | \$ 16,399 | \$ 3,500 | \$ 19,899 |
| Intergovernmental Revenues | 754,381 | 0 | 754,381 |
| Charges for Services | 393,002 | 0 | 393,002 |
| Licenses and Permits | 19,988 | 0 | 19,988 |
| Investment Earnings | 21,718 | 0 | 21,718 |
| Fines and Forfeitures | 17,214 | 0 | 17,214 |
| Total Revenue | 1,222,702 | 3,500 | 1,226,202 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property | 2,265 | 0 | 2,265 |
| Community Environment | 408,798 | 0 | 408,798 |
| Basic Utility Services | 405,668 | 0 | 405,668 |
| Transportation | 315,669 | 0 | 315,669 |
| General Government | 48,233 | 0 | 48,233 |
| Total Expenditures | 1,180,633 | 0 | 1,180,633 |
| Excess (Deficiency) of Revenues Over Expenditures | 42,069 | 3,500 | 45,569 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 92,000 | 0 | 92,000 |
| Transfers Out | (92,000) | 0 | (92,000) |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 |
| Net Change In Fund Balance | 42,069 | 3,500 | 45,569 |
| Fund Balances at Beginning of Year | 1,083,131 | 57,606 | 1,140,737 |
| Increase in Inventory Reserve | 3,614 | 0 | 3,614 |
| Fund Balances End of Year | \$ 1,128,814 | \$ 61,106 | \$ 1,189,920 |

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

| | Street Construction, Maintenance and Repair | Motor Vehicle License Tax | State Highway Improvement | Northwood Waste / Environmental |
|--|--|------------------------------|------------------------------|------------------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 215,562 | \$ 8,386 | \$ 27,995 | \$ 13,035 |
| Receivables: | | | | |
| Taxes | 0 | 7,269 | 0 | 0 |
| Accounts | 0 | 0 | 0 | 1,584 |
| Intergovernmental | 139,023 | 0 | 11,271 | 0 |
| Inventory of Supplies, at Cost | 13,335 | 0 | 0 | 0 |
| Prepaid Items | 2,514 | 0 | 0 | 0 |
| Total Assets | <u>\$ 370,434</u> | <u>\$ 15,655</u> | <u>\$ 39,266</u> | <u>\$ 14,619</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 936 | \$ 0 | \$ 120 | \$ 0 |
| Accrued Wages and Benefits Payable | 4,217 | 0 | 186 | 185 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Deferred Revenue | 92,682 | 4,846 | 7,514 | 0 |
| Total Liabilities | <u>97,835</u> | <u>4,846</u> | <u>7,820</u> | <u>185</u> |
| Fund Balances: | | | | |
| Reserved for Prepaid Items | 2,514 | 0 | 0 | 0 |
| Reserved for Supplies Inventory | 13,335 | 0 | 0 | 0 |
| Undesignated/Unreserved | 256,750 | 10,809 | 31,446 | 14,434 |
| Total Fund Balances | <u>272,599</u> | <u>10,809</u> | <u>31,446</u> | <u>14,434</u> |
| Total Liabilities and Fund Balances | <u>\$ 370,434</u> | <u>\$ 15,655</u> | <u>\$ 39,266</u> | <u>\$ 14,619</u> |

CITY OF NORTHWOOD, OHIO

| <u>Drug Fine</u> | <u>Special Law Enforcement</u> | <u>Enforcement and Education</u> | <u>Computerized Research</u> | <u>CHIP CDBG</u> | <u>CHIP HOME</u> | <u>Water</u> |
|------------------|--------------------------------|----------------------------------|------------------------------|-------------------|------------------|-------------------|
| \$ 3,944 | \$ 11,945 | \$ 6,778 | \$ 13,522 | \$ 102,774 | \$ 96,819 | \$ 233,282 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 104,101 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 3,944</u> | <u>\$ 11,945</u> | <u>\$ 6,778</u> | <u>\$ 13,522</u> | <u>\$ 102,774</u> | <u>\$ 96,819</u> | <u>\$ 337,383</u> |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 159 |
| 0 | 0 | 0 | 0 | 100,000 | 100,000 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 100,000 | 100,000 | 159 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3,944 | 11,945 | 6,778 | 13,522 | 2,774 | (3,181) | 337,224 |
| <u>3,944</u> | <u>11,945</u> | <u>6,778</u> | <u>13,522</u> | <u>2,774</u> | <u>(3,181)</u> | <u>337,224</u> |
| <u>\$ 3,944</u> | <u>\$ 11,945</u> | <u>\$ 6,778</u> | <u>\$ 13,522</u> | <u>\$ 102,774</u> | <u>\$ 96,819</u> | <u>\$ 337,383</u> |

(Continued)

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

| | Sanitary Sewer Operation, Maintenance and Repair | Keep Northwood Beautiful | Water Maintenance - Homecraft | Total Nonmajor Special Revenue Funds |
|--|---|--------------------------------|-------------------------------------|--|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 299,423 | \$ 65,353 | \$ 33,359 | \$ 1,132,177 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 7,269 |
| Accounts | 4,904 | 0 | 23,575 | 134,164 |
| Intergovernmental | 0 | 0 | 0 | 150,294 |
| Inventory of Supplies, at Cost | 0 | 0 | 0 | 13,335 |
| Prepaid Items | 0 | 0 | 0 | 2,514 |
| Total Assets | \$ 304,327 | \$ 65,353 | \$ 56,934 | \$ 1,439,753 |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 1,056 |
| Accrued Wages and Benefits Payable | 43 | 0 | 51 | 4,841 |
| Interfund Loans Payable | 0 | 0 | 0 | 200,000 |
| Deferred Revenue | 0 | 0 | 0 | 105,042 |
| Total Liabilities | 43 | 0 | 51 | 310,939 |
| Fund Balances: | | | | |
| Reserved for Prepaid Items | 0 | 0 | 0 | 2,514 |
| Reserved for Supplies Inventory | 0 | 0 | 0 | 13,335 |
| Undesignated/Unreserved | 304,284 | 65,353 | 56,883 | 1,112,965 |
| Total Fund Balances | 304,284 | 65,353 | 56,883 | 1,128,814 |
| Total Liabilities and Fund Balances | \$ 304,327 | \$ 65,353 | \$ 56,934 | \$ 1,439,753 |



CITY OF NORTHWOOD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007**

| | Street Construction, Maintenance and Repair | Motor Vehicle License Tax | State Highway Improvement | Northwood Waste / Environmental |
|--|--|------------------------------|------------------------------|------------------------------------|
| Revenues: | | | | |
| Other Local Taxes | \$ 0 | \$ 16,399 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 316,170 | 0 | 25,634 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Licenses and Permits | 0 | 0 | 0 | 19,988 |
| Investment Earnings | 10,858 | 2,172 | 2,172 | 2,172 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| Total Revenue | 327,028 | 18,571 | 27,806 | 22,160 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 21,134 |
| Basic Utility Services | 0 | 0 | 0 | 0 |
| Transportation | 256,902 | 17,300 | 41,467 | 0 |
| General Government | 0 | 0 | 0 | 0 |
| Total Expenditures | 256,902 | 17,300 | 41,467 | 21,134 |
| Excess (Deficiency) of Revenues Over Expenditures | 70,126 | 1,271 | (13,661) | 1,026 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 |
| Net Change In Fund Balances | 70,126 | 1,271 | (13,661) | 1,026 |
| Fund Balances at Beginning of Year | 198,859 | 9,538 | 45,107 | 13,408 |
| Increase in Inventory Reserve | 3,614 | 0 | 0 | 0 |
| Fund Balances End of Year | \$ 272,599 | \$ 10,809 | \$ 31,446 | \$ 14,434 |

CITY OF NORTHWOOD, OHIO

| <u>Drug Fine</u> | <u>Special Law Enforcement</u> | <u>Enforcement and Education</u> | <u>Computerized Research</u> | <u>CHIP CDBG</u> | <u>CHIP HOME</u> | <u>CHIP OHTF</u> |
|------------------|--------------------------------|----------------------------------|------------------------------|------------------|-------------------|------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 48,557 | 294,584 | 63,965 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 2,172 | 0 | 0 | 0 | 0 | 0 |
| 625 | 1,148 | 809 | 14,632 | 0 | 0 | 0 |
| <u>625</u> | <u>3,320</u> | <u>809</u> | <u>14,632</u> | <u>48,557</u> | <u>294,584</u> | <u>63,965</u> |
| 2,118 | 147 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 43,687 | 285,102 | 58,875 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 1,930 | 46,303 | 0 | 0 | 0 |
| <u>2,118</u> | <u>147</u> | <u>1,930</u> | <u>46,303</u> | <u>43,687</u> | <u>285,102</u> | <u>58,875</u> |
| (1,493) | 3,173 | (1,121) | (31,671) | 4,870 | 9,482 | 5,090 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (1,493) | 3,173 | (1,121) | (31,671) | 4,870 | 9,482 | 5,090 |
| 5,437 | 8,772 | 7,899 | 45,193 | (2,096) | (12,663) | (5,090) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 3,944</u> | <u>\$ 11,945</u> | <u>\$ 6,778</u> | <u>\$ 13,522</u> | <u>\$ 2,774</u> | <u>\$ (3,181)</u> | <u>\$ 0</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, 2007**

| | Water | Sanitary Sewer Operation, Maintenance and Repair | Keep Northwood Beautiful | Water Maintenance - Homecraft | Total Nonmajor Special Revenue Funds |
|--|-------------------|---|--------------------------------|-------------------------------------|---|
| Revenues: | | | | | |
| Other Local Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 16,399 |
| Intergovernmental Revenues | 0 | 0 | 5,471 | 0 | 754,381 |
| Charges for Services | 348,905 | 21,322 | 0 | 22,775 | 393,002 |
| Licenses and Permits | 0 | 0 | 0 | 0 | 19,988 |
| Investment Earnings | 0 | 2,172 | 0 | 0 | 21,718 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 17,214 |
| Total Revenue | 348,905 | 23,494 | 5,471 | 22,775 | 1,222,702 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 0 | 2,265 |
| Community Environment | 0 | 0 | 0 | 0 | 408,798 |
| Basic Utility Services | 371,297 | 20,073 | 0 | 14,298 | 405,668 |
| Transportation | 0 | 0 | 0 | 0 | 315,669 |
| General Government | 0 | 0 | 0 | 0 | 48,233 |
| Total Expenditures | 371,297 | 20,073 | 0 | 14,298 | 1,180,633 |
| Excess (Deficiency) of Revenues Over Expenditures | (22,392) | 3,421 | 5,471 | 8,477 | 42,069 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 92,000 | 0 | 0 | 0 | 92,000 |
| Transfers Out | (92,000) | 0 | 0 | 0 | (92,000) |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 | 0 |
| Net Change In Fund Balances | (22,392) | 3,421 | 5,471 | 8,477 | 42,069 |
| Fund Balances at Beginning of Year | 359,616 | 300,863 | 59,882 | 48,406 | 1,083,131 |
| Increase in Inventory Reserve | 0 | 0 | 0 | 0 | 3,614 |
| Fund Balances End of Year | \$ 337,224 | \$ 304,284 | \$ 65,353 | \$ 56,883 | \$ 1,128,814 |



