



Dave Yost • Auditor of State

CITY OF NORWOOD
HAMILTON COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwood, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the Government's basic financial statements and have issued our report thereon dated July 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2010-002 and 2010-003 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-001 through 2010-004.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated July 28, 2010.

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

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



Dave Yost
Auditor of State

July 28, 2010

**CITY OF NORWOOD
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010**

FINDING NUMBER 2010-001

Noncompliance

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

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

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

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

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

During 2010, 26% of the transactions tested did not have certification prior to the obligation date and none of the exceptions provided above were utilized.

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

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

**FINDING NUMBER 2010-001
(Continued)**

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

Officials' Response:

The City has been using Blanket Certificates and Then and Now Certificates. We will continue to monitor purchases to ensure compliance with the purchase order process. We are also reviewing the State Auditors findings to identify problem departments and educate them on the proper process.

FINDING NUMBER 2010-002

Noncompliance/Material Weakness

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

- (A) All moneys received by him, showing the amount thereof, the time received, from whom, and on what account received;
- (B) All disbursements made by him, showing the amount thereof, the time made, to whom, and on what account paid.

The City Treasurer did not prepare accurate cash reconciliations during 2010. The following issues were noted from review of the City's financial records and bank statements:

- At December 31, 2010 a \$4,158 reconciling item was used on the Treasurer's reconciliation to balance the book to the bank. The reconciling item had no supporting documentation and the City could provide no explanation.
- At December 31, 2010 the City's payroll account had an unreconciled bank balance of \$94,710.
- At December 31, 2010 the City reported \$5,646 in returned checks that had been recorded as revenue on the City's financial records. This amount was needed to reduce the book amount in reconciling with the bank. These amounts represent revenue on the statements that needs to be voided due to the returned checks.
- The City had six accounts in 2010, the Rockwood Exchange account (Balance at December 31, 2010 - \$40,678), and the Retiree's Health Care account (Balance at December 31, 2010 - \$1,300), the Cornerstone TIF Bond account (Balance at December 31, 2010 - \$893), and three accounts associated with the 2010 Linden Pointe Project refinancing totaling (Balance at December 31, 2010 - \$345,065) that were not included in the City's the monthly reconciliations.

**FINDING NUMBER 2010-002
(Continued)**

Reconciliations are an effective tool to help management determine the completeness of recorded transactions and verify that all recorded transactions have been deposited with the financial institution. We recommend that the Treasurer properly reconcile their accounts on a monthly basis and provide the City Auditor with information related to any bank fees, interest revenue and expenses, or other items that did not originate in the daily receipt and disbursements activity of the City that is recorded by the City Auditor. Any variances should be immediately investigated and justified. Failure to accurately prepare and reconcile the accounting records reduces the accountability over City funds and reduces Council's ability to monitor financial activity, increases the risk that errors, theft, or fraud could occur and not be detected in a timely manner.

Officials' Response:

Bullet 1: We believe the \$4,158 consists of voided checks, returned checks and various timing issues. We have set up internal controls to help limit this exposure in the future.

Bullet 2: This balance is the result of payroll overfunding in 2007. As was discussed during the Post Audit meeting for 2009, we suggest stepping down the overfunded balance by "underfunding" future payrolls.

Bullet 3: During the Post Audit meeting for 2009, it was discussed and determined that the City would not carry any returned checks older than six months. This decision was implemented in 2010. None of the returned checks comprising the \$5,646 was over six months old.

Bullet 4: The Linden Pointe accounts were closed November 30, 2010. The bank account balance was zero and was reflected as such on the reconciliation. On the Auditor's book balance, Fund 87 still reflected a balance of \$62,015.75 as of December 31, 2010 so there is a negative \$62,015.75 reconciliation item on both the November, 2010 and December, 2010 reconciliations. After the closing of the previous Linden Pointe accounts another Linden Pointe account was opened with a balance of \$343,350. The balance of the new account was not reflected on the Auditor's book balance until April, 2011. The Treasurer's office does not receive a monthly statement for this account. The Rockwood Exchange, Retiree's Health Care and Cornerstone TIF Bond accounts are not reflected on the Auditor's book balance so while we do receive the bank statements there is no book balance to reconcile against.

FINDING NUMBER 2010-003

Noncompliance/Material Weakness

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

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

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

- In 2010, the City failed to record a debt service payment in the amount of \$543,293.
- In the 2010 financial statements presented for audit, the City incorrectly understated their Compensated Absence liability by \$195,722.

**FINDING NUMBER 2010-003
 (Continued)**

- In the 2010 financial statements presented for audit, the City incorrectly overstated their Deferred Revenues by \$326,694.

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

Officials' Response:

The City has several TIF accounts where the funds are managed according to the TIF agreement. We have included these accounts in our CAFR but some of the automatic transfers for the account may have been made without being properly reported to the auditors office and recorded. The City will closely watch such automatic debt transfers to assure they are recorded in the future.

FINDING NUMBER 2010-004

Noncompliance

Ohio Rev. Code, Section 5705.36(A)(4), requires that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

As of December 31, 2010, actual receipts were below estimated receipts, and the deficiency reduced available resources below the current appropriations in the following funds:

FY 2010	Unencumbered 1/1/10 Fund Balance Plus Actual Receipts	Current Year Appropriations	Variance
General	\$22,081,785	\$22,099,622	(\$17,838)
Water	3,243,586	3,694,348	(450,762)
Refuse	1,327,429	1,350,000	(22,571)

Failure to monitor budgetary activity could result in overspending and negative fund balances. We recommend that the City comply with the above Ohio Revised Code Section and obtain an amended certificate when necessary to assist in.

Officials, Response:

The City will continue to monitor revenues and adjust our Certificate of Estimated resources accordingly. In the past we have not changed the previous year end encumbrances being carried forward throughout the year. We have added this practice which should correct the problem.

**CITY OF NORWOOD
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	ORC 733.43 Treasurer shall keep accurate account of all moneys	No	Reissued as Finding 2010-002
2009-002	ORC 5705.41 (D)(1) No expenditure of money unless a certificate signed by the fiscal officer is attached.	No	Reissued as Finding 2010-001
2009-003	ORC 5705.36(A)(4) CY appro. plus PY carryover appro. greater than available resources plus begin fund cash balance	No	Reissued as Finding 2010-004

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Norwood



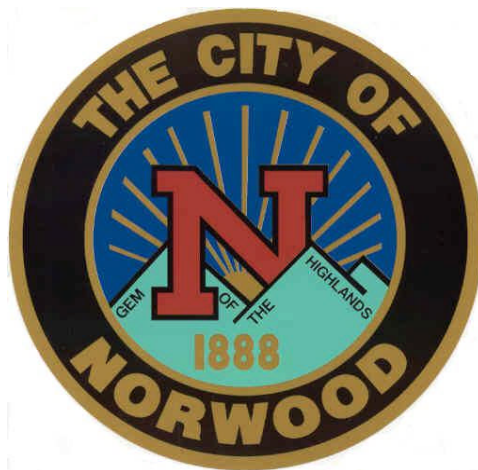
Gem Of The Highlands



City of Norwood, Ohio Comprehensive Annual Financial Report For the Year Ended December 31, 2010

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Introductory Section



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CITY OF NORWOOD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

Issued by:
Office of the Auditor

James P. Stith
Auditor

Marcus D. Patterson, MBA
Deputy Auditor



CITY OF NORWOOD, OHIO
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010

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James P. Stith II

City Auditor

Marcus Patterson, MBA
Deputy Auditor

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

July 28, 2011

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

We are pleased to present Comprehensive Annual Financial Report (CAFR) for the City of Norwood. This report, for the year ended December 31, 2010, contains the financial statements and other financial and statistical information and conforms to generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the City of Norwood ("the City").

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

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Auditor of State of Ohio has issued an unqualified ("clean") opinion of the City of Norwood's financial statements for the year ended December 31, 2010. The Independent Accountants' Report is located at the front of the Financial Section of this report.

Gem of The Highlands"

Management's discussion and analysis (MD&A) immediately follows the Independent Accountants' Report, and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

City Overview

The City of Norwood, a statutory municipal corporation, established in 1888, is located in the center of the "Greater Cincinnati Area" and is completely surrounded by the City of Cincinnati. It currently occupies 3.12 square miles and serves a population of 20,483. Since 1888, Norwood has grown into a center of commerce and industry proudly serving as a birthplace and home for numerous offices, manufacturing, service and retail businesses. Norwood's distinction as an independent community in the center of the City of Cincinnati offers a unique blend of advantages for the residents and businesses that have found their home in the City of Norwood.

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

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

The City participates in the Public Entities Pool of Ohio, a shared risk pool. Information regarding this entity can be found in the notes to the basic financial statements.

Council is required to adopt an initial budget by no later than April 1. Council may adopt a temporary budget to cover the first three months of the year. Upon presentation by the City Auditor of a proposed budget document to Council, Council calls and publicizes a public hearing. Council will subsequently adopt such budget, as it may have been amended, as the City's annual budget effective April 1, for the remainder of the year.

Economic Conditions and Outlook

Major industries located within the City's boundaries or in close proximity include manufacturers of chemicals, financial institutions, health services, and food products.

The City also has a facility that operates in communications. The City of Norwood is located close to three major highways, I-75, I-71, and US 562. Unemployment has decreased from 9.1 percent (2009) to 8.5 percent (2010). It is estimated that job cuts will increase in the region and globally due to economic instability in the financial markets. Due to economic downturns, the City of Norwood has delayed its efforts to come out of fiscal watch.

Major Initiatives

- 1) An ordinance authorizing the Safety Service Director to enter into a contract with the State of Ohio for pavement repair along Montgomery Road (US 22/State Route 3) within the City of Norwood from Buxton Avenue to Cypress Way. The appropriation is for \$401,920.
- 2) An ordinance providing for the issuance and sale of not to exceed \$3,675,000 of bank qualified urban renewal financing refunding revenue notes, series 2010 or bank qualified urban renewal financing refunding revenue bonds, series 2010 (Linden Pointe LLC Project) of the City of Norwood, Ohio. This is under Chapter 725 of the Ohio revised code for the purpose of refunding urban renewal financing revenue notes, series 2007. This was issued to pay the cost of certain public improvements; authorizing a pledge of and lien on certain service payments to secure such notes or bonds; authorizing a trust indenture securing such notes or bonds; and ratifying a service agreement securing such notes, and declaring an emergency.