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, 2007**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|------------------|------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 272,000 | \$ 272,000 | \$ 264,876 | \$ (7,124) |
| Municipal Income Taxes | 3,500,000 | 3,500,000 | 3,127,679 | (372,321) |
| Other Local Taxes | 50,000 | 50,000 | 38,158 | (11,842) |
| Intergovernmental Revenues | 1,120,000 | 1,120,000 | 1,022,531 | (97,469) |
| Charges for Services | 75,200 | 75,200 | 64,246 | (10,954) |
| Licenses and Permits | 176,500 | 176,500 | 155,410 | (21,090) |
| Investment Earnings | 200,000 | 200,000 | 195,450 | (4,550) |
| Special Assessments | 75,400 | 75,400 | 66,322 | (9,078) |
| Fines and Forfeitures | 241,000 | 206,000 | 137,320 | (68,680) |
| Donations | 1,000 | 6,000 | 2,250 | (3,750) |
| All Other Revenues | 65,700 | 95,700 | 72,878 | (22,822) |
| Total Revenues | <u>5,776,800</u> | <u>5,776,800</u> | <u>5,147,120</u> | <u>(629,680)</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Police Department: | | | | |
| Personal Services | 1,808,800 | 1,804,400 | 1,785,917 | 18,483 |
| Materials and Supplies | 83,900 | 84,300 | 77,845 | 6,455 |
| Contractual Services | 55,700 | 59,700 | 53,797 | 5,903 |
| Other Expenditures | 5,000 | 6,200 | 6,108 | 92 |
| Capital Outlay | 2,000 | 800 | 450 | 350 |
| Total Police Department | <u>1,955,400</u> | <u>1,955,400</u> | <u>1,924,117</u> | <u>31,283</u> |
| Fire Department: | | | | |
| Personal Services | 423,600 | 394,100 | 370,813 | 23,287 |
| Materials and Supplies | 93,600 | 102,800 | 101,052 | 1,748 |
| Contractual Services | 31,300 | 22,700 | 19,991 | 2,709 |
| Capital Outlay | 2,000 | 5,400 | 5,248 | 152 |
| Total Fire Department | <u>550,500</u> | <u>525,000</u> | <u>497,104</u> | <u>27,896</u> |
| Civil Defense: | | | | |
| Contractual Services | 2,500 | 2,500 | 2,243 | 257 |

(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, 2007***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| Police and Fire Communications | | | | |
| Personal Services | 364,600 | 364,600 | 356,699 | 7,901 |
| Materials and Supplies | 5,800 | 5,800 | 3,999 | 1,801 |
| Contractual Services | 7,400 | 7,400 | 6,193 | 1,207 |
| Total Police and Fire Communications | <u>377,800</u> | <u>377,800</u> | <u>366,891</u> | <u>10,909</u> |
| Street Lighting: | | | | |
| Contractual Services | 3,000 | 3,000 | 2,814 | 186 |
| Railroad Lighting: | | | | |
| Contractual Services | 4,000 | 4,000 | 3,384 | 616 |
| Total Security of Persons and Property | <u>2,893,200</u> | <u>2,867,700</u> | <u>2,796,553</u> | <u>71,147</u> |
| Public Health and Welfare Services: | | | | |
| County Board of Health: | | | | |
| Contractual Services | 8,000 | 8,000 | 7,869 | 131 |
| Total Public Health and Welfare Services | <u>8,000</u> | <u>8,000</u> | <u>7,869</u> | <u>131</u> |
| Leisure Time Activities: | | | | |
| Parks and Playgrounds: | | | | |
| Materials and Supplies | 7,500 | 6,200 | 6,034 | 166 |
| Contractual Services | 29,000 | 16,700 | 15,663 | 1,037 |
| Capital Outlay | 3,000 | 23,600 | 23,448 | 152 |
| Total Parks and Playgrounds | <u>39,500</u> | <u>46,500</u> | <u>45,145</u> | <u>1,355</u> |
| Recreation: | | | | |
| Materials and Supplies | 2,000 | 2,000 | 387 | 1,613 |
| Contractual Services | 18,000 | 8,000 | 5,400 | 2,600 |
| Total Recreation | <u>20,000</u> | <u>10,000</u> | <u>5,787</u> | <u>4,213</u> |
| Baseball Programs: | | | | |
| Personal Services | 7,200 | 7,150 | 6,913 | 237 |
| Materials and Supplies | 11,800 | 21,600 | 17,348 | 4,252 |
| Contractual Services | 9,500 | 9,750 | 9,544 | 206 |
| Other Expenditures | 200 | 200 | 15 | 185 |
| Total Baseball Programs | <u>28,700</u> | <u>38,700</u> | <u>33,820</u> | <u>4,880</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, 2007***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|--------------|---------|---|
| Special Events: | | | | |
| Materials and Supplies | 2,500 | 2,500 | 2,500 | 0 |
| Total Leisure Time Activities | 90,700 | 97,700 | 87,252 | 10,448 |
| Community Environment: | | | | |
| Planning and Zoning: | | | | |
| Personal Services | 81,000 | 84,000 | 81,045 | 2,955 |
| Materials and Supplies | 4,000 | 4,000 | 3,323 | 677 |
| Contractual Services | 800 | 800 | 707 | 93 |
| Capital Outlay | 200 | 200 | 0 | 200 |
| Total Planning and Zoning | 86,000 | 89,000 | 85,075 | 3,925 |
| Weed Control and Tree Care: | | | | |
| Personal Services | 29,000 | 30,800 | 30,723 | 77 |
| Materials and Supplies | 2,200 | 700 | 652 | 48 |
| Contractual Services | 10,100 | 10,800 | 10,432 | 368 |
| Capital Outlay | 2,000 | 1,000 | 932 | 68 |
| Total Weed Control and Tree Care | 43,300 | 43,300 | 42,739 | 561 |
| Economic Development: | | | | |
| Materials and Supplies | 12,000 | 31,000 | 28,630 | 2,370 |
| Insect Control: | | | | |
| Personal Services | 2,000 | 4,000 | 2,614 | 1,386 |
| Materials and Supplies | 8,000 | 11,000 | 9,422 | 1,578 |
| Total Insect Control | 10,000 | 15,000 | 12,036 | 2,964 |
| Total Community Environment | 151,300 | 178,300 | 168,480 | 9,820 |
| Transportation: | | | | |
| Street Maintenance and Repair: | | | | |
| Personal Services | 189,800 | 191,300 | 186,932 | 4,368 |
| Materials and Supplies | 23,600 | 23,100 | 20,305 | 2,795 |
| Contractual Services | 4,400 | 3,400 | 2,167 | 1,233 |
| Total Transportation | 217,800 | 217,800 | 209,404 | 8,396 |

(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, 2007***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|----------------------------|----------------------------|---------------------|----------------|---|
| General Government: | | | | |
| Mayor: | | | | |
| Personal Services | 21,500 | 14,900 | 14,716 | 184 |
| Materials and Supplies | 1,900 | 1,300 | 1,053 | 247 |
| Contractual Services | 1,700 | 1,900 | 1,496 | 404 |
| Total Mayor | <u>25,100</u> | <u>18,100</u> | <u>17,265</u> | <u>835</u> |
| Finance Director: | | | | |
| Personal Services | 298,300 | 306,300 | 302,082 | 4,218 |
| Materials and Supplies | 8,700 | 8,900 | 5,934 | 2,966 |
| Contractual Services | 14,000 | 13,800 | 10,650 | 3,150 |
| Total Finance Director | <u>321,000</u> | <u>329,000</u> | <u>318,666</u> | <u>10,334</u> |
| City Administrator: | | | | |
| Personal Services | 146,200 | 151,200 | 147,907 | 3,293 |
| Materials and Supplies | 4,300 | 4,550 | 4,284 | 266 |
| Contractual Services | 1,200 | 950 | 846 | 104 |
| Total City Administrator | <u>151,700</u> | <u>156,700</u> | <u>153,037</u> | <u>3,663</u> |
| Legal Administration: | | | | |
| Personal Services | 9,600 | 9,600 | 8,957 | 643 |
| Materials and Supplies | 3,000 | 3,000 | 2,770 | 230 |
| Contractual Services | 49,300 | 49,300 | 38,723 | 10,577 |
| Total Legal Administration | <u>61,900</u> | <u>61,900</u> | <u>50,450</u> | <u>11,450</u> |
| City Cars: | | | | |
| Materials and Supplies | 1,000 | 1,000 | 892 | 108 |
| City Council: | | | | |
| Personal Services | 58,700 | 60,600 | 59,658 | 942 |
| Materials and Supplies | 7,500 | 6,200 | 6,030 | 170 |
| Contractual Services | 800 | 1,200 | 1,119 | 81 |
| Total City Council | <u>67,000</u> | <u>68,000</u> | <u>66,807</u> | <u>1,193</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, 2007***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------|----------------------------|---------------------|----------------|---|
| City Clerk: | | | | |
| Personal Services | 61,700 | 63,200 | 60,379 | 2,821 |
| Materials and Supplies | 800 | 400 | 72 | 328 |
| Contractual Services | 10,300 | 800 | 242 | 558 |
| Capital Outlay | 500 | 900 | 810 | 90 |
| Total City Clerk | <u>73,300</u> | <u>65,300</u> | <u>61,503</u> | <u>3,797</u> |
| Mayor's Court: | | | | |
| Personal Services | 180,100 | 194,400 | 191,575 | 2,825 |
| Materials and Supplies | 18,400 | 20,500 | 18,070 | 2,430 |
| Contractual Services | 32,500 | 31,100 | 30,558 | 542 |
| Total Mayor's Court | <u>231,000</u> | <u>246,000</u> | <u>240,203</u> | <u>5,797</u> |
| Civil Service Commission: | | | | |
| Personal Services | 1,800 | 1,800 | 1,685 | 115 |
| Materials and Supplies | 500 | 500 | 263 | 237 |
| Contractual Services | 3,700 | 3,700 | 1,811 | 1,889 |
| Total Civil Service Commission | <u>6,000</u> | <u>6,000</u> | <u>3,759</u> | <u>2,241</u> |
| Buildings and Grounds: | | | | |
| Personal Services | 119,800 | 125,600 | 123,930 | 1,670 |
| Materials and Supplies | 16,000 | 13,300 | 13,081 | 219 |
| Contractual Services | 28,400 | 25,300 | 24,805 | 495 |
| Other Expenditures | 500 | 500 | 445 | 55 |
| Total Buildings and Grounds | <u>164,700</u> | <u>164,700</u> | <u>162,261</u> | <u>2,439</u> |
| General Miscellaneous: | | | | |
| Contractual Services | 33,000 | 33,500 | 31,268 | 2,232 |

(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, 2007***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|----------------------------|---------------------|---------------------|---|
| Special Assessments: | | | | |
| Personal Services | 1,000 | 1,000 | 0 | 1,000 |
| Contractual Services | 65,000 | 65,000 | 58,602 | 6,398 |
| Capital Outlay | 4,000 | 4,000 | 0 | 4,000 |
| Total Special Assessments | <u>70,000</u> | <u>70,000</u> | <u>58,602</u> | <u>11,398</u> |
| General Administrative: | | | | |
| Personal Services | 5,700 | 5,700 | 4,387 | 1,313 |
| Materials and Supplies | 9,500 | 9,500 | 8,113 | 1,387 |
| Contractual Services | 287,800 | 302,800 | 282,714 | 20,086 |
| Other Expenditures | 255,000 | 217,000 | 212,944 | 4,056 |
| Total General Administrative | <u>558,000</u> | <u>535,000</u> | <u>508,158</u> | <u>26,842</u> |
| Total General Government | <u>1,763,700</u> | <u>1,755,200</u> | <u>1,672,871</u> | <u>82,329</u> |
| Total Expenditures | <u>5,124,700</u> | <u>5,124,700</u> | <u>4,942,429</u> | <u>182,271</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 652,100 | 652,100 | 204,691 | (447,409) |
| Fund Balance at Beginning of Year | 919,785 | 919,785 | 919,785 | 0 |
| Fund Balance at End of Year | <u>\$ 1,571,885</u> | <u>\$ 1,571,885</u> | <u>\$ 1,124,476</u> | <u>\$ (447,409)</u> |

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Debt Service Fund
For the Year Ended December 31, 2007**

| | GENERAL OBLIGATION DEBT RETIREMENT FUND | | | Variance with Final Budget Positive Negative |
|--|---|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 90,000 | \$ 90,000 | \$ 84,004 | \$ (5,996) |
| Intergovernmental Revenues | 5,000 | 5,000 | 4,695 | (305) |
| Special Assessments | 18,000 | 18,000 | 11,764 | (6,236) |
| Total Revenues | <u>113,000</u> | <u>113,000</u> | <u>100,463</u> | <u>(12,537)</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 120,500 | 120,500 | 120,405 | 95 |
| Interest and Fiscal Charges | 83,900 | 83,900 | 83,363 | 537 |
| Total Expenditures | <u>204,400</u> | <u>204,400</u> | <u>203,768</u> | <u>632</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (91,400) | (91,400) | (103,305) | (11,905) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 202,000 | 202,000 | 202,000 | 0 |
| Total Other Financing Sources (Uses) | <u>202,000</u> | <u>202,000</u> | <u>202,000</u> | <u>0</u> |
| Net Change in Fund Balance | 110,600 | 110,600 | 98,695 | (11,905) |
| Fund Balance at Beginning of Year | 26,487 | 26,487 | 26,487 | 0 |
| Fund Balance at End of Year | <u>\$ 137,087</u> | <u>\$ 137,087</u> | <u>\$ 125,182</u> | <u>\$ (11,905)</u> |

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Fund
For the Year Ended December 31, 2007**

| | CAPITAL IMPROVEMENT FUND | | | Variance with Final Budget Positive (Negative) |
|--|---------------------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Municipal Income Taxes | \$ 1,000,000 | \$ 1,000,000 | \$ 893,622 | \$ (106,378) |
| Intergovernmental Revenues | 236,500 | 136,500 | 104,303 | (32,197) |
| Licenses and Permits | 70,000 | 70,000 | 69,450 | (550) |
| Special Assessments | 38,000 | 38,000 | 32,915 | (5,085) |
| Fines and Forfeitures | 160,000 | 120,000 | 65,186 | (54,814) |
| Donations | 8,000 | 148,000 | 140,000 | (8,000) |
| All Other Revenues | 20,000 | 20,000 | 12,142 | (7,858) |
| Total Revenues | <u>1,532,500</u> | <u>1,532,500</u> | <u>1,317,618</u> | <u>(214,882)</u> |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Security of Persons and Property | 240,000 | 294,955 | 271,942 | 23,013 |
| Transportation | 3,111,600 | 3,233,027 | 2,565,453 | 667,574 |
| General Government | 664,400 | 564,400 | 445,237 | 119,163 |
| Total Expenditures | <u>4,016,000</u> | <u>4,092,382</u> | <u>3,282,632</u> | <u>809,750</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,483,500) | (2,559,882) | (1,965,014) | 594,868 |
| Other Financing Sources (Uses): | | | | |
| General Obligation Bonds Issued | 2,200,000 | 2,200,000 | 2,200,000 | 0 |
| Transfers Out | (202,000) | (202,000) | (202,000) | 0 |
| Total Other Financing Sources (Uses) | <u>1,998,000</u> | <u>1,998,000</u> | <u>1,998,000</u> | <u>0</u> |
| Net Change In Fund Balance | (485,500) | (561,882) | 32,986 | 594,868 |
| Fund Balance at Beginning of Year | 855,346 | 855,346 | 855,346 | 0 |
| Prior Year Encumbrances | 76,383 | 76,383 | 76,383 | 0 |
| Fund Balance at End of Year | <u>\$ 446,229</u> | <u>\$ 369,847</u> | <u>\$ 964,715</u> | <u>\$ 594,868</u> |

CITY OF NORTHWOOD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Fund
For the Year Ended December 31, 2007**

| | CAPITAL REPLACEMENT FUND | | | Variance with Final Budget Positive (Negative) |
|--|--------------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Municipal Income Taxes | \$ 500,000 | \$ 500,000 | \$ 446,811 | \$ (53,189) |
| All Other Revenues | 10,000 | 10,000 | 0 | (10,000) |
| Total Revenues | <u>510,000</u> | <u>510,000</u> | <u>446,811</u> | <u>(63,189)</u> |
| Expenditures: | | | | |
| Capital Outlay | <u>361,000</u> | <u>378,933</u> | <u>313,308</u> | <u>65,625</u> |
| Total Expenditures | <u>361,000</u> | <u>378,933</u> | <u>313,308</u> | <u>65,625</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 149,000 | 131,067 | 133,503 | 2,436 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | <u>10,000</u> | <u>10,000</u> | <u>500</u> | <u>(9,500)</u> |
| Total Other Financing Sources (Uses) | <u>10,000</u> | <u>10,000</u> | <u>500</u> | <u>(9,500)</u> |
| Net Change in Fund Balance | 159,000 | 141,067 | 134,003 | (7,064) |
| Fund Balance at Beginning of Year | 638,891 | 638,891 | 638,891 | 0 |
| Prior Year Encumbrances | 17,933 | 17,933 | 17,933 | 0 |
| Fund Balance at End of Year | <u>\$ 815,824</u> | <u>\$ 797,891</u> | <u>\$ 790,827</u> | <u>\$ (7,064)</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, 2007***

| STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND | | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 325,000 | \$ 325,000 | \$ 315,297 | \$ (9,703) |
| Investment Earnings | 15,000 | 15,000 | 10,858 | (4,142) |
| Total Revenues | <u>340,000</u> | <u>340,000</u> | <u>326,155</u> | <u>(13,845)</u> |
| Expenditures: | | | | |
| Transportation: | | | | |
| Street Maintenance and Repair: | | | | |
| Personal Services | 189,000 | 189,000 | 175,815 | 13,185 |
| Materials and Supplies | 11,000 | 11,000 | 3,951 | 7,049 |
| Total Street Maintenance and Repair | <u>200,000</u> | <u>200,000</u> | <u>179,766</u> | <u>20,234</u> |
| Snow and Ice Removal: | | | | |
| Personal Services | 13,000 | 13,000 | 10,696 | 2,304 |
| Materials and Supplies | 53,000 | 40,000 | 30,336 | 9,664 |
| Contractual Services | 5,000 | 16,000 | 15,172 | 828 |
| Total Snow and Ice Removal | <u>71,000</u> | <u>69,000</u> | <u>56,204</u> | <u>12,796</u> |
| Traffic Signals and Signs: | | | | |
| Personal Services | 10,000 | 7,500 | 5,841 | 1,659 |
| Materials and Supplies | 5,000 | 5,000 | 4,929 | 71 |
| Contractual Services | 8,000 | 10,500 | 9,236 | 1,264 |
| Total Traffic Signals and Signs | <u>23,000</u> | <u>23,000</u> | <u>20,006</u> | <u>2,994</u> |
| Road Striping: | | | | |
| Personal Services | 3,000 | 6,100 | 5,246 | 854 |
| Materials and Supplies | 3,000 | 1,900 | 1,199 | 701 |
| Total Road Striping | <u>6,000</u> | <u>8,000</u> | <u>6,445</u> | <u>1,555</u> |
| Total Expenditures | <u>300,000</u> | <u>300,000</u> | <u>262,421</u> | <u>37,579</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 40,000 | 40,000 | 63,734 | 23,734 |
| Fund Balance at Beginning of Year | 151,828 | 151,828 | 151,828 | 0 |
| Fund Balance at End of Year | <u>\$ 191,828</u> | <u>\$ 191,828</u> | <u>\$ 215,562</u> | <u>\$ 23,734</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, 2007**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|-----------------|---|
| Revenues: | | | | |
| Other Local Taxes | \$ 18,000 | \$ 18,000 | \$ 16,576 | \$ (1,424) |
| Investment Earnings | 3,000 | 3,000 | 2,172 | (828) |
| Total Revenues | <u>21,000</u> | <u>21,000</u> | <u>18,748</u> | <u>(2,252)</u> |
| Expenditures: | | | | |
| Transportation: | | | | |
| Contractual Services | <u>20,000</u> | <u>20,000</u> | <u>17,300</u> | <u>2,700</u> |
| Total Expenditures | <u>20,000</u> | <u>20,000</u> | <u>17,300</u> | <u>2,700</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,000 | 1,000 | 1,448 | 448 |
| Fund Balance at Beginning of Year | <u>6,938</u> | <u>6,938</u> | <u>6,938</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 7,938</u> | <u>\$ 7,938</u> | <u>\$ 8,386</u> | <u>\$ 448</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, 2007**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 30,000 | \$ 30,000 | \$ 25,564 | \$ (4,436) |
| Investment Earnings | 3,000 | 3,000 | 2,172 | (828) |
| Total Revenues | <u>33,000</u> | <u>33,000</u> | <u>27,736</u> | <u>(5,264)</u> |
| Expenditures: | | | | |
| Transportation: | | | | |
| Street Maintenance and Repair: | | | | |
| Personal Services | 11,000 | 11,000 | 10,585 | 415 |
| Snow and Ice Removal: | | | | |
| Materials and Supplies | 29,900 | 29,900 | 29,900 | 0 |
| Traffic Signals and Signs: | | | | |
| Contractual Services | <u>2,100</u> | <u>2,100</u> | <u>1,483</u> | <u>617</u> |
| Total Expenditures | <u>43,000</u> | <u>43,000</u> | <u>41,968</u> | <u>1,032</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (10,000) | (10,000) | (14,232) | (4,232) |
| Fund Balance at Beginning of Year | <u>42,227</u> | <u>42,227</u> | <u>42,227</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 32,227</u> | <u>\$ 32,227</u> | <u>\$ 27,995</u> | <u>\$ (4,232)</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, 2007**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| Revenues: | | | | |
| Licenses and Permits | \$ 24,000 | \$ 24,000 | \$ 20,046 | \$ (3,954) |
| Investment Earnings | 3,000 | 3,000 | 2,172 | (828) |
| Total Revenues | <u>27,000</u> | <u>27,000</u> | <u>22,218</u> | <u>(4,782)</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Personal Services | 24,000 | 23,500 | 22,401 | 1,099 |
| Materials and Supplies | 1,000 | 1,500 | 953 | 547 |
| Total Expenditures | <u>25,000</u> | <u>25,000</u> | <u>23,354</u> | <u>1,646</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,000 | 2,000 | (1,136) | (3,136) |
| Fund Balance at Beginning of Year | 14,171 | 14,171 | 14,171 | 0 |
| Fund Balance at End of Year | <u>\$ 16,171</u> | <u>\$ 16,171</u> | <u>\$ 13,035</u> | <u>\$ (3,136)</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, 2007**

| | DRUG FINE FUND | | | |
|--|-----------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Revenues: | | | | |
| Fines and Forfeitures | \$ 4,000 | \$ 4,000 | \$ 625 | \$ (3,375) |
| Total Revenues | <u>4,000</u> | <u>4,000</u> | <u>625</u> | <u>(3,375)</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Capital Outlay | 4,000 | 4,000 | 2,118 | 1,882 |
| Total Expenditures | <u>4,000</u> | <u>4,000</u> | <u>2,118</u> | <u>1,882</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | (1,493) | (1,493) |
| Fund Balance at Beginning of Year | 5,437 | 5,437 | 5,437 | 0 |
| Fund Balance at End of Year | <u>\$ 5,437</u> | <u>\$ 5,437</u> | <u>\$ 3,944</u> | <u>\$ (1,493)</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, 2007**

| | SPECIAL LAW ENFORCEMENT FUND | | | Variance with Final Budget Positive (Negative) |
|--|------------------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Investment Earnings | \$ 3,000 | \$ 3,000 | \$ 2,172 | \$ (828) |
| Fines and Forfeitures | 5,000 | 5,000 | 1,148 | (3,852) |
| Total Revenues | <u>8,000</u> | <u>8,000</u> | <u>3,320</u> | <u>(4,680)</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Materials and Supplies | 1,000 | 1,000 | 147 | 853 |
| Contractual Services | 2,000 | 2,000 | 0 | 2,000 |
| Capital Outlay | 2,000 | 2,000 | 0 | 2,000 |
| Total Expenditures | <u>5,000</u> | <u>5,000</u> | <u>147</u> | <u>4,853</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,000 | 3,000 | 3,173 | 173 |
| Fund Balance at Beginning of Year | 8,772 | 8,772 | 8,772 | 0 |
| Fund Balance at End of Year | <u>\$ 11,772</u> | <u>\$ 11,772</u> | <u>\$ 11,945</u> | <u>\$ 173</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, 2007***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|-----------------|---|
| Revenues: | | | | |
| Fines and Forfeitures | \$ 2,000 | \$ 2,000 | \$ 809 | \$ (1,191) |
| Total Revenues | <u>2,000</u> | <u>2,000</u> | <u>809</u> | <u>(1,191)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Materials and Supplies | <u>5,000</u> | <u>5,000</u> | <u>1,930</u> | <u>3,070</u> |
| Total Expenditures | <u>5,000</u> | <u>5,000</u> | <u>1,930</u> | <u>3,070</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,000) | (3,000) | (1,121) | 1,879 |
| Fund Balance at Beginning of Year | <u>7,899</u> | <u>7,899</u> | <u>7,899</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 4,899</u> | <u>\$ 4,899</u> | <u>\$ 6,778</u> | <u>\$ 1,879</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, 2007**

| | COMPUTERIZED RESEARCH FUND | | | Variance with Final Budget Positive (Negative) |
|--|-----------------------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Fines and Forfeitures | \$ 18,000 | \$ 18,000 | \$ 14,632 | \$ (3,368) |
| Total Revenues | <u>18,000</u> | <u>18,000</u> | <u>14,632</u> | <u>(3,368)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Materials and Supplies | 0 | 3,000 | 2,721 | 279 |
| Capital Outlay | 40,000 | 57,000 | 53,577 | 3,423 |
| Total Expenditures | <u>40,000</u> | <u>60,000</u> | <u>56,298</u> | <u>3,702</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (22,000) | (42,000) | (41,666) | 334 |
| Fund Balance at Beginning of Year | 55,188 | 55,188 | 55,188 | 0 |
| Fund Balance at End of Year | <u>\$ 33,188</u> | <u>\$ 13,188</u> | <u>\$ 13,522</u> | <u>\$ 334</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, 2007**

| | CHIP CDBG FUND | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 54,000 | \$ 54,000 | \$ 48,557 | \$ (5,443) |
| Total Revenues | <u>54,000</u> | <u>54,000</u> | <u>48,557</u> | <u>(5,443)</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Capital Outlay | <u>54,000</u> | <u>54,000</u> | <u>43,687</u> | <u>10,313</u> |
| Total Expenditures | <u>54,000</u> | <u>54,000</u> | <u>43,687</u> | <u>10,313</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 4,870 | 4,870 |
| Fund Balance at Beginning of Year | <u>97,904</u> | <u>97,904</u> | <u>97,904</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 97,904</u> | <u>\$ 97,904</u> | <u>\$ 102,774</u> | <u>\$ 4,870</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, 2007**

| | CHIP HOME FUND | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 344,900 | \$ 344,900 | \$ 294,584 | \$ (50,316) |
| Total Revenues | <u>344,900</u> | <u>344,900</u> | <u>294,584</u> | <u>(50,316)</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Capital Outlay | <u>344,678</u> | <u>344,678</u> | <u>294,719</u> | <u>49,959</u> |
| Total Expenditures | <u>344,678</u> | <u>344,678</u> | <u>294,719</u> | <u>49,959</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 222 | 222 | (135) | (357) |
| Fund Balance at Beginning of Year | <u>96,954</u> | <u>96,954</u> | <u>96,954</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 97,176</u> | <u>\$ 97,176</u> | <u>\$ 96,819</u> | <u>\$ (357)</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, 2007**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|---------------|---------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 78,102 | \$ 78,102 | \$ 63,965 | \$ (14,137) |
| Total Revenues | <u>78,102</u> | <u>78,102</u> | <u>63,965</u> | <u>(14,137)</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Capital Outlay | <u>78,102</u> | <u>78,102</u> | <u>63,965</u> | <u>14,137</u> |
| Total Expenditures | <u>78,102</u> | <u>78,102</u> | <u>63,965</u> | <u>14,137</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</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, 2007**