Future Projects

Accomplishments and significant capital projects to look forward to in 2011 include the following:

An ordinance authorizing the Safety Service Director to enter into a contract under the state bid purchase program for the purchase of a 2011 Ford F-550 Ambulance at a cost not to exceed \$215,955.

Financial Planning and Policies

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

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norwood for its comprehensive annual financial report for the year ended December 31, 2009. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

Acknowledgements

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

A handwritten signature in black ink, appearing to read "Jim Stith". The signature is written in a cursive, flowing style.

James P. Stith II
City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norwood
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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.



President,

Executive Director

City of Norwood, Ohio

List of Principal Officials

December 31, 2010

OFFICE HELD

NAME OF OFFICIAL

Executive:

City Auditor
City Treasurer
Law Director

James P. Stith II
Tim Malony
Ted Kiser

Legislative:

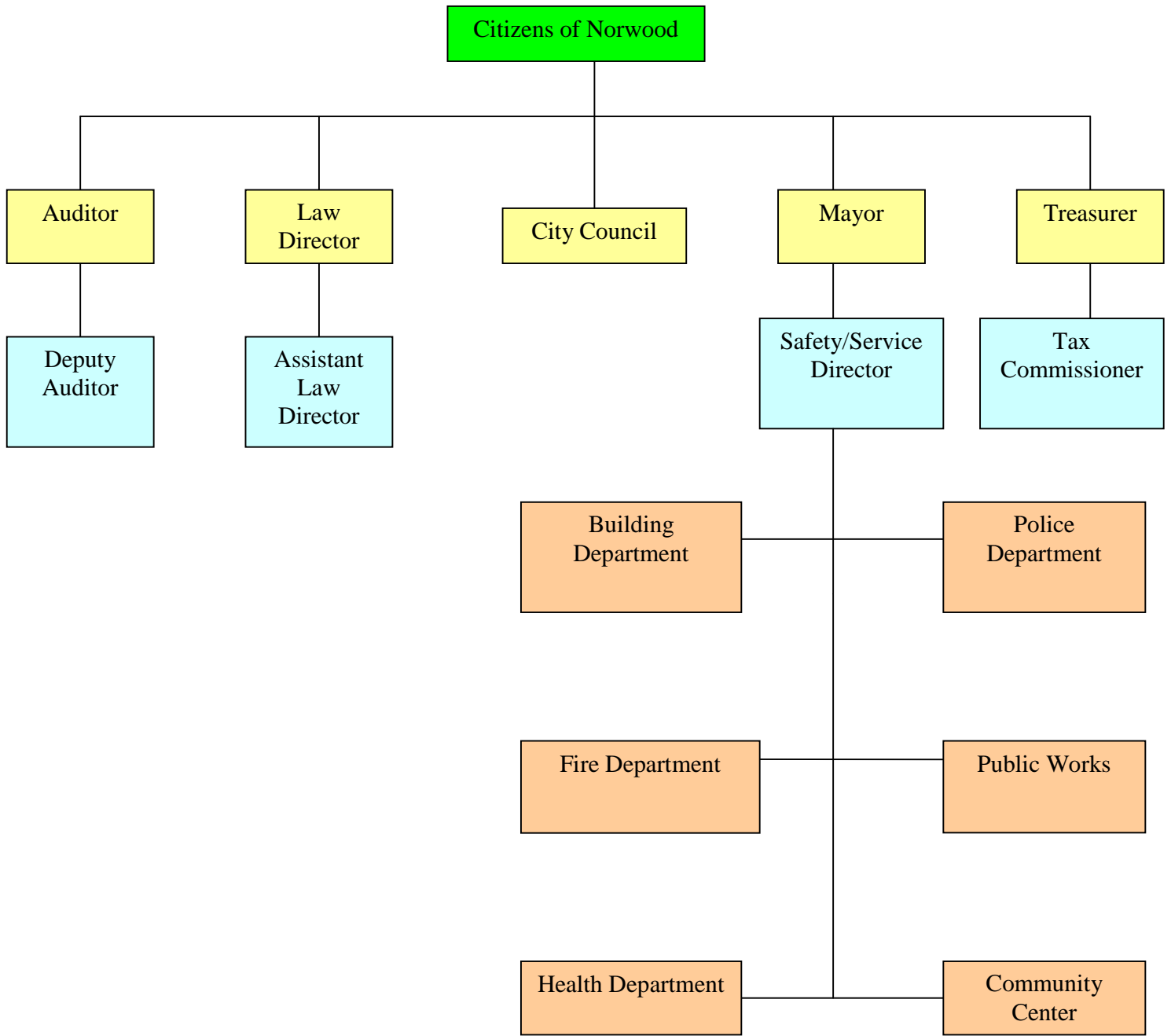
Mayor
Council

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

Administrative:

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

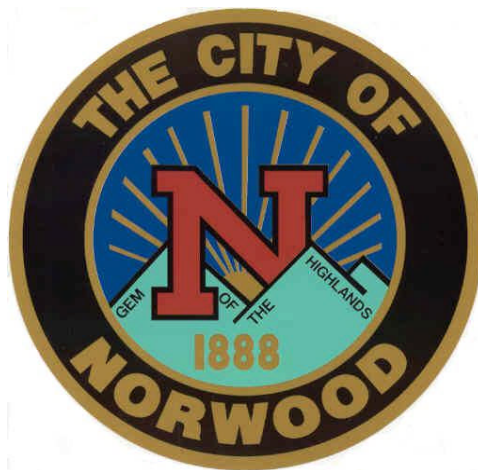
Cassandra Brown
John Hanrahan
William J. Schlie
Curt Goodman
Joseph C. Geers
Pete Tepe



City of Norwood
Chart of Organization
December 31, 2010

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Financial Section



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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwood, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Norwood, Hamilton County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

July 28, 2011

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Norwood's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the basic financial statements and notes to the financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2010 are as follows:

- The City's total governmental activities net assets decreased \$1,663,480, which represents a 37 percent decrease from 2010. Business-type activities net assets increased \$721,505, which represents a 23 percent increase from 2010.
- For governmental activities, general receipts accounted for \$20,505,447 or 89 percent of all revenues. Program revenues in the form of charges for services and sales, operating grants, contributions, and interest accounted for \$2,432,440 or 11 percent of total revenues of \$22,937,887.
- The City had \$24,601,367 in expenses related to governmental activities; only \$2,432,440 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily property and municipal income taxes) were \$20,505,447.
- Enterprise funds reflected total operating income of \$192,769. The Water and Refuse funds reflected an operating income of \$11,261 and \$181,508, respectively. The water and refuse operations increased total net assets by \$721,505.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Report Components

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

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

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

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

Basis of Accounting

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

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

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

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

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 10. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the City Auditor, with approval of City Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City's major funds are the General Fund, the Debt Service Fund and the Linden Pointe Construction Fund.

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

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

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

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

THE CITY AS A WHOLE

Table 1 provides a summary of the City's net assets for 2010 compared to 2009:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current & Other Assets	\$14,149,710	\$17,751,877	\$1,887,878	\$1,698,674	\$16,037,588	\$19,450,551
Nondepr. Capital Assets	6,376,146	6,376,146	0	0	6,376,146	6,376,146
Depr. Capital Assets, Net	13,850,917	14,067,771	2,164,161	1,745,094	16,015,078	15,812,865
Total Assets	34,376,773	38,195,794	4,052,039	3,443,768	38,428,812	41,639,562
Liabilities:						
Current & Other Liabilities	5,745,465	6,671,631	103,799	210,829	5,849,264	6,882,460
Long-Term Liabilities						
Due Within One Year	2,126,049	5,522,140	34,411	34,117	2,160,460	5,556,257
Due in More Than One Year	23,660,947	21,494,231	53,210	59,708	23,714,157	21,553,939
Total Liabilities	31,532,461	33,688,002	191,420	304,654	31,723,881	33,992,656
Net Assets:						
Invested in Capital Assets, Net of Related Debt	9,490,219	8,828,832	2,115,105	1,686,227	11,605,324	10,515,059
Restricted	5,336,689	6,109,077	0	0	5,336,689	6,109,077
Unrestricted	(11,982,596)	(10,430,117)	1,745,514	1,452,887	(10,237,082)	(8,977,230)
Total Net Assets	\$2,844,312	\$4,507,792	\$3,860,619	\$3,139,114	\$6,704,931	\$7,646,906

As mentioned previously, net assets of governmental activities decreased \$1,663,480 during 2010. An overall decrease in available cash balances related to general expenses exceeding revenues, and a significant decrease in income tax revenues were the main contributors to this decrease. Depreciation, net of additions to capital assets decreased invested in capital assets, net of related debt. However, payments related to debt exceeded new debt issuances, and therefore, invested in capital assets, net of related debt increased in 2010.

Table 2 shows the changes in net assets for the years ended December 31, 2010 and 2009.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

Table 2
Changes in Net Assets

	Governmental		Business-Type		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$1,389,580	\$1,264,008	\$4,659,282	\$4,922,531	\$6,048,862	\$6,186,539
Operating Grants, Contributions and Interest	1,042,860	1,043,193	529,890	0	1,572,750	1,043,193
Capital Grants, Contributions and Interest	0	352,970	0	0	0	352,970
Total Program Revenues	2,432,440	2,660,171	5,189,172	4,922,531	7,621,612	7,582,702
General Revenues:						
Property Taxes Levied for General Purposes	2,620,666	2,583,802	0	0	2,620,666	2,583,802
Income Taxes	14,286,726	16,035,144	0	0	14,286,726	16,035,144
Other Local Taxes	418,657	193,217	0	0	418,657	193,217
Payments in Lieu of Taxes	1,218,770	1,096,882	0	0	1,218,770	1,096,882
Grants and Entitlements Not Restricted to Specific Programs	1,661,157	1,640,740	0	0	1,661,157	1,640,740
Unrestricted Contributions	77,663	149,387	0	0	77,663	149,387
Interest	163,732	185,746	0	0	163,732	185,746
Other	58,076	45,632	0	0	58,076	45,632
Total General Revenues	20,505,447	21,930,550	0	0	20,505,447	21,930,550
Total Revenues	22,937,887	24,590,721	5,189,172	4,922,531	28,127,059	29,513,252
Program Expenses:						
General Government	4,391,794	4,417,404	0	0	4,391,794	4,417,404
Security of Persons and Property:						
Police	7,361,336	7,630,831	0	0	7,361,336	7,630,831
Fire	7,771,995	7,703,754	0	0	7,771,995	7,703,754
Public Services	69,101	71,369	0	0	69,101	71,369
Public Health Services	1,175,166	1,031,047	0	0	1,175,166	1,031,047
Leisure Time Services	442,876	481,943	0	0	442,876	481,943
Community and Economic Development	577	87,222	0	0	577	87,222
Transportation	1,640,137	2,496,555	0	0	1,640,137	2,496,555
Intergovernmental	319,951	420,765	0	0	319,951	420,765
Interest and Fiscal Charges	1,428,434	1,511,449	0	0	1,428,434	1,511,449
Water	0	0	3,363,495	3,142,523	3,363,495	3,142,523
Refuse	0	0	1,104,172	1,330,919	1,104,172	1,330,919
Total Expenses	24,601,367	25,852,339	4,467,667	4,473,442	29,069,034	30,325,781
Change in Net Assets	(1,663,480)	(1,261,618)	721,505	449,089	(941,975)	(812,529)
Net Assets at Beginning of Year	4,507,792	5,769,410	3,139,114	2,690,025	7,646,906	8,459,435
Net Assets at End of Year	\$2,844,312	\$4,507,792	\$3,860,619	\$3,139,114	\$6,704,931	\$7,646,906

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

Governmental program revenues represent only 11 percent of total revenues and are primarily comprised of restricted intergovernmental revenues such as motor vehicle license and gas tax money, building permits, and grants.

General revenues of governmental activities represent 89 percent of the City's governmental revenues, and almost 85 percent of general revenues are local taxes. Property taxes make up 13 percent of the City's general revenues. The City's municipal income taxes make up 70 percent of general revenues. Other revenues are very insignificant and somewhat unpredictable revenue sources.

Security of Persons and Property: Police expenses decreased \$269,495, due mainly to decreases in Personal Services, related to the retirement of several police officers who were not replaced until 2011. Transportation expenses decreased \$856,418 due to decreases in non-capitalized road resurfacing projects in 2010 from 2009.

Capital Grants, Contributions and Interest in the governmental activities decreased \$352,970 in 2010. In 2010, no State assistance was received for making improvements to roads within the City.

The City's business-type activities, Water and Refuse Funds, accounted for 18 percent of the City's total revenues in 2010. Charges for Services and Sales in the business-type activities decreased \$263,249, due to decreases in water charges for services, due to the loss of businesses in the area. Program expenses for the Water Fund increased \$220,972, due to increases in contractual services, while they decreased \$226,747 in the Refuse Fund, due to decreases in contractual services. In addition, the City received \$529,890 in operating grants from the Ohio Public Works Commission for water system improvements.

Governmental Activities

The two percent income tax is the largest source of revenue for the City. Revenues generated by the income tax represent approximately 62 percent of the City's governmental activities revenue. The income tax is used to pay the cost of many City services including general government, security of persons and property, and public health services. In 2010, there was an 11 percent decrease in income tax revenue due primarily to the relocation of the U.S. Playing Card Company from the City to Northern Kentucky. U.S. Playing Card was one of the City's primary employers prior to the relocation.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the City. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for security of persons and property, which account for 61 percent of all governmental expenses. General government also represents a significant cost, about 18 percent. The next three columns of the Statement entitled Program Revenues identify amounts paid by people who are directly charged for the services provided by and grants received by the City that must be used to provide a specific service. The Net (Expense) Revenue column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
Governmental Activities

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$4,391,794	\$3,821,156	\$4,417,404	\$3,728,210
Security of Persons and Property:				
Police	7,361,336	7,258,210	7,360,831	7,527,977
Fire	7,771,995	7,159,622	7,703,754	7,372,473
Public Services	69,101	69,101	71,369	71,369
Public Health Services	1,175,166	919,441	1,031,047	851,758
Leisure Time Services	442,876	234,716	481,943	205,922
Community and Economic Development	577	498	87,222	87,070
Transportation	1,640,137	957,798	2,496,555	1,415,175
Intergovernmental	319,951	319,951	420,765	420,765
Interest and Fiscal Charges	1,428,434	1,428,434	1,511,449	1,511,449
Total Expenses	<u>\$24,601,367</u>	<u>\$22,168,927</u>	<u>\$25,582,339</u>	<u>\$23,192,168</u>

The dependence upon property and income tax receipts is apparent as 69 percent of governmental activities are supported through these general revenues.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

Business-Type Activities

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

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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Information about the City's major governmental funds is presented in the fund financial statements. These funds are reported using the modified accrual basis of accounting. In total, all governmental funds reported revenues of \$23,379,777 and expenditures of \$29,597,798.

Within the General Fund, there were revenues of \$19,678,629 and expenditures of \$20,257,870. The fund balance of the General Fund decreased \$1,673,335 as the result of decreased revenues, especially income taxes, while expenditures remained fairly constant.

Within the Debt Service Fund, there were revenues of \$1,588,529 and expenditures of \$2,329,593. The fund balance of this fund decreased \$741,064, due to debt service expenditures and payments to Norwood City School District in accordance with tax increment financing agreements exceeding revenues.

Within the Linden Pointe Construction Fund, there were revenues of \$371,754 and expenditures of \$4,358,304. The fund balance of this fund decreased \$391,550, due to issuance costs related to the issuance of new debt and capital outlay expenditures. Total expenditures exceeded revenues, as well.

Governmental Fund Budgeting Highlights

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

During 2010, the City amended its General Fund budget several times to reflect changing circumstances. Final budgeted revenues were below original budgeted revenues by \$983,125 due mainly to decreases in estimated income taxes and intergovernmental revenues, offset by increases in estimated property tax revenues. The difference between final budgeted revenues and actual revenues was \$274,459, which was due primarily to decreases in property taxes and fines, licenses and permits, offset by increases in income taxes.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
Unaudited

Final budgeted expenditures were below original budgeted expenditures by \$417,064, due to overall increases in estimated expenditures. Final expenditures were budgeted at \$20,847,246 for the General Fund. Actual expenditures were \$20,385,052, with a difference of \$462,194, due to expenditures being much lower than anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2010 amounts to \$22.4 million (net of accumulated depreciation).

Table 4
Capital Assets

	Governmental Activities		Busines-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$6,376,146	\$6,376,146	\$0	\$0	\$6,376,146	\$6,376,146
Buildings	2,382,374	2,212,234	0	0	2,382,374	2,212,234
Land Improvements	590,241	660,279	0	0	590,241	660,279
Vehicles	1,646,962	1,620,356	0	0	1,646,962	1,620,356
Furniture, Fixtures and Equipment	944,508	988,406	10,346	18,066	954,854	1,006,472
Infrastructure	8,286,832	8,586,496	2,153,815	1,727,028	10,440,647	10,313,524
Totals	\$20,227,063	\$20,443,917	\$2,164,161	\$1,745,094	\$22,391,224	\$22,189,011

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

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

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010
 Unaudited

Debt

Table 5 summarizes debt outstanding at December 31, 2010 and 2009:

Table 5
 Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$4,491,599	\$5,082,958	\$0	\$0	\$4,491,599	\$5,082,958
Special Assessment Debt	1,457,440	1,684,137	0	0	1,457,440	1,684,137
OPWC Loans	603,068	624,826	49,056	58,867	652,124	683,693
Tax Increment Financing Bonds	15,350,555	15,478,200	0	0	15,350,555	15,478,200
Capital Leases	648,448	694,237	0	0	648,448	694,237
	\$22,551,110	\$23,564,358	\$49,056	\$58,867	\$22,600,166	\$23,623,225

The City's overall unvoted legal debt margin was \$36,415,795 as of December 31, 2010. The more restrictive unvoted legal debt margin was \$16,648,908 as of the same date.

For more information regarding long-term obligations, refer to note 10 of the notes to the basic financial statements.

ECONOMIC AND OTHER POTENTIALLY SIGNIFICANT MATTERS

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

REQUESTS FOR INFORMATION

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

**CITY OF NORWOOD, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

	Governmental Activities	Business-Type Activities	Totals
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$3,612,275	\$330,402	\$3,942,677
Accounts Receivable	203,427	1,557,476	1,760,903
Intergovernmental Receivable	741,573	0	741,573
Income Taxes Receivable	2,385,932	0	2,385,932
Property Taxes Receivable	2,295,282	0	2,295,282
Payments in Lieu of Taxes Receivable	1,737,748	0	1,737,748
Special Assessments Receivable	1,457,440	0	1,457,440
Cash and Cash Equivalents with Fiscal Agents	1,540,697	0	1,540,697
Deferred Charges	116,625	0	116,625
Net Other Post Employment Benefits	58,711	0	58,711
Nondepreciable Capital Assets	6,376,146	0	6,376,146
Depreciable Capital Assets, Net	13,850,917	2,164,161	16,015,078
Total Assets	34,376,773	4,052,039	38,428,812
LIABILITIES:			
Accounts Payable	117,814	10,650	128,464
Accrued Wages Payable	448,615	13,915	462,530
Intergovernmental Payable	779,944	11,980	791,924
Contracts Payable	477,748	0	477,748
Deferred Revenue	3,742,340	0	3,742,340
Accrued Interest Payable	179,004	0	179,004
Refundable Deposits	0	67,254	67,254
Long-Term Liabilities:			
Due Within One Year	2,126,049	34,411	2,160,460
Due in More Than One Year	23,660,947	53,210	23,714,157
Total Liabilities	31,532,461	191,420	31,723,881
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	9,490,219	2,115,105	11,605,324
Restricted for:			
Debt Service	2,857,114	0	2,857,114
Capital Outlay	134,304	0	134,304
Security of Persons and Property	311,842	0	311,842
Leisure Time Services	79,318	0	79,318
Community and Economic Development	1,086,223	0	1,086,223
Transportation	557,784	0	557,784
Other Purposes	310,104	0	310,104
Unrestricted (Deficit)	(11,982,596)	1,745,514	(10,237,082)
Total Net Assets	\$2,844,312	\$3,860,619	\$6,704,931