| | WATER FUND | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Charges for Services | \$ 390,000 | \$ 390,000 | \$ 337,465 | \$ (52,535) |
| Total Revenues | <u>390,000</u> | <u>390,000</u> | <u>337,465</u> | <u>(52,535)</u> |
| Expenditures: | | | | |
| Basic Utility Services: | | | | |
| Personal Services | 38,000 | 28,000 | 18,011 | 9,989 |
| Contractual Services | 25,000 | 25,000 | 11,368 | 13,632 |
| Capital Outlay | 350,000 | 360,000 | 347,738 | 12,262 |
| Total Expenditures | <u>413,000</u> | <u>413,000</u> | <u>377,117</u> | <u>35,883</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (23,000) | (23,000) | (39,652) | (16,652) |
| 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 | (23,000) | (23,000) | (39,652) | (16,652) |
| Fund Balance at Beginning of Year | 272,934 | 272,934 | 272,934 | 0 |
| Fund Balance at End of Year | <u>\$ 249,934</u> | <u>\$ 249,934</u> | <u>\$ 233,282</u> | <u>\$ (16,652)</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, 2007**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|-------------------|---|
| Revenues: | | | | |
| Charges for Services | \$ 30,000 | \$ 30,000 | \$ 23,461 | \$ (6,539) |
| Investment Earnings | 3,000 | 3,000 | 2,172 | (828) |
| Total Revenues | <u>33,000</u> | <u>33,000</u> | <u>25,633</u> | <u>(7,367)</u> |
| Expenditures: | | | | |
| Basic Utility Services: | | | | |
| Personal Services | 12,000 | 12,000 | 2,907 | 9,093 |
| Materials and Supplies | 3,000 | 0 | 0 | 0 |
| Contractual Services | 5,000 | 0 | 0 | 0 |
| Capital Outlay | 10,000 | 18,000 | 17,156 | 844 |
| Total Expenditures | <u>30,000</u> | <u>30,000</u> | <u>20,063</u> | <u>9,937</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,000 | 3,000 | 5,570 | 2,570 |
| Fund Balance at Beginning of Year | 293,853 | 293,853 | 293,853 | 0 |
| Fund Balance at End of Year | <u>\$ 296,853</u> | <u>\$ 296,853</u> | <u>\$ 299,423</u> | <u>\$ 2,570</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, 2007**

| | 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>59,882</u> | <u>59,882</u> | <u>59,882</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 60,882</u> | <u>\$ 60,882</u> | <u>\$ 65,353</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 Special Revenue Funds
For the Year Ended December 31, 2007**

WATER MAINTENANCE - HOMECRAFT FUND

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| Revenues: | | | | |
| Charges for Services | \$ 25,000 | \$ 25,000 | \$ 20,500 | \$ (4,500) |
| Total Revenues | <u>25,000</u> | <u>25,000</u> | <u>20,500</u> | <u>(4,500)</u> |
| Expenditures: | | | | |
| Basic Utility Services: | | | | |
| Personal Services | 3,000 | 13,000 | 5,411 | 7,589 |
| Capital Outlay | <u>27,000</u> | <u>17,000</u> | <u>8,836</u> | <u>8,164</u> |
| Total Expenditures | <u>30,000</u> | <u>30,000</u> | <u>14,247</u> | <u>15,753</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,000) | (5,000) | 6,253 | 11,253 |
| Fund Balance at Beginning of Year | <u>27,106</u> | <u>27,106</u> | <u>27,106</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 22,106</u> | <u>\$ 22,106</u> | <u>\$ 33,359</u> | <u>\$ 11,253</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, 2007**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| Revenues: | | | | |
| Other Local Taxes | \$ 12,500 | \$ 12,500 | \$ 3,500 | \$ (9,000) |
| Intergovernmental Revenues | 2,500 | 2,500 | 0 | (2,500) |
| Donations | 10,000 | 10,000 | 0 | (10,000) |
| Total Revenues | <u>25,000</u> | <u>25,000</u> | <u>3,500</u> | <u>(21,500)</u> |
| Expenditures: | | | | |
| Capital Outlay | 20,000 | 20,000 | 0 | 20,000 |
| Total Expenditures | <u>20,000</u> | <u>20,000</u> | <u>0</u> | <u>20,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 5,000 | 5,000 | 3,500 | (1,500) |
| Fund Balance at Beginning of Year | <u>57,606</u> | <u>57,606</u> | <u>57,606</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 62,606</u> | <u>\$ 62,606</u> | <u>\$ 61,106</u> | <u>\$ (1,500)</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, 2007***

| | Balance December 31, 2006 | Additions | Deductions | Balance December 31, 2007 |
|---------------------------|---------------------------------|------------------|--------------------|---------------------------------|
| <u>Mayor's Court Fund</u> | | | | |
| Cash and Cash Equivalents | \$1,084 | \$196,649 | (\$197,110) | \$623 |
| Total Assets | <u>\$1,084</u> | <u>\$196,649</u> | <u>(\$197,110)</u> | <u>\$623</u> |
| Liabilities: | | | | |
| Due to Others | \$1,084 | \$196,649 | (\$197,110) | \$623 |
| Total Liabilities | <u>\$1,084</u> | <u>\$196,649</u> | <u>(\$197,110)</u> | <u>\$623</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, 2007***

Capital Assets:

| | |
|--|----------------------------|
| Land | \$407,945 |
| Land Improvements | 33,100 |
| Buildings and Improvements | 3,752,549 |
| Machinery, Equipment, Furniture and Fixtures | 652,064 |
| Vehicles | 2,018,074 |
| Infrastructure | <u>3,326,654</u> |
| Total Capital Assets | <u><u>\$10,190,386</u></u> |

Investment in Capital Assets from:

| | |
|------------------------|----------------------------|
| Capital Projects Funds | <u><u>\$10,190,386</u></u> |
|------------------------|----------------------------|

CITY OF NORTHWOOD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2007***

| <u>Function and Activity</u> | <u>Land</u> | <u>Land Improvements</u> | <u>Buildings and Improvements</u> | <u>Machinery, Equipment, Furniture and Fixtures</u> |
|--|------------------|------------------------------|---|---|
| <u>General Government:</u> | | | | |
| Finance | \$0 | \$0 | \$0 | \$16,814 |
| Administration | 0 | 0 | 0 | 0 |
| Public Land and Buildings | 407,945 | 33,100 | 3,752,549 | 19,428 |
| Total | 407,945 | 33,100 | 3,752,549 | 36,242 |
| <u>Security of Persons and Property:</u> | | | | |
| Police | 0 | 0 | 0 | 162,802 |
| Fire | 0 | 0 | 0 | 246,337 |
| Total | 0 | 0 | 0 | 409,139 |
| <u>Transportation:</u> | | | | |
| Street | 0 | 0 | 0 | 99,804 |
| <u>Basic Utility Services:</u> | | | | |
| Storms, Sewers and Drains | 0 | 0 | 0 | 0 |
| <u>Leisure Time Activities:</u> | | | | |
| Parks | 0 | 0 | 0 | 59,149 |
| <u>Community Environment:</u> | | | | |
| Brush Pickup | 0 | 0 | 0 | 47,730 |
| Total Capital Assets | <u>\$407,945</u> | <u>\$33,100</u> | <u>\$3,752,549</u> | <u>\$652,064</u> |

CITY OF NORTHWOOD, OHIO

| <u>Vehicles</u> | <u>Infrastructure</u> | <u>Total</u> |
|--------------------|-----------------------|---------------------|
| \$0 | \$0 | \$16,814 |
| 18,724 | 0 | 18,724 |
| <u>82,247</u> | <u>24,500</u> | <u>4,319,769</u> |
| <u>100,971</u> | <u>24,500</u> | <u>4,355,307</u> |
| 244,097 | 0 | 406,899 |
| <u>962,267</u> | <u>0</u> | <u>1,208,604</u> |
| <u>1,206,364</u> | <u>0</u> | <u>1,615,503</u> |
| 710,739 | 2,422,178 | 3,232,721 |
| 0 | 754,239 | 754,239 |
| 0 | 125,737 | 184,886 |
| <u>0</u> | <u>0</u> | <u>47,730</u> |
| <u>\$2,018,074</u> | <u>\$3,326,654</u> | <u>\$10,190,386</u> |

CITY OF NORTHWOOD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For Year Ended December 31, 2007***

| Function and Activity | December 31, 2006 | Additions | Deletions | December 31, 2007 |
|--|----------------------|--------------------|--------------------|----------------------|
| <u>General Government:</u> | | | | |
| Finance | \$16,814 | \$0 | \$0 | \$16,814 |
| Administration | 18,724 | 0 | 0 | 18,724 |
| Public Land and Buildings | 4,026,963 | 292,806 | 0 | 4,319,769 |
| Total | <u>4,062,501</u> | <u>292,806</u> | <u>0</u> | <u>4,355,307</u> |
| <u>Security of Persons and Property:</u> | | | | |
| Police | 439,261 | 58,691 | (91,053) | 406,899 |
| Fire | 1,208,260 | 23,150 | (22,806) | 1,208,604 |
| Total | <u>1,647,521</u> | <u>81,841</u> | <u>(113,859)</u> | <u>1,615,503</u> |
| <u>Transportation:</u> | | | | |
| Street | 2,839,577 | 432,484 | (39,340) | 3,232,721 |
| <u>Basic Utility Services:</u> | | | | |
| Storms, Sewers and Drains | 484,066 | 270,173 | 0 | 754,239 |
| <u>Leisure Time Activities:</u> | | | | |
| Parks | 184,886 | 0 | 0 | 184,886 |
| <u>Community Environment:</u> | | | | |
| Brush Pickup | 47,730 | 0 | 0 | 47,730 |
| Total Capital Assets | <u>\$9,266,281</u> | <u>\$1,077,304</u> | <u>(\$153,199)</u> | <u>\$10,190,386</u> |