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities:				
General Government	\$4,391,794	\$570,638	\$0	(\$3,879,867)
Security of Persons and Property				
Police	7,361,336	101,116	2,010	(7,258,210)
Fire	7,771,995	505,317	107,056	(7,159,622)
Public Services	69,101	0	0	(69,101)
Public Health Services	1,175,166	70,053	185,672	(919,441)
Leisure Time Services	442,876	141,216	66,944	(234,716)
Community and Economic Development	577	0	79	(498)
Transportation	1,640,137	1,240	681,099	(957,798)
Intergovernmental	319,951	0	0	(319,951)
Interest and Fiscal Charges	1,428,434	0	0	(1,428,434)
Total Governmental Activities	<u>24,601,367</u>	<u>1,389,580</u>	<u>1,042,860</u>	<u>(22,168,927)</u>
Business-Type Activities:				
Water	3,363,495	3,373,602	529,890	0
Refuse	1,104,172	1,285,680	0	0
Total Business-Type Activities	<u>4,467,667</u>	<u>4,659,282</u>	<u>529,890</u>	<u>0</u>
Total Activities	<u>\$29,069,034</u>	<u>\$6,048,862</u>	<u>\$1,572,750</u>	<u>(22,168,927)</u>
General Revenues:				
Taxes:				
Property Taxes Levied For General Purposes				2,620,666
Income Taxes				14,286,726
Other Local Taxes				418,657
Payments in Lieu of Taxes				1,218,770
Grants and Entitlements not Restricted to Specific Programs				1,661,157
Unrestricted Contributions				77,663
Interest				163,732
Other				58,076
Total General Revenues				<u>20,505,447</u>
Change in Net Assets				(1,663,480)
Net Assets at Beginning of Year				<u>4,507,792</u>
Net Assets at End of Year				<u><u>\$2,844,312</u></u>

See accompanying notes to the basic financial statements

/Revenue and Changes in Net Assets

Business-Type Activities	Total
\$0	(\$3,879,867)
0	(7,258,210)
0	(7,159,622)
0	(69,101)
0	(919,441)
0	(234,716)
0	(498)
0	(957,798)
0	(319,951)
0	(1,428,434)
<u>0</u>	<u>(22,168,927)</u>
539,997	539,997
<u>181,508</u>	<u>181,508</u>
<u>721,505</u>	<u>721,505</u>
721,505	(21,447,422)
0	2,620,666
0	14,286,726
0	418,657
0	1,218,770
0	1,661,157
0	77,663
0	163,732
<u>0</u>	<u>58,076</u>
<u>0</u>	<u>20,505,447</u>
721,505	(941,975)
<u>3,139,114</u>	<u>7,646,906</u>
<u>\$3,860,619</u>	<u>\$6,704,931</u>

**CITY OF NORWOOD, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	General	Debt Service Fund	Linden Pointe Construction	All Other Governmental Funds	Total Governmental Funds
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	\$831,394	\$383,046	\$16,790	\$2,381,045	\$3,612,275
Cash and Cash Equivalents with Fiscal Agents	0	0	345,065	0	345,065
Accounts Receivable	203,427	0	0	0	203,427
Intergovernmental Receivable	414,921	0	0	326,652	741,573
Income Taxes Receivable	2,385,932	0	0	0	2,385,932
Property Taxes Receivable	2,286,494	0	0	0	2,286,494
Other Local Taxes Receivable	0	0	0	8,788	8,788
Payments in Lieu of Taxes Receivable	0	1,159,170	578,578	0	1,737,748
Interfund Receivable	77,104	0	0	0	77,104
Special Assessments Receivable	0	1,457,440	0	0	1,457,440
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agents	0	1,195,632	0	0	1,195,632
Total Assets	\$6,199,272	\$4,195,288	\$940,433	\$2,716,485	\$14,051,478
LIABILITIES:					
Accounts Payable	\$59,035	\$0	\$0	\$58,779	\$117,814
Accrued Wages Payable	435,462	0	0	13,153	448,615
Contracts Payable	2,748	0	475,000	0	477,748
Intergovernmental Payable	733,916	0	0	46,028	779,944
Interfund Payable	0	0	0	77,104	77,104
Deferred Revenue	3,947,661	2,616,610	578,578	270,223	7,413,072
Total Liabilities	5,178,822	2,616,610	1,053,578	465,287	9,314,297
FUND BALANCES:					
Reserved:					
Reserved for Encumbrances	199,648	0	0	145,058	344,706
Unreserved, Undesignated (Deficit), Reported in:					
General Fund	820,802	0	0	0	820,802
Special Revenue Funds	0	0	0	1,979,304	1,979,304
Debt Service Fund	0	1,578,678	0	0	1,578,678
Capital Projects Funds	0	0	(113,145)	126,836	13,691
Total Fund Balances (Deficit)	1,020,450	1,578,678	(113,145)	2,251,198	4,737,181
Total Liabilities and Fund Balances	\$6,199,272	\$4,195,288	\$940,433	\$2,716,485	\$14,051,478

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010**

Total Governmental Fund Balances \$4,737,181

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

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

Land	6,376,146	
Depreciable capital assets	29,706,803	
Accumulated depreciation	<u>(15,855,886)</u>	
Total capital assets		20,227,063

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

Property taxes	281,904	
Special assessments	1,457,440	
Due from other governments:		
Charges for services	151,059	
Shared taxes and local government revenue assistance	627,190	
Income taxes	<u>1,153,139</u>	
		3,670,732

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

116,625

Certain assets are reported in governmental activities are not financial
resources, and are therefore, not reported in governmental funds.

Other Postemployment Benefits		58,711
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In the Statement of Activities, interest is accrued on outstanding bonds, whereas
in governmental funds, an interest expenditure is reported when due.

(179,004)

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

Discount on bonds	154,445	
Capital leases	(648,448)	
Bonds	(21,454,039)	
Loans	(603,068)	
Compensated absences	<u>(3,235,886)</u>	
Total liabilities		<u>(25,786,996)</u>

Net Assets of Governmental Activities

\$2,844,312

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Debt Service Fund	Linden Pointe Construction	All Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property Taxes	\$2,601,753	\$0	\$0	\$0	\$2,601,753
Income Taxes	14,477,543	0	0	0	14,477,543
Other Local Taxes	12,455	0	0	406,202	418,657
Payments in Lieu of Taxes	0	1,145,437	73,333	0	1,218,770
Special Assessments	0	226,697	0	0	226,697
Charges for Services	622,625	0	0	151,357	773,982
Fines, Licenses and Permits	471,198	0	0	122,515	593,713
Intergovernmental	1,411,313	62,136	219,998	1,006,976	2,700,423
Interest	8,263	154,259	1,210	282	164,014
Rent	15,908	0	0	0	15,908
Contributions and Donations	450	0	77,213	52,578	130,241
Other	57,121	0	0	955	58,076
Total Revenues	19,678,629	1,588,529	371,754	1,740,865	23,379,777
EXPENDITURES:					
Current:					
General Government	3,957,897	0	0	402,065	4,359,962
Security of Persons and Property:					
Police	7,328,436	0	0	89,418	7,417,854
Fire	7,513,649	0	0	190,815	7,704,464
Public Services	61,571	0	0	0	61,571
Public Health Services	991,754	0	0	164,977	1,156,731
Leisure Time Services	0	0	0	429,452	429,452
Community and Economic Development	0	0	0	45,552	45,552
Transportation	0	0	98,722	1,201,347	1,300,069
Intergovernmental	0	242,856	73,333	0	316,189
Capital Outlay	215,955	0	223,118	0	439,073
Debt Service:					
Principal Retirement	166,649	998,055	3,550,000	116,854	4,831,558
Interest and Fiscal Charges	21,959	1,088,682	294,386	11,551	1,416,578
Issuance Costs	0	0	118,745	0	118,745
Total Expenditures	20,257,870	2,329,593	4,358,304	2,652,031	29,597,798
Excess of Revenues Under Expenditures	(579,241)	(741,064)	(3,986,550)	(911,166)	(6,218,021)
OTHER FINANCING SOURCES (USES):					
Transfers In	0	0	0	1,310,049	1,310,049
Inception of Capital Lease	215,955	0	0	0	215,955
Tax Increment Financing Bonds Issued	0	0	3,595,000	0	3,595,000
Transfers Out	(1,310,049)	0	0	0	(1,310,049)
Total Other Financing Sources (Uses)	(1,094,094)	0	3,595,000	1,310,049	3,810,955
Net Change in Fund Balances	(1,673,335)	(741,064)	(391,550)	398,883	(2,407,066)
Fund Balances at Beginning of Year	2,693,785	2,319,742	278,405	1,852,315	7,144,247
Fund Balances (Deficit) at End of Year	\$1,020,450	\$1,578,678	(\$113,145)	\$2,251,198	\$4,737,181

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Net Change in Fund Balances - Total Governmental Funds (\$2,407,066)

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

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

Capital Assets Additions	525,085	
Current Year Depreciation	<u>(741,939)</u>	(216,854)

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

Property Taxes	18,913	
Special Assessments	(226,697)	
Due From Other Governments:		
Charges for Services	5,977	
Shared Taxes and Local Government Revenue Assistance	(49,266)	
Income Taxes	<u>(190,817)</u>	(441,890)

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

General obligation bond principal retirement	4,321,359	
Special assessment debt principal retirement	226,697	
Loan principal retirement	21,758	
Capital lease payments	<u>261,744</u>	
Total long-term obligation repayment		4,831,558

Governmental funds report issuance costs as expenditures, whereas these amounts
are deferred and amortized in the Statement of Activities. 118,745

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

Amortization of bond issuance costs	(23,193)	
Amortization of bond discount	(7,355)	
Accrued Interest	<u>18,692</u>	(11,856)

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

Bond Proceeds	(3,595,000)	
Capital Lease Proceeds	<u>(215,955)</u>	(3,810,955)

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 governmental funds.

Decrease in Compensated Absences	216,127	
Other Post Employment Benefits	<u>58,711</u>	
		<u>274,838</u>

Change in Net Assets of Governmental Activities (\$1,663,480)

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES:				
Property Taxes	\$1,739,860	\$2,970,811	\$2,601,753	(\$369,058)
Income Taxes	16,364,850	14,500,000	14,706,163	206,163
Other Local Taxes	12,640	11,200	12,455	1,255
Charges for Services	696,070	616,750	607,415	(9,335)
Fines, Licenses and Permits	675,852	598,835	473,453	(125,382)
Intergovernmental	1,541,345	1,365,702	1,410,874	45,172
Interest	9,593	8,500	8,263	(237)
Rent	15,801	14,000	15,908	1,908
Contributions and Donations	451	400	450	50
Refunds	84,646	75,000	17,884	(57,116)
Other	28,215	25,000	57,121	32,121
Total Revenues	21,169,323	20,186,198	19,911,739	(274,459)
EXPENDITURES:				
Current:				
General Government:				
Legislative and Executive	4,264,571	4,213,703	4,107,613	106,090
Judicial System	111,289	122,728	122,602	126
Security of Persons and Property:				
Police	7,709,290	7,648,915	7,431,793	217,122
Fire	8,076,509	7,712,244	7,661,277	50,967
Public Services	75,513	75,515	65,715	9,800
Public Health Services	1,027,138	1,074,141	996,052	78,089
Total Expenditures	21,264,310	20,847,246	20,385,052	462,194
Excess of Revenues Under Expenditures	(94,987)	(661,048)	(473,313)	187,735
OTHER FINANCING SOURCES (USES):				
Advances In	0	0	5,943	5,943
Advances Out	(32,000)	(73,430)	(52,200)	21,230
Transfers Out	(1,655,134)	(1,413,905)	(1,310,049)	103,856
Total Other Financing Sources (Uses)	(1,687,134)	(1,487,335)	(1,356,306)	131,029
Net Change in Fund Balance	(1,782,121)	(2,148,383)	(1,829,619)	318,764
Fund Balance at Beginning of Year	2,170,049	2,170,049	2,170,049	0
Prior Year Encumbrances Appropriated	237,656	237,656	237,656	0
Fund Balance at End of Year	\$625,584	\$259,322	\$578,086	\$318,764

See accompanying notes to the basic financial statements

CITY OF NORWOOD, OHIO
STATEMENT OF FUND NET ASSETS
ENTERPRISE FUNDS
DECEMBER 31, 2010

	<u>Water</u>	<u>Refuse</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$144,477	\$118,671	\$263,148
Accounts Receivable	<u>1,159,719</u>	<u>397,757</u>	<u>1,557,476</u>
Total Current Assets	<u>1,304,196</u>	<u>516,428</u>	<u>1,820,624</u>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	67,254	0	67,254
Depreciable Capital Assets, Net	<u>2,164,161</u>	<u>0</u>	<u>2,164,161</u>
Total Noncurrent Assets	<u>2,231,415</u>	<u>0</u>	<u>2,231,415</u>
Total Assets	<u>3,535,611</u>	<u>516,428</u>	<u>4,052,039</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	10,650	0	10,650
Accrued Wages Payable	13,915	0	13,915
Intergovernmental Payable	11,980	0	11,980
Compensated Absences Payable	14,789	0	14,789
OPWC Loans Payable	<u>19,622</u>	<u>0</u>	<u>19,622</u>
Total Current Liabilities	<u>70,956</u>	<u>0</u>	<u>70,956</u>
Noncurrent Liabilities:			
Refundable Deposits	67,254	0	67,254
Compensated Absences Payable	23,776	0	23,776
OPWC Loans Payable	<u>29,434</u>	<u>0</u>	<u>29,434</u>
Total Noncurrent Liabilities	<u>120,464</u>	<u>0</u>	<u>120,464</u>
Total Liabilities	<u>191,420</u>	<u>0</u>	<u>191,420</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	2,115,105	0	2,115,105
Unrestricted	<u>1,229,086</u>	<u>516,428</u>	<u>1,745,514</u>
Total Net Assets	<u>\$3,344,191</u>	<u>\$516,428</u>	<u>\$3,860,619</u>

See accompanying notes to the basic financial statements

CITY OF NORWOOD, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Water</u>	<u>Refuse</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services	<u>\$3,373,602</u>	<u>\$1,285,680</u>	<u>\$4,659,282</u>
OPERATING EXPENSES:			
Personal Services	636,137	0	636,137
Contractual Services	2,602,615	1,103,379	3,705,994
Supplies and Materials	58,487	0	58,487
Depreciation	63,371	0	63,371
Other	<u>1,731</u>	<u>793</u>	<u>2,524</u>
Total Operating Expenses	<u>3,362,341</u>	<u>1,104,172</u>	<u>4,466,513</u>
Operating Income	<u>11,261</u>	<u>181,508</u>	<u>192,769</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest and Fiscal Charges	(1,154)	0	(1,154)
Intergovernmental	<u>529,890</u>	<u>0</u>	<u>529,890</u>
Total Non-Operating Revenues (Expenses)	<u>528,736</u>	<u>0</u>	<u>528,736</u>
Change in Net Assets	539,997	181,508	721,505
Net Assets at Beginning of Year	<u>2,804,194</u>	<u>334,920</u>	<u>3,139,114</u>
Net Assets at End of Year	<u><u>\$3,344,191</u></u>	<u><u>\$516,428</u></u>	<u><u>\$3,860,619</u></u>

See accompanying notes to the basic financial statements

CITY OF NORWOOD, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Water</u>	<u>Refuse</u>	<u>Total</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$3,242,408	\$1,289,233	\$4,531,641
Cash Payments for Employee Services and Benefits	(638,500)	0	(638,500)
Cash Payments to Suppliers for Goods and Services	(2,656,864)	(1,214,756)	(3,871,620)
Utility Deposits Received	22,600	0	22,600
Utility Deposits Returned	(19,045)	0	(19,045)
Net Cash Provided by (Used for) Operating Activities	<u>(49,401)</u>	<u>74,477</u>	<u>25,076</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(482,438)	0	(482,438)
Intergovernmental Revenue	529,890	0	529,890
Principal Paid on OPWC Loans	(9,811)	0	(9,811)
Interest Paid on OPWC Loans	(1,154)	0	(1,154)
Net Cash Provided By Capital and Related Financing Activities	<u>36,487</u>	<u>0</u>	<u>36,487</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,914)	74,477	61,563
Cash and Cash Equivalents at Beginning of Year	<u>224,645</u>	<u>44,194</u>	<u>268,839</u>
Cash and Cash Equivalents at End of Year	<u>\$211,731</u>	<u>\$118,671</u>	<u>\$330,402</u>
Reconciliation of Operating Income to Net Cash <u>Provided by (Used for) Operating Activities:</u>			
Operating Income	\$11,261	\$181,508	\$192,769
Adjustments to Reconcile Operating Income to Net Cash <u>Provided by (Used for) Operating Activities:</u>			
Depreciation	63,371	0	63,371
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(131,194)	3,553	(127,641)
Increase in Accounts Payable	5,969	0	5,969
Decrease in Contracts Payable	0	(110,584)	(110,584)
Decrease in Accrued Wages Payable	(767)	0	(767)
Decrease in Intergovernmental Payable	(5,203)	0	(5,203)
Increase in Liabilities Payable from Restricted Assets	3,555	0	3,555
Increase in Compensated Absences Payable	3,607	0	3,607
Net Cash Provided by (Used for) Operating Activities	<u>(\$49,401)</u>	<u>\$74,477</u>	<u>\$25,076</u>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010**

	<u>Pension Trust</u>	<u>Agency</u>
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$16	\$1,035,179
Accounts Receivable	<u>0</u>	<u>1,729,460</u>
Total Assets	<u>16</u>	<u>\$2,764,639</u>
LIABILITIES:		
Intergovernmental Payable	0	\$2,759,227
Undistributed Monies	<u>0</u>	<u>5,412</u>
Total Liabilities	<u>0</u>	<u>\$2,764,639</u>
NET ASSETS:		
Held in Trust for OPEB	<u>16</u>	
Total Net Assets	<u>\$16</u>	

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Pension Trust</u>
ADDITIONS:	
Interest Income	\$13
Employer Contributions	<u>325,042</u>
Total Additions	325,055
DEDUCTIONS:	
Distributions to Participants	<u>325,042</u>
Change in Net Assets	13
Net Assets at Beginning of Year	<u>3</u>
Net Assets at End of Year	<u><u>\$16</u></u>

See accompanying notes to the basic financial statements

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

The City operates under a mayor-council form of government. Legislative power is vested in a seven member council and a council president, each elected to four-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. All City officials, with the exception of the Service Safety Director, are elected positions. The Service Safety Director is appointed by the Mayor.

Reporting Entity

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

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

The City is associated with one organization, the Public Entities Pool of Ohio, which is defined as a shared risk pool. This organization is presented in Note 20 of the Basic Financial Statements.

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

Governmental Funds

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

General Fund – This is the chief operating fund for the City and it is used to account for all revenues and expenditures which are not accounted for in other funds. The primary sources of revenue for this fund are income taxes, property taxes and local government funds. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the City is obligated for the payment. The City has only one Debt Service Fund.

Linden Pointe Construction Fund – This fund is used to account for debt proceeds used for the construction of the Linden Pointe development area.

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

Proprietary Funds

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds

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

Water Fund – This fund is used to account for the provision of water treatment and distribution to residential and commercial users within the City.

Refuse Fund – This fund is used to account for refuse services provided to residents, businesses and industries located within the City.

Fiduciary Funds

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

Measurement Focus

Government-wide Financial Statements

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “available” means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within 31 days of year-end.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes/payments in lieu of taxes is recognized in the year for which the taxes are levied or would have been levied (See Notes 7 and 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but were levied to finance year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. No budget was prepared for the OPWC Improvement Fund because no budgetary activity was anticipated and none occurred. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department and fund. Budgetary modifications may only be made by ordinance of Council.