STATISTICAL TABLES

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

Contents

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

City of Northwood

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

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

Source: Finance Director's Office

City of Northwood

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

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

Source: Finance Director's Office

City of Northwood

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

| | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> |
|---|-------------------------|---------------------------|-------------------------|---------------------------|
| General Fund | | | | |
| Reserved | \$92,558 | \$113,657 | \$45,985 | \$44,759 |
| Unreserved | <u>599,617</u> | <u>459,760</u> | <u>491,096</u> | <u>616,503</u> |
| <i>Total General Fund</i> | <u>692,175</u> | <u>573,417</u> | <u>537,081</u> | <u>661,262</u> |
| All Other Governmental Funds | | | | |
| Reserved | 103,525 | 257,908 | 106,800 | 209,498 |
| Unreserved, Undesignated, Reported in: | | | | |
| Special Revenue Funds | 366,573 | 364,109 | 530,518 | 546,349 |
| Debt Service Funds | 0 | 0 | 0 | 0 |
| Capital Projects Funds | <u>(341,383)</u> | <u>(139,210)</u> | <u>(387,004)</u> | <u>(109,427)</u> |
| Total All Other Governmental Funds | <u>128,715</u> | <u>482,807</u> | <u>250,314</u> | <u>646,420</u> |
| <i>Total Governmental Funds</i> | <u><u>\$820,890</u></u> | <u><u>\$1,056,224</u></u> | <u><u>\$787,395</u></u> | <u><u>\$1,307,682</u></u> |

Source: Finance Director's Office

City of Northwood

| <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$78,250 | \$72,369 | \$67,303 | \$79,110 | \$79,646 | \$71,392 |
| <u>464,882</u> | <u>466,752</u> | <u>590,583</u> | <u>989,091</u> | <u>1,238,679</u> | <u>1,659,957</u> |
| <u>543,132</u> | <u>539,121</u> | <u>657,886</u> | <u>1,068,201</u> | <u>1,318,325</u> | <u>1,731,349</u> |
| 74,116 | 64,771 | 137,056 | 397,302 | 266,399 | 215,849 |
| 669,820 | 883,911 | 461,813 | 944,798 | 1,070,624 | 1,112,965 |
| 0 | 0 | 0 | 0 | 26,487 | 125,182 |
| <u>292,325</u> | <u>990,530</u> | <u>1,339,196</u> | <u>1,638,569</u> | <u>1,810,665</u> | <u>2,043,330</u> |
| <u>1,036,261</u> | <u>1,939,212</u> | <u>1,938,065</u> | <u>2,980,669</u> | <u>3,174,175</u> | <u>3,497,326</u> |
| <u>\$1,579,393</u> | <u>\$2,478,333</u> | <u>\$2,595,951</u> | <u>\$4,048,870</u> | <u>\$4,492,500</u> | <u>\$5,228,675</u> |

City of Northwood

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

| | 1998 | 1999 | 2000 | 2001 |
|--|------------------|------------------|------------------|------------------|
| Revenues: | | | | |
| Taxes | \$3,195,461 | \$3,260,962 | \$3,395,940 | \$3,428,408 |
| Intergovernmental Revenues | 1,348,196 | 1,284,364 | 1,566,188 | 1,210,778 |
| Charges for Services | 47,145 | 46,147 | 205,864 | 103,350 |
| Licenses, Permits and Fees | 229,021 | 257,746 | 231,595 | 357,962 |
| Investment Earnings | 87,354 | 67,598 | 119,399 | 79,602 |
| Special Assessments | 87,335 | 84,055 | 81,469 | 80,034 |
| Fines and Forfeitures | 309,574 | 281,115 | 208,583 | 193,317 |
| Donations | 200,710 | 639 | 426,236 | 5,312 |
| All Other Revenue | 103,022 | 58,270 | 51,061 | 75,444 |
| Total Revenue | 5,607,818 | 5,340,896 | 6,286,335 | 5,534,207 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 1,784,433 | 1,976,336 | 2,120,072 | 2,149,659 |
| Public Health and Welfare Services | 6,340 | 6,200 | 6,002 | 6,325 |
| Leisure Time Activities | 95,323 | 93,451 | 95,045 | 75,303 |
| Community Environment | 177,893 | 149,643 | 119,711 | 146,698 |
| Basic Utility Services | 66,372 | 42,194 | 61,485 | 48,769 |
| Transportation | 354,503 | 387,917 | 407,742 | 406,330 |
| General Government | 998,920 | 1,158,867 | 1,139,537 | 1,233,798 |
| Capital Outlay | 1,476,331 | 1,575,790 | 2,308,269 | 1,036,862 |
| Debt Service: | | | | |
| Principal Retirement | 101,224 | 118,428 | 134,236 | 180,306 |
| Interest and Fiscal Charges | 117,880 | 139,667 | 130,695 | 125,222 |
| Total Expenditures | 5,179,219 | 5,648,493 | 6,522,794 | 5,409,272 |
| Excess (Deficiency) of Revenues Over Expenditures | 428,599 | (307,597) | (236,459) | 124,935 |

City of Northwood

| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$3,760,756 | \$4,358,846 | \$4,314,284 | \$4,470,044 | \$4,752,120 | \$4,760,809 |
| 1,050,188 | 1,069,965 | 1,257,237 | 1,609,116 | 1,435,315 | 2,115,238 |
| 143,954 | 315,978 | 356,852 | 389,794 | 425,805 | 467,096 |
| 426,867 | 320,173 | 442,158 | 350,593 | 206,052 | 213,636 |
| 51,373 | 29,889 | 36,055 | 109,416 | 213,501 | 217,168 |
| 83,753 | 78,894 | 100,731 | 116,337 | 113,540 | 112,938 |
| 202,845 | 160,275 | 183,732 | 480,941 | 347,983 | 215,554 |
| 4,644 | 2,550 | 12,260 | 16,287 | 2,925 | 142,250 |
| 95,870 | 54,185 | 125,768 | 84,135 | 72,294 | 89,977 |
| <u>5,820,250</u> | <u>6,390,755</u> | <u>6,829,077</u> | <u>7,626,663</u> | <u>7,569,535</u> | <u>8,334,666</u> |
| 2,217,835 | 2,387,311 | 2,471,232 | 2,680,788 | 2,669,816 | 2,754,757 |
| 7,937 | 7,923 | 7,919 | 6,976 | 7,256 | 7,869 |
| 79,701 | 77,602 | 76,855 | 75,929 | 72,183 | 87,164 |
| 162,908 | 163,911 | 446,489 | 325,469 | 264,879 | 574,272 |
| 48,460 | 81,488 | 628,619 | 51,834 | 338,972 | 405,668 |
| 429,463 | 487,007 | 454,210 | 511,382 | 466,844 | 519,115 |
| 1,257,868 | 1,281,256 | 1,368,328 | 1,333,162 | 1,463,430 | 1,679,704 |
| 1,045,270 | 847,258 | 1,102,567 | 1,777,387 | 1,633,065 | 3,568,027 |
| 198,747 | 82,866 | 86,888 | 111,556 | 108,426 | 120,405 |
| 100,787 | 80,752 | 71,983 | 100,724 | 92,658 | 83,363 |
| <u>5,548,976</u> | <u>5,497,374</u> | <u>6,715,090</u> | <u>6,975,207</u> | <u>7,117,529</u> | <u>9,800,344</u> |
| 271,274 | 893,381 | 113,987 | 651,456 | 452,006 | (1,465,678) |

(Continued)

City of Northwood

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

| | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> |
|--|--------------------|------------------|--------------------|------------------|
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 6,800 | 2,802 | 12,876 | 3,232 |
| Proceeds from Capital Leases | 0 | 213,114 | 0 | 0 |
| Ohio Public Works Commission Loan | 0 | 187,790 | 0 | 0 |
| Ohio Water Development Authority Loans | 689,756 | 59,728 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 0 | 0 | 0 |
| Transfers In | 373,674 | 345,313 | 1,020,384 | 627,681 |
| Transfers Out | (373,674) | (345,313) | (1,020,384) | (627,681) |
| Total Other Financing Sources (Uses) | <u>696,556</u> | <u>463,434</u> | <u>12,876</u> | <u>3,232</u> |
| Net Change in Fund Balance | <u>\$1,125,155</u> | <u>\$155,837</u> | <u>(\$223,583)</u> | <u>\$128,167</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 4.63% | 5.25% | 4.51% | 7.13% |

Source: Finance Director's Office

City of Northwood

| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------|------------------|------------------|--------------------|------------------|------------------|
| 5,185 | 8,000 | 9,100 | 0 | 0 | 500 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 800,000 | 0 | 2,200,000 |
| 411,410 | 324,000 | 229,000 | 289,000 | 364,000 | 294,000 |
| (411,410) | (324,000) | (229,000) | (289,000) | (364,000) | (294,000) |
| <u>5,185</u> | <u>8,000</u> | <u>9,100</u> | <u>800,000</u> | <u>0</u> | <u>2,200,500</u> |
| <u>\$276,459</u> | <u>\$901,381</u> | <u>\$123,087</u> | <u>\$1,451,456</u> | <u>\$452,006</u> | <u>\$734,822</u> |
| 6.00% | 3.26% | 2.91% | 4.32% | 3.85% | 2.39% |

City of Northwood

Income Tax Revenues by Source, Governmental Funds Last Ten Years

| Tax year | 1998 | 1999 | 2000 | 2001 | 2002 |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Income Tax Rate | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| Total Tax Collected | \$2,676,214 | \$3,040,364 | \$3,243,746 | \$3,345,682 | \$3,571,190 |
| Income Tax Receipts | | | | | |
| Withholding Accounts | 2,048,425 | 2,379,530 | 2,619,656 | 2,768,936 | 2,941,091 |
| Percentage | 76.5% | 78.3% | 80.7% | 82.8% | 82.4% |
| Business Accounts | 392,896 | 404,758 | 371,890 | 305,272 | 358,442 |
| Percentage | 14.7% | 13.3% | 11.5% | 9.1% | 10.0% |
| Residential Accounts | 234,892 | 256,076 | 252,199 | 271,474 | 271,658 |
| Percentage | 8.8% | 8.4% | 7.8% | 8.1% | 7.6% |

Source: City Income Tax Department

City of Northwood

| 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------|-------------|-------------|-------------|-------------|
| 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| \$4,046,253 | \$4,127,618 | \$4,304,522 | \$4,478,459 | \$4,433,918 |
| 3,169,189 | 3,148,326 | 3,271,490 | 3,398,217 | 3,540,483 |
| 78.3% | 76.3% | 76.0% | 75.9% | 79.9% |
| 602,134 | 694,875 | 764,568 | 808,377 | 626,095 |
| 14.9% | 16.8% | 17.8% | 18.1% | 14.1% |
| 274,931 | 284,416 | 268,463 | 271,865 | 267,340 |
| 6.8% | 6.9% | 6.2% | 6.0% | 5.9% |



City of Northwood

Income Tax Collections Current Year and One Year Ago

| Calendar Year 2007 | | | | |
|--------------------|---------------------|---------------------|----------------------------|----------------------|
| | Number of Filers | Percent of Total | Local Taxable Income | Percent of Income |
| Top Ten | 10 | 0.49% | \$3,778,263 | 3.98% |
| All Others | 2,030 | 99.51% | 91,077,805 | 96.02% |
| Total | 2,040 | 100.00% | \$94,856,068 | 100.00% |

| Local Taxes Paid by Residents | Tax Dollars |
|--|-------------|
| Taxes Paid to Northwood | \$562,062 |
| Taxes Credited to Other Municipalities | 860,779 |
| | \$1,422,841 |

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

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

Source: City Income Tax Department

Information is not available in this format prior to 2006.