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

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

Cash and Cash Equivalents

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

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2010, investments were limited to a money market mutual fund. Money market mutual funds, are reported at fair value, which is determined by the fund's current share price.

Interest income is distributed to the funds according to Ohio statutory requirements. Interest revenue credited to the General Fund during 2010 amounted to \$8,263, which includes \$6,980 assigned from other City funds.

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

Capital Assets and Depreciation

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

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

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

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

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

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

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

Fund Balance Reserves

Reserves of fund balance in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for encumbrances.

Operating Revenues and Expenses

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

Internal Activity

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

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

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Discounts/Issuance Costs

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

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

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Net Assets

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

The long-term liability for the 2006 Tax Increment Financing Bonds is not related to governmental activities because the proceeds were not used to construct a capital asset reported by the City. This liability is included in the calculation of unrestricted net assets.

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

Estimates

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, "Accounting and Financial Reporting for Intangible Assets". GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City's financial statements.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (Continued)

	General
GAAP Basis	(\$1,673,335)
Revenue Accruals	17,155
Expenditure Accruals	126,126
Encumbrances	(253,308)
Advances Out	(46,257)
Budget Basis	(\$1,829,619)

NOTE 5 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

3. Written repurchase agreements in the securities listed above;
4. Commercial paper and bankers acceptances if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2); and
7. The State Treasurer's investment pool (STAROhio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is no default of principal, interest or coupons; or
3. Obligations of the City.

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

Investments

As of December 31, 2010, the City's only investment was the First American Treasury Obligation Money Markey Mutual Fund, which had a fair value of \$1,195,643 and an average maturity of 90 days at December 31, 2010.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

Interest Rate Risk

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

Credit Risk

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

NOTE 6 – MUNICIPAL INCOME TAX

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

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

Income tax proceeds are recorded in the General Fund.

NOTE 7 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property used in business located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 7 – PROPERTY TAXES (Continued)

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property taxes received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Tangible personal property taxes from telephone companies will no longer be levied and collected after 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2010, was \$11.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$380,588,480
General Business Personal Property	13,934,370
Public Utility Personal Property	814,880
Totals	\$395,337,730

The County Treasurer collects property taxes on behalf of all taxing districts within the county, including the City of Norwood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2010, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 8 – RECEIVABLES

Receivables at December 31, 2010, consisted of property taxes, other local taxes, municipal income taxes, payments in lieu of taxes, interfund, accounts, special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, and special assessments. Property and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year for the City amounts to \$1,211,474. The City had no delinquent special assessments at December 31, 2010.

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Homestead and Rollback	\$97,401
State Local Government	317,520
Gasoline Excise Tax	183,855
Motor Vehicle License Tax	52,099
Gasoline Cents per Gallon	<u>90,698</u>
Total Intergovernmental Receivable	<u><u>\$741,573</u></u>

Payments in Lieu of Taxes

In 2002, the City entered into the Cornerstone Tax Increment Financing Agreement between the City and Cornerstone at Norwood LLC, for the purpose of constructing the Cornerstone commercial facility and parking garage. In 2007, the City entered into an Urban Renewal Plan with Linden Pointe LLC, as the Redeveloper, for the purpose of constructing the Linden Pointe commercial and retail facility. To encourage improvements, Cornerstone at Norwood LLC and Linden Pointe LLC were granted a 100 percent exemption from paying any property taxes on the new construction. For Cornerstone at Norwood LLC, the exemption was granted for 30 years. For Linden Pointe LLC, the exemption is in effect for the earliest of the duration that the bonds issued in connection with this project are outstanding, or 30 years. Payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due in that current year. These payments are being used to finance public infrastructure improvements. Additional payments are made to the Norwood City School District since they are impacted by the exemption.

A receivable for the amount of the payments estimated to be received in the following year has been recorded in the respective Debt Service and Linden Pointe Construction Funds, with a corresponding credit to deferred revenue.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 9 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2010 was as follows:

	Balance 12/31/2009	Additions	Deletions	Balance at 12/31/2010
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated				
Land	\$6,376,146	\$0	\$0	\$6,376,146
Capital Assets Being Depreciated				
Buildings	4,485,149	235,145	0	4,720,294
Land Improvements	1,482,809	0	0	1,482,809
Vehicles	4,136,807	215,955	0	4,352,762
Furniture, Fixtures and Equipment	2,223,622	60,799	0	2,284,421
Infrastructure	16,853,331	13,186	0	16,866,517
Total Capital Assets Being Depreciated	<u>29,181,718</u>	<u>525,085</u>	<u>0</u>	<u>29,706,803</u>
Less Accumulated Depreciation				
Buildings	(2,272,915)	(65,005)	0	(2,337,920)
Land Improvements	(822,530)	(70,038)	0	(892,568)
Vehicles	(2,516,451)	(189,349)	0	(2,705,800)
Furniture, Fixtures and Equipment	(1,235,216)	(104,697)	0	(1,339,913)
Infrastructure	(8,266,835)	(312,850)	0	(8,579,685)
Total Accumulated Depreciation	<u>(15,113,947)</u>	<u>(741,939)</u>	<u>0</u>	<u>(15,855,886)</u>
Total Capital Assets Being Depreciated, Net	<u>14,067,771</u>	<u>(216,854)</u>	<u>0</u>	<u>13,850,917</u>
Governmental Activities Capital Assets, Net	<u>\$20,443,917</u>	<u>(\$216,854)</u>	<u>\$0</u>	<u>\$20,227,063</u>

Depreciation expense was charged to governmental programs as follows:

<u>Governmental Activities</u>	
General Government	\$175,471
Security of Persons and Property:	
Police	85,962
Fire	117,416
Public Services	7,530
Public Health Services	7,520
Leisure Time Services	17,468
Community and Economic Development	577
Transportation	326,233
Intergovernmental	3,762
Total Depreciation Expense	<u>\$741,939</u>

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 9 – CAPITAL ASSETS (Continued)

	Balance 12/31/2009	Additions	Deletions	Balance at 12/31/2010
<u>Business-Type Activities</u>				
Capital Assets Being Depreciated				
Buildings	\$54,890	\$0	\$0	\$54,890
Vehicles	163,198	0	0	163,198
Furniture, Fixtures and Equipment	111,326	0	0	111,326
Infrastructure	3,077,946	482,438	0	3,560,384
Total Capital Assets Being Depreciated	3,407,360	482,438	0	3,889,798
Less Accumulated Depreciation				
Buildings	(54,890)	0	0	(54,890)
Vehicles	(163,198)	0	0	(163,198)
Furniture, Fixtures and Equipment	(93,260)	(7,720)	0	(100,980)
Infrastructure	(1,350,918)	(55,651)	0	(1,406,569)
Total Accumulated Depreciation	(1,662,266)	(63,371)	0	(1,725,637)
Business-Type Activities, Net	\$1,745,094	\$419,067	\$0	\$2,164,161

NOTE 10 – LONG-TERM DEBT

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2010 follows:

Governmental Activities

Types/Issues	Balance 1/1/10	Increases	Decreases	Balance 12/31/10	Due Within One Year
General Obligation Refunding Bonds					
2006 - 4.48% - \$6,545,752	\$5,082,958	\$0	\$591,359	\$4,491,599	\$620,637
Special Assesment Debt 2003 - 8.5%					
\$3,500,000	1,684,137	0	226,697	1,457,440	245,966
OPWC Loan- Resurface					
Williams Ave 2003 - 0% - \$247,090	172,964	0	6,177	166,787	12,354
OPWC Loan - Montgomery Rd					
Phase II 2003 - 0% - \$623,255	451,862	0	15,581	436,281	31,162
Tax Increment Financing					
Bonds 2006 - 4%-5.75% - \$12,500,000	12,090,000	0	180,000	11,910,000	195,000
Discount on Debt Issue	(161,800)	0	(7,355)	(154,445)	0
Linden Pointe Tax Increment Financing					
Bonds 2007 - 4.35% - \$3,550,000	3,550,000	0	3,550,000	0	0
Linden Pointe Tax Increment Financing					
Bonds 2010 - 5.00% - 7.00% - \$3,595,000	0	3,595,000	0	3,595,000	30,000
Capital Leases	694,237	215,955	261,744	648,448	284,989
Compensated Absences	3,452,013	579,762	795,889	3,235,886	705,941
Total	\$27,016,371	\$4,390,717	\$5,620,092	\$25,786,996	\$2,126,049

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 10 – LONG-TERM DEBT (Continued)

The general obligation debt is supported through transfers from the General Fund to the Debt Service Fund.

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

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

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

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

In 2007, the Linden Pointe Tax Increment Financing Bonds were issued in the amount of \$3,550,000. TIF Revenues from all incremental property taxes are paid from parcels within the TIF district as defined by the City encompassing the project known as “Linden Pointe”. These incremental taxes on the TIF district will be collected by the Hamilton County Auditor and disbursed to the City of Norwood for the payment of the bonds. The bonds matured in 2010.

In 2010, the City issued \$3,595,000 in Tax Increment Financing Bonds. A portion of the proceeds was used to retire the 2007 Linden Pointe Tax Increment Financing Bonds.

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

Changes in the long-term obligations reported in business-type activities of the City during 2010 were as follows:

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 10 – LONG-TERM DEBT (Continued)

Business-Type Activities

Types/Issues	Balance 1/1/10	Increases	Decreases	Balance 12/31/10	Due Within One Year
OPWC Water Distribution 2007- 0%					
\$98,110	\$58,867	\$0	\$9,811	\$49,056	\$19,622
Compensated Absences	34,958	30,475	26,868	38,565	14,789
Total	<u>\$93,825</u>	<u>\$30,475</u>	<u>\$36,679</u>	<u>\$87,621</u>	<u>\$34,411</u>

During 2007, the City entered into a loan agreement with the Ohio Public Works Commission to help fund improvements of the water distribution system. This is an interest free loan which will be fully retired on January 1, 2013.

As of December 31, 2010, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$36,415,795 and the unvoted debt margin was \$16,648,908.

Annual Long-Term Debt Requirements

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

Year	Governmental Activities						
	Various Purpose General Obligation Bonds		Special Assessment Bonds		OPWC Loans	Tax Increment Financing Bonds	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2011	\$620,637	\$185,993	\$245,966	\$123,882	\$43,516	\$225,000	\$956,699
2012	651,565	157,922	266,873	102,975	43,516	265,000	944,959
2013	684,235	128,263	289,557	80,291	43,516	280,000	931,123
2014	486,014	103,663	314,170	55,679	43,516	295,000	916,499
2015	292,735	87,138	340,874	28,974	43,516	355,000	901,085
2016-2020	1,463,675	229,309	0	0	217,580	2,245,000	4,177,777
2021-2025	292,738	4,586	0	0	167,908	3,500,000	3,371,770
2026-2030	0	0	0	0	0	5,225,000	2,081,893
2031-2035	0	0	0	0	0	2,210,000	626,250
2036-2040	0	0	0	0	0	905,000	107,100
Totals	<u>\$4,491,599</u>	<u>\$896,874</u>	<u>\$1,457,440</u>	<u>\$391,801</u>	<u>\$603,068</u>	<u>\$15,505,000</u>	<u>\$15,015,155</u>

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 10 – LONG-TERM DEBT (Continued)

	Business-Type Activities
	OPWC
	Loans
	Principal
Year	
2011	\$19,622
2012	19,622
2013	9,812
Totals	\$49,056

NOTE 11 – CAPITAL LEASES – LESSEE DISCLOSURE

In 2010, and in prior years, the City entered into capital leases for vehicles. By the terms of the agreements, ownership of the equipment is transferred to the City by the end of the four year lease term. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 “Accounting for Leases,” which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets acquired by leases have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$1,520,385. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2010 totaled \$261,744.

The assets acquired through capital leases are as follows:

	Asset Value	Accum. Depr.	Net Book Value Dec. 31, 2010
Vehicles	\$1,294,583	\$305,787	\$988,796
Furniture, Fixtures, and Equipment	225,802	33,870	191,932
Total	\$1,520,385	\$339,657	\$1,180,728

The following is a schedule of future minimum payments on capital leases and the present value of the minimum lease payments at December 31, 2010.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 11 – CAPITAL LEASES – LESSEE DISCLOSURE (Continued)

Year	Governmental Activities
2011	\$310,834
2012	217,663
2013	77,950
2014	47,017
2015	47,017
Total Minimum Lease Payments	\$700,481
Less: Amount Representing Interest	(52,033)
Present Value of Minimum Lease Payments	\$648,448

NOTE 12 – RISK MANAGEMENT

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

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

NOTE 13 – DEFINED BENEFIT PENSION PLANS

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 13 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for state and local employer units and 12 percent for law enforcement and public safety employer units. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$1,094,655, \$1,036,713, and \$861,644, respectively. For 2010, 97.79 percent has been contributed with the balance due being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$17,031 made by the City and \$12,165 made by plan members.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 13 – DEFINED BENEFIT PENSION PLANS (Continued)

Ohio Police and Fire Pension Fund

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

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$593,750 and \$786,168 for the year ended December 31, 2010, \$626,633 and \$830,060 for the year ended December 31, 2009, and \$562,830 and \$865,541 for the year ended December 31, 2008, respectively. For 2010, 76.89 percent for police and 79.46 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

NOTE 14 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – POST-EMPLOYMENT BENEFITS (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – POST-EMPLOYMENT BENEFITS (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$708,306, \$749,623, and \$861,389, respectively. For 2010, 97.79 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

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 on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – POST-EMPLOYMENT BENEFITS (Continued)

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$314,338 and \$307,631 for the year ended December 31, 2010, \$331,747 and \$324,806 for the year ended December 31, 2009, and \$297,969 and \$338,690 for the year ended December 31, 2008, respectively. For 2010, 76.89 percent has been contributed for police and 79.46 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

NOTE 15 – OTHER EMPLOYEE BENEFITS

Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. The deferred pay and any income earned on it is not subject to federal and state income taxation until actually received by the employee. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 15 – OTHER EMPLOYEE BENEFITS (Continued)

Insurance

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

NOTE 16 – CITY ADMINISTERED OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City administers a single-employer defined benefit other post-employment benefit (OPEB) healthcare plan, the C-9 Trust. Although the assets of the plan are commingled for investment purposes, the plan's assets may only be used for payment of benefits to the members in accordance with the terms of the plan. The benefits of the plan conform to City ordinances, which are the legal authority for the plan. The provisions of the plan may be amended by City ordinance. The plan has minimal assets and does not issue separate financial statements.

Membership of the plan consisted of the following at December 31, 2010:

Retirees and beneficiaries receiving benefits	228
Active employee plan members	3
Total	231
Number of participating employers	1

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

Summary of Significant Accounting Policies

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

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Funding Policy and Annual OPEB Cost

Retirees do not contribute to the plan. The plan is wholly funded by the City. City ordinance provides the authority for establishing and amending the funding policy.

Rather than making advance funding contributions to the plan, the City pays allowable insurance premiums or reimbursements for uninsured expenses when due. For 2010, the City's total contribution to the plan was \$325,042, which exceeded the actuarially determined annual contribution.

Schedule of Employer's Contributions

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2010	\$289,660	112.22%
2009	311,754	107.74%
2008	319,614	100.00%

The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB asset.

Year	Annual Required Contribution	Interest on Net OPEB Asset	Annual Required Contribution Adjustment	Amortization Factor	OPEB Cost	Actual Contributions	Change in Net OPEB Obligation (Asset)	Net OPEB Obligation (Asset) Balance
2008	\$319,614	\$0	\$0	9.74	\$319,614	\$319,614	\$0	\$0
2009	311,754	0	0	9.74	311,754	335,871	(24,117)	(24,117)
2010	289,660	1,688	2,476	9.74	290,448	325,042	(34,594)	(58,711)

Funded Status and Funding Progress

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
12/31/2010	\$16	\$2,821,302	\$2,821,286	0.00%
12/31/2009	3	3,036,488	3,036,485	0.00%

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

Valuation Date	12/31/2010
Actuarial Cost Method	Unprojected Unit Credit
Asset Valuation Method	Market Value
Amortization Method	Level percent, open
Remaining Amortization Period	15 years
Actuarial Assumptions:	
Investment Rate of Return	7% per year, compounded annually
Healthcare Cost Trend Rate	0% for uninsured reimbursement: thus we assume average annual claims will continue to remain level

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 17 – INTERFUND ACTIVITY

Interfund balances at December 31, 2010, consisted of the following amounts and result from correcting misposted items and moving unrestricted balances to support the programs and projects accounted for in other funds.

		<u>Receivable General</u>
Payable	All Other Governmental Funds	<u>\$77,104</u>

Transfers made during the year ended December 31, 2010, were as follows:

		<u>Transfers From General Fund</u>
Transfers To	All Other Governmental Funds	<u>\$1,310,049</u>

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

NOTE 18 – COMPLIANCE AND ACCOUNTABILITY

Compliance

The Treasurer did not prepare accurate reconciliations as required by Ohio law. In addition, the City Auditor did not maintain complete and accounting records as required by Ohio law.

The City did not obtain an amended certificate when revenues collected were less than the amounts originally certified, and the amount of the deficiency reduced available resources below appropriations as required by Ohio Revised Code Section 5705.36(A)(4).

Ohio Revised Code, Section 5705.41(B) states that expenditures cannot exceed appropriations at the legal level of budgetary. The City had budgetary expenditures that exceeded appropriations at the object level in certain General Fund departments.

The City did not certify the availability of funds for certain commitments as required by Ohio Revised Code Section 5705.41(D).

CITY OF NORWOOD, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 18 – COMPLIANCE AND ACCOUNTABILITY (Continued)

Accountability

The Linden Pointe Construction capital projects fund and the 21st Century Grant nonmajor special revenue fund had deficit balances of \$113,145 and \$2,510, respectively. These deficits are due to adjustments for accrued liabilities which generate expenditures that are greater than those recognized on a cash basis. The General Fund provides transfers to cover deficit balances; however, this is only done when cash is needed rather than when accruals occur.

NOTE 19 – CONTINGENCIES

Federal and State Grants

For the period January 1, 2010 to December 31, 2010, the City received state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 20 – SHARED RISK POOL

The Public Entities Pool of Ohio (the Pool) is a public entity shared risk pool which provides various risk management services to its members. The Pool is governed by a seven member board of directors; six are member representatives or elected officials and one is a representative of the pool administrator, American Risk Pooling Consultants, Inc. Each member has one vote on all issues addressed by the Board of Directors.

Participation in the Pool is by written application subject to the terms of the pool agreement. Members must continue membership for a full year and may withdraw from the Pool by giving a 60 day written notice prior to the annual anniversary. Financial information can be obtained from the Public Entities Pool of Ohio, 6797 North High Street, Suite 131, Worthington, Ohio 43085.

NOTE 21 – FISCAL WATCH

On October 7, 2004, the Auditor of State placed the City in fiscal watch, under Section 118.022 (A)(4) of the Ohio Revised Code, based on the examination of a financial forecast for the year ended December 31, 2004 in which the Auditor of State certified a deficit in the General Fund of \$1,546,000 for the year ended December 31, 2004. Since that time, the Auditor of State has continued to monitor the City and to provide technical services to the City.

CITY OF NORWOOD, OHIO

**Required Supplementary Information
Other Post Employment Benefits**

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
12/31/2010	\$16	\$2,821,302	\$2,821,286	0.00%
12/31/2009	3	3,036,488	3,036,485	0.00%
12/31/2008	427	3,158,611	3,158,184	0.01%

Schedule of Employer's Contributions

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2010	\$289,660	115.95%
2009	311,754	107.74%
2008	319,614	100.00%

CITY OF NORWOOD, OHIO
Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds

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

Permissive Tax

To account for motor vehicle license fees used for specific road improvements.

Mayor's Court Computerization

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

Tree Board

To account for donations used by the Tree Board for planting new trees throughout the City.

Pace Telecommunications

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

Council on Aging

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

Recycle

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

Homeland Security

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

21st Century Grant

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

Separation Pay

To account for the accumulation of resources transferred from the General Fund to be used to pay accumulated sick leave and vacation leave of retiring City employees.