City of Northwood

Ratio of Outstanding Debt By Type Last Ten Years

| | 1998 | 1999 | 2000 | 2001 |
|--|--------------------|--------------------|--------------------|--------------------|
| Governmental Activities ⁽¹⁾ | | | | |
| General Obligation Bonds Payable | \$420,000 | \$325,000 | \$225,000 | \$115,000 |
| General Obligation Bonds Payable (TIF Supported) | 0 | 0 | 0 | 0 |
| OPWC Loan Payable | 0 | 187,790 | 178,400 | 169,010 |
| OWDA Loans Payable | 747,594 | 783,894 | 1,126,741 | 1,106,213 |
| Capital Leases | 0 | 213,114 | 174,743 | 134,355 |
| Total Primary Government | <u>\$1,167,594</u> | <u>\$1,509,798</u> | <u>\$1,704,884</u> | <u>\$1,524,578</u> |
| Population ⁽²⁾ | | | | |
| City of Northwood | 6,124 | 6,124 | 5,471 | 5,484 |
| Outstanding Debt Per Capita | \$191 | \$247 | \$312 | \$278 |
| Income ⁽³⁾ | | | | |
| Personal (in thousands) | 159,353 | 162,078 | 149,610 | 149,061 |
| Percentage of Personal Income | 0.73% | 0.93% | 1.14% | 1.02% |

Sources:

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

City of Northwood

| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$0 | \$0 | \$0 | \$730,000 | \$665,000 | \$590,000 |
| 0 | 0 | 0 | 0 | 0 | 2,200,000 |
| 154,925 | 145,535 | 136,145 | 126,755 | 117,365 | 107,975 |
| 1,079,062 | 1,050,332 | 1,019,932 | 987,766 | 953,730 | 917,715 |
| 91,844 | 47,098 | 0 | 0 | 0 | 0 |
| <u>\$1,325,831</u> | <u>\$1,242,965</u> | <u>\$1,156,077</u> | <u>\$1,844,521</u> | <u>\$1,736,095</u> | <u>\$3,815,690</u> |
| 5,484 | 5,484 | 5,484 | 5,493 | 5,493 | 5,493 |
| \$242 | \$227 | \$211 | \$336 | \$316 | \$695 |
| 151,836 | 159,031 | 161,635 | 166,811 | 175,655 | 175,655 |
| 0.87% | 0.78% | 0.72% | 1.11% | 0.99% | 2.17% |

City of Northwood

Ratios of General Bonded Debt Outstanding Last Ten Years

| Year | 1998 | 1999 | 2000 | 2001 |
|--|--------------|---------------|---------------|---------------|
| Population ⁽¹⁾ | 6,124 | 6,124 | 5,471 | 5,484 |
| Assessed Value ⁽²⁾ | \$95,043,201 | \$125,343,232 | \$130,617,313 | \$130,325,470 |
| General Bonded Debt ⁽³⁾ | | | | |
| General Obligation Bonds | \$420,000 | \$325,000 | \$225,000 | \$115,000 |
| Resources Available to Pay Principal ⁽⁴⁾ | \$40,582 | \$6,447 | \$31,023 | \$59,646 |
| Net General Bonded Debt | \$379,418 | \$318,553 | \$193,977 | \$55,354 |
| Ratio of Net Bonded Debt to Assessed Value | 0.40% | 0.25% | 0.15% | 0.04% |
| Net Bonded Debt per Capita | \$61.96 | \$52.02 | \$35.46 | \$10.09 |

Source:

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

(2) Wood County Auditor

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

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

City of Northwood

| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 5,484 | 5,484 | 5,484 | 5,493 | 5,493 | 5,493 |
| \$139,227,495 | \$138,941,800 | \$141,109,588 | \$153,781,028 | \$149,509,617 | \$139,923,694 |
| \$0 | \$0 | \$0 | \$730,000 | \$665,000 | \$2,790,000 |
| \$48,818 | \$43,481 | \$71,677 | \$56,239 | \$26,487 | \$125,182 |
| \$0 | \$0 | \$0 | \$673,761 | \$638,513 | \$2,664,818 |
| 0.00% | 0.00% | 0.00% | 0.44% | 0.43% | 1.90% |
| \$0.00 | \$0.00 | \$0.00 | \$122.66 | \$116.24 | \$485.13 |



City of Northwood

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2007*

| <u>Jurisdiction</u> | <u>Gross Debt Outstanding</u> | <u>Percentage Applicable to the City of Northwood</u> | <u>Amount Applicable to the City of Northwood</u> |
|---------------------------|-----------------------------------|---|---|
| Direct: | | | |
| City of Northwood | \$2,790,000 | 100.00% | \$2,790,000 |
| Overlapping: | | | |
| Northwood School District | 1,699,843 | 100.00% | 1,699,843 |
| Wood County | 5,845,125 | 5.00% | <u>292,256</u> |
| | | Subtotal | <u>1,992,099</u> |
| | | Total | <u><u>\$4,782,099</u></u> |

Source: Wood County

City of Northwood

Debt Limitations Last Ten Years

| Collection Year | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> |
|--|--------------------|---------------------|---------------------|---------------------|
| Total Debt | | | | |
| Net Assessed Valuation | \$95,043,201 | \$125,343,232 | \$130,617,313 | \$130,325,470 |
| Legal Debt Limitation (%) (1) | 10.50% | 10.50% | 10.50% | 10.50% |
| Legal Debt Limitation (\$) (1) | 9,979,536 | 13,161,039 | 13,714,818 | 13,684,174 |
| City Debt Outstanding | 1,430,000 | 1,225,000 | 1,025,000 | 815,000 |
| Less: Applicable Debt Service Fund Amounts (2) | (41,579) | (6,447) | (31,023) | (59,646) |
| Net Indebtedness Subject to Limitation | <u>1,388,421</u> | <u>1,218,553</u> | <u>993,977</u> | <u>755,354</u> |
| Overall Legal Debt Margin | <u>\$8,591,115</u> | <u>\$11,942,486</u> | <u>\$12,720,841</u> | <u>\$12,928,820</u> |
| Unvoted Debt | | | | |
| Net Assessed Valuation | \$95,043,201 | \$125,343,232 | \$130,617,313 | \$130,325,470 |
| Legal Debt Limitation (%) (1) | 5.50% | 5.50% | 5.50% | 5.50% |
| Legal Debt Limitation (\$) (1) | 5,227,376 | 6,893,878 | 7,183,952 | 7,167,901 |
| City Debt Outstanding | 1,430,000 | 1,225,000 | 1,025,000 | 815,000 |
| Less: Applicable Debt Service Fund Amounts (2) | (41,579) | (6,447) | (31,023) | (59,646) |
| Net Indebtedness Subject to Limitation | <u>1,388,421</u> | <u>1,218,553</u> | <u>993,977</u> | <u>755,354</u> |
| Overall Legal Debt Margin | <u>\$3,838,955</u> | <u>\$5,675,325</u> | <u>\$6,189,975</u> | <u>\$6,412,547</u> |

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

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

Source: Finance Director's Office

City of Northwood

| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$139,227,495 | \$138,941,800 | \$141,109,588 | \$153,781,028 | \$149,509,617 | \$139,923,694 |
| 10.50% | 10.50% | 10.50% | 10.50% | 10.50% | 10.50% |
| 14,618,887 | 14,588,889 | 14,816,507 | 16,147,008 | 15,698,510 | 14,691,988 |
| 600,000 | 400,000 | 300,000 | 930,000 | 665,000 | 2,790,000 |
| (48,818) | (43,481) | (71,677) | (56,239) | (26,487) | (125,182) |
| 551,182 | 356,519 | 228,323 | 873,761 | 638,513 | 2,664,818 |
| <u>\$14,067,705</u> | <u>\$14,232,370</u> | <u>\$14,588,184</u> | <u>\$15,273,247</u> | <u>\$15,059,997</u> | <u>\$12,027,170</u> |
| | | | | | |
| \$139,227,495 | \$138,941,800 | \$141,109,588 | \$153,781,028 | \$149,509,617 | \$139,923,694 |
| 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |
| 7,657,512 | 7,641,799 | 7,761,027 | 8,457,957 | 8,223,029 | 7,695,803 |
| 600,000 | 400,000 | 300,000 | 930,000 | 665,000 | 2,790,000 |
| (48,818) | (43,481) | (71,677) | (56,239) | (26,487) | (125,182) |
| 551,182 | 356,519 | 228,323 | 873,761 | 638,513 | 2,664,818 |
| <u>\$7,106,330</u> | <u>\$7,285,280</u> | <u>\$7,532,704</u> | <u>\$7,584,196</u> | <u>\$7,584,516</u> | <u>\$5,030,985</u> |

City of Northwood

Demographic and Economic Statistics Last Ten Years

| Calendar Year | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-----------|-----------|-----------|-----------|-----------|
| Population (1) | | | | | |
| City of Northwood | 6,124 | 6,124 | 5,471 | 5,484 | 5,484 |
| Wood County | 113,269 | 113,269 | 121,065 | 121,065 | 121,065 |
| Income (2) (a) | | | | | |
| Total Personal (in thousands) | 159,353 | 162,078 | 149,610 | 149,061 | 151,836 |
| Per Capita | 26,021 | 26,466 | 27,346 | 27,181 | 27,687 |
| Unemployment Rate (3) | | | | | |
| Federal | 4.9% | 4.5% | 4.2% | 3.8% | 4.8% |
| State | 4.6% | 4.3% | 4.3% | 3.7% | 4.3% |
| Wood County | 3.3% | 3.5% | 3.2% | 3.5% | 4.8% |
| Civilian Work Force Estimates (3) | | | | | |
| State | 5,678,000 | 5,749,000 | 5,900,400 | 5,857,000 | 5,828,000 |
| Wood County | 65,500 | 67,100 | 67,700 | 68,400 | 67,600 |

Sources:

- (1) Ohio Department of Job and Family Services - Estimate
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2006 for the presentation of 2007 statistics, the City is using the latest information available.
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics

City of Northwood

| <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|-------------|-------------|-------------|-------------|-------------|
| 5,484 | 5,484 | 5,493 | 5,493 | 5,493 |
| 121,065 | 121,065 | 123,929 | 123,929 | 123,929 |
| 159,031 | 161,635 | 166,811 | 175,655 | 175,655 |
| 28,999 | 29,474 | 30,368 | 31,978 | 31,978 |
| 5.8% | 6.0% | 5.5% | 5.0% | 4.6% |
| 5.7% | 6.1% | 6.0% | 5.9% | 5.6% |
| 5.4% | 5.6% | 5.6% | 5.2% | 5.4% |
| 5,915,000 | 5,875,300 | 5,900,400 | 5,971,500 | 5,976,500 |
| 68,000 | 66,800 | 67,000 | 68,400 | 68,600 |



City of Northwood

Principal Employers Current Year and Nine Years Ago

| Employer | Nature of Business | 2007 | |
|------------------------------|----------------------------|------------------------|------|
| | | Number of Employees | Rank |
| Norplas Industries | Automotive Parts | 561 | 1 |
| Sofres Intersearch Corp | Research | 534 | 2 |
| Interstate Brands | Bakery Distribution Center | 240 | 3 |
| Hoover Universal | Automotive Parts | 231 | 4 |
| Andersons | Retail | 200 | 5 |
| North American Science | Medical Equipment Testing | 190 | 6 |
| Northwood Board of Education | Education | 126 | 7 |
| Malcolm Meats | Meat Processing | 122 | 8 |
| Federal Express | Shipping | 115 | 9 |
| Pilkington | Glass Manufacturing | 110 | 10 |
| Total | | 2,429 | |

| Employer | Nature of Business | 1998 | |
|------------------------------|----------------------------|------------------------|------|
| | | Number of Employees | Rank |
| National Family Opinion | Research | 637 | 1 |
| Progressive Industries | Automotive Parts | 250 | 2 |
| Alcoa Plant | Automotive Parts | 173 | 3 |
| North American Science | Medical Equipment Testing | 145 | 4 |
| Northwood Board of Education | Education | 116 | 5 |
| Waste Management | Refuse Service / Landfill | 106 | 6 |
| Norplas Industries | Automotive Parts | 94 | 7 |
| TL Industries | Manufacturing | 86 | 8 |
| Treu House of Munch | Beverage Distributor | 83 | 9 |
| Interstate Brands | Bakery Distribution Center | 77 | 10 |
| Total | | 1,767 | |

Source: City Income Tax Department

City of Northwood

Full Time Equivalent Employees by Function Last Ten Years

| | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
|----------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Governmental Activities | | | | | | |
| General Government | | | | | | |
| Finance | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Legal/Court | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 |
| Administration | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Maintenance | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Security of Persons and Property | | | | | | |
| Police | 21.00 | 24.50 | 24.25 | 23.25 | 23.00 | 23.00 |
| Dispatch | 5.50 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Fire | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Fire - Volunteers | 45.00 | 46.00 | 48.00 | 41.00 | 41.00 | 45.00 |
| Transportation | | | | | | |
| Street | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Leisure Time Activities | | | | | | |
| Recreation/Seniors | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Community Environment | | | | | | |
| Service | 1.00 | 1.00 | 1.00 | 1.00 | 1.50 | 1.50 |
| <i>Total Employees</i> | <u>94.50</u> | <u>99.50</u> | <u>101.25</u> | <u>93.25</u> | <u>94.50</u> | <u>98.50</u> |

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

Source: Finance Director's Office

City of Northwood

| <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|---------------|---------------|---------------|---------------|
| 5.00 | 5.00 | 5.00 | 5.00 |
| 3.50 | 3.50 | 3.50 | 3.50 |
| 2.00 | 2.00 | 2.00 | 2.00 |
| 2.50 | 2.50 | 2.50 | 2.50 |
| 23.00 | 24.00 | 24.00 | 24.00 |
| 6.00 | 6.00 | 6.00 | 6.00 |
| 2.00 | 2.00 | 2.00 | 2.00 |
| 50.00 | 53.00 | 45.00 | 46.00 |
| 8.00 | 8.00 | 8.00 | 7.00 |
| 0.50 | 0.50 | 0.50 | 0.50 |
| 1.50 | 1.50 | 1.50 | 1.50 |
| <u>104.00</u> | <u>108.00</u> | <u>100.00</u> | <u>100.00</u> |

City of Northwood

Operating Indicators by Function Last Ten Years

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|----------------------------------|-------|-------|-------|-------|--------|--------|
| Governmental Activities | | | | | | |
| General Government | | | | | | |
| Court | | | | | | |
| Number of Criminal Cases | 373 | 233 | 247 | 313 | 375 | 375 |
| Number of Traffic Cases | 1,826 | 1,766 | 2,410 | 2,405 | 2,501 | 1,969 |
| Number of Open Cases | n/a | n/a | n/a | n/a | n/a | n/a |
| Permits | | | | | | |
| Residential Zoning Permits | n/a | 234 | 279 | 390 | 363 | 242 |
| Commercial Zoning Permits | n/a | 56 | 83 | 68 | 92 | 63 |
| Industrial Zoning Permits | n/a | 13 | 15 | 15 | 22 | 10 |
| Security of Persons and Property | | | | | | |
| Police | | | | | | |
| Criminal/Juvenile Arrests | 838 | 737 | 676 | 676 | 816 | 728 |
| Traffic Citations Issued | 1,414 | 1,300 | 1,983 | 2,428 | 2,562 | 1,907 |
| Parking Tickets Written | 52 | 58 | 62 | 62 | 194 | 265 |
| Number of Calls Answered | n/a | 5,223 | 5,109 | 7,404 | 10,440 | 10,172 |
| Fire | | | | | | |
| Number of Calls Answered | 705 | 811 | 862 | 761 | 911 | 922 |
| Number of Inspections | 543 | 424 | 215 | 475 | 260 | 266 |

Source: Finance Director's Office

n/a = not available

City of Northwood

| <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|-------------|-------------|-------------|-------------|
| 359 | 286 | 379 | 310 |
| 1,932 | 1,832 | 1,853 | 1,559 |
| 166 | 221 | 302 | 133 |
| 265 | 289 | 270 | 275 |
| 73 | 92 | 57 | 123 |
| 32 | 20 | 31 | 17 |
| 642 | 519 | 571 | 444 |
| 1,672 | 1,527 | 1,728 | 1,530 |
| 286 | 229 | 122 | 103 |
| 10,633 | 10,601 | 10,094 | 8,925 |
| 849 | 804 | 751 | 834 |
| 200 | 122 | 111 | 166 |

City of Northwood

Capital Asset Statistics by Function Last Ten Years

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------------|------|------|------|------|------|
| Governmental Activities | | | | | |
| General Government | | | | | |
| Public Land and Buildings | | | | | |
| Land (acres) | 118 | 118 | 118 | 118 | 118 |
| Buildings | 5 | 5 | 5 | 5 | 5 |
| Security of Persons and Property | | | | | |
| Police | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 12 | 12 | 12 | 12 | 12 |
| Fire | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 12 | 12 | 12 | 12 | 12 |
| Transportation | | | | | |
| Streets | | | | | |
| Streets (lane miles) | 41 | 41 | 41 | 41 | 41 |
| Intersections with Traffic Signals | 16 | 16 | 16 | 16 | 16 |
| Vehicles | 9 | 9 | 9 | 9 | 9 |
| Leisure Time Activities | | | | | |
| Recreation | | | | | |
| Park Areas (acres) | 78 | 78 | 78 | 78 | 78 |
| Shelter Houses | 2 | 2 | 2 | 2 | 2 |
| Parks | 3 | 3 | 3 | 3 | 3 |
| Playgrounds | 2 | 2 | 2 | 2 | 2 |
| Tennis Courts | 4 | 4 | 4 | 4 | 4 |
| Baseball/Softball Diamonds | 2 | 2 | 2 | 2 | 2 |
| Soccer Fields | 0 | 0 | 0 | 0 | 0 |

Source: Finance Director's Office

City of Northwood

| <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|-------------|-------------|-------------|-------------|-------------|
| 118 | 118 | 118 | 118 | 118 |
| 5 | 5 | 6 | 6 | 6 |
| 1 | 1 | 1 | 1 | 1 |
| 12 | 12 | 12 | 12 | 16 |
| 1 | 1 | 1 | 1 | 2 |
| 12 | 12 | 12 | 12 | 14 |
| 41 | 41 | 41 | 41 | 41 |
| 16 | 16 | 16 | 16 | 16 |
| 9 | 9 | 9 | 9 | 10 |
| 78 | 78 | 78 | 78 | 83 |
| 2 | 2 | 2 | 2 | 2 |
| 3 | 3 | 3 | 3 | 4 |
| 2 | 2 | 2 | 2 | 2 |
| 4 | 4 | 4 | 4 | 4 |
| 2 | 2 | 2 | 2 | 2 |
| 0 | 0 | 2 | 2 | 2 |





Mary Taylor, CPA
Auditor of State

CITY OF NORTHWOOD

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 24, 2008**