Transportation

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

CITY OF NORWOOD, OHIO
Nonmajor Fund Descriptions
(Continued)

Nonmajor Special Revenue Funds (Continued)

Fire

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

Police

To account for donations and grants used for public safety.

Economic Development

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

Parks

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

Health

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

Nonmajor Capital Projects Funds

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

Parks and Recreation

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

General Improvement

To account for monies used for general capital improvements.

Capital Assets

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

Montgomery Road

To account for Issue II grants from the Ohio Public Works Commission for each project awarded through this program and local matching funds.

**CITY OF NORWOOD, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$2,246,741	\$134,304	\$2,381,045
Intergovernmental Receivable	326,652	0	326,652
Other Local Taxes Receivable	8,788	0	8,788
Total Assets	<u>\$2,582,181</u>	<u>\$134,304</u>	<u>\$2,716,485</u>
LIABILITIES:			
Accounts Payable	\$58,779	\$0	\$58,779
Accrued Wages Payable	13,153	0	13,153
Intergovernmental Payable	46,028	0	46,028
Interfund Payable	77,104	0	77,104
Deferred Revenue	270,223	0	270,223
Total Liabilities	<u>465,287</u>	<u>0</u>	<u>465,287</u>
FUND BALANCES:			
Reserved:			
Reserved for Encumbrances	137,590	7,468	145,058
Unreserved, Undesignated Reported in:			
Special Revenue Funds	1,979,304	0	1,979,304
Capital Projects Funds	0	126,836	126,836
Total Fund Balances	<u>2,116,894</u>	<u>134,304</u>	<u>2,251,198</u>
Total Liabilities and Fund Balances	<u>\$2,582,181</u>	<u>\$134,304</u>	<u>\$2,716,485</u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF REVENUES,
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES:			
Other Local Taxes	\$406,202	\$0	\$406,202
Charges for Services	151,357	0	151,357
Fines, Licenses and Permits	122,515	0	122,515
Intergovernmental	1,006,976	0	1,006,976
Interest	282	0	282
Contributions and Donations	52,578	0	52,578
Other	955	0	955
	<hr/>	<hr/>	<hr/>
Total Revenues	1,740,865	0	1,740,865
EXPENDITURES:			
Current:			
General Government	402,065	0	402,065
Security of Persons and Property:			
Police	89,418	0	89,418
Fire	190,815	0	190,815
Public Health Services	164,977	0	164,977
Leisure Time Services	429,452	0	429,452
Community and Economic Development	45,552	0	45,552
Transportation	1,196,547	4,800	1,201,347
Debt Service:			
Principal Retirement	116,854	0	116,854
Interest and Fiscal Charges	11,551	0	11,551
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,647,231	4,800	2,652,031
Excess of Revenues Under Expenditures	(906,366)	(4,800)	(911,166)
OTHER FINANCING SOURCES:			
Transfers In	1,310,049	0	1,310,049
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	403,683	(4,800)	398,883
Fund Balances at Beginning of Year	1,713,211	139,104	1,852,315
	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	<u>\$2,116,894</u>	<u>\$134,304</u>	<u>\$2,251,198</u>

**CITY OF NORWOOD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010**

	Permissive Tax	Mayor's Court Computerization	Tree Board
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$174,308	\$61,388	\$2,155
Intergovernmental Receivable	0	0	0
Other Local Taxes Receivable	8,788	0	0
Total Assets	<u>\$183,096</u>	<u>\$61,388</u>	<u>\$2,155</u>
LIABILITIES:			
Accounts Payable	\$0	\$0	\$0
Accrued Wages Payable	0	0	0
Intergovernmental Payable	31,570	0	0
Interfund Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>31,570</u>	<u>0</u>	<u>0</u>
FUND BALANCES			
Reserved:			
Reserved for Encumbrances	2,189	1,637	0
Unreserved, Undesignated (Deficit)	149,337	59,751	2,155
Total Fund Balances (Deficit)	<u>151,526</u>	<u>61,388</u>	<u>2,155</u>
Total Liabilities and Fund Balances	<u>\$183,096</u>	<u>\$61,388</u>	<u>\$2,155</u>

<u>Pace Telecommunications</u>	<u>Council on Aging</u>	<u>Recycle</u>	<u>Homeland Security</u>	<u>21st Century Grant</u>	<u>Separation Pay</u>
\$68,664	\$36,489	\$3,776	\$1,201	\$2,151	\$434
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$68,664</u>	<u>\$36,489</u>	<u>\$3,776</u>	<u>\$1,201</u>	<u>\$2,151</u>	<u>\$434</u>
\$0	\$0	\$0	\$0	\$52	\$0
0	406	0	0	611	0
0	367	0	0	451	0
0	0	0	0	3,547	0
0	0	0	0	0	0
0	773	0	0	4,661	0
0	0	0	0	2,098	0
68,664	35,716	3,776	1,201	(4,608)	434
68,664	35,716	3,776	1,201	(2,510)	434
<u>\$68,664</u>	<u>\$36,489</u>	<u>\$3,776</u>	<u>\$1,201</u>	<u>\$2,151</u>	<u>\$434</u>

(continued)

**CITY OF NORWOOD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010
(Continued)**

	<u>Transportation</u>	<u>Fire</u>	<u>Police</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$205,917	\$265,434	\$84,543
Intergovernmental Receivable	326,652	0	0
Other Local Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u><u>\$532,569</u></u>	 <u><u>\$265,434</u></u>	 <u><u>\$84,543</u></u>
 LIABILITIES:			
Accounts Payable	\$49,816	\$7,289	\$0
Accrued Wages Payable	9,467	0	0
Intergovernmental Payable	9,111	0	0
Interfund Payable	32,000	30,846	0
Deferred Revenue	<u>270,223</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u><u>370,617</u></u>	 <u><u>38,135</u></u>	 <u><u>0</u></u>
 Fund Balances:			
Reserved:			
Reserved for Encumbrances	54,745	60,478	3,106
Unreserved, Undesignated (Deficit)	<u>107,207</u>	<u>166,821</u>	<u>81,437</u>
 Total Fund Balances (Deficit)	 <u><u>161,952</u></u>	 <u><u>227,299</u></u>	 <u><u>84,543</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$532,569</u></u>	 <u><u>\$265,434</u></u>	 <u><u>\$84,543</u></u>

<u>Economic Development</u>	<u>Parks</u>	<u>Health</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,086,223	\$114,778	\$139,280	\$2,246,741
0	0	0	326,652
0	0	0	8,788
<u>\$1,086,223</u>	<u>\$114,778</u>	<u>\$139,280</u>	<u>\$2,582,181</u>
\$0	\$1,622	\$0	\$58,779
0	2,669	0	13,153
0	4,529	0	46,028
0	10,711	0	77,104
0	0	0	270,223
0	19,531	0	465,287
3,637	3,280	6,420	137,590
1,082,586	91,967	132,860	1,979,304
1,086,223	95,247	139,280	2,116,894
<u>\$1,086,223</u>	<u>\$114,778</u>	<u>\$139,280</u>	<u>\$2,582,181</u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Permissive Tax	Mayor's Court Computerization	Tree Board
REVENUES:			
Other Local Taxes	\$337,538	\$0	\$0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	18,799	0
Intergovernmental	0	0	0
Interest	0	0	0
Contributions and Donations	0	0	0
Other	0	0	0
Total Revenues	<u>337,538</u>	<u>18,799</u>	<u>0</u>
EXPENDITURES:			
Current:			
General Government	0	10,605	0
Security of Persons and Property:			
Police	0	0	0
Fire	0	0	0
Public Health Services	0	0	0
Leisure Time Services	0	0	0
Community and Economic Development	0	0	0
Transportation	299,298	0	0
Debt Service:			
Principal Retirement	21,759	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	<u>321,057</u>	<u>10,605</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	16,481	8,194	0
OTHER FINANCING SOURCES:			
Transfers In	0	0	0
Net Change in Fund Balances	16,481	8,194	0
Fund Balances (Deficit) at Beginning of Year	<u>135,045</u>	<u>53,194</u>	<u>2,155</u>
Fund Balances (Deficit) at End of Year	<u><u>\$151,526</u></u>	<u><u>\$61,388</u></u>	<u><u>\$2,155</u></u>

Pace Telecommunications	Council on Aging	Recycle	Homeland Security	21st Century Grant	Separation Pay
\$68,664	\$0	\$0	\$0	\$0	\$0
0	0	0	0	30,001	0
0	0	0	0	0	0
0	38,423	0	0	13,610	0
0	0	0	0	0	0
0	0	0	0	3,742	0
0	0	0	0	0	0
<u>68,664</u>	<u>38,423</u>	<u>0</u>	<u>0</u>	<u>47,353</u>	<u>0</u>
0	0	0	0	0	391,460
0	0	0	0	0	0
0	0	0	0	0	0
0	30,793	0	0	0	0
69,479	0	0	0	85,184	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>69,479</u>	<u>30,793</u>	<u>0</u>	<u>0</u>	<u>85,184</u>	<u>391,460</u>
(815)	7,630	0	0	(37,831)	(391,460)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>390,009</u>
(815)	7,630	0	0	(37,831)	(1,451)
<u>69,479</u>	<u>28,086</u>	<u>3,776</u>	<u>1,201</u>	<u>35,321</u>	<u>1,885</u>
<u>\$68,664</u>	<u>\$35,716</u>	<u>\$3,776</u>	<u>\$1,201</u>	<u>(\$2,510)</u>	<u>\$434</u>

(continued)

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

	<u>Transportation</u>	<u>Fire</u>	<u>Police</u>
REVENUES:			
Other Local Taxes	\$0	\$0	\$0
Charges for Services	0	10,141	0
Fines, Licenses and Permits	1,240	0	89,852
Intergovernmental	697,793	107,056	0
Interest	282	0	0
Contributions and Donations	0	0	2,010
Other	955	0	0
	<u>700,270</u>	<u>117,197</u>	<u>91,862</u>
Total Revenues			
EXPENDITURES:			
Current:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	89,418
Fire	0	190,815	0
Public Health Services	0	0	0
Leisure Time Services	0	0	0
Community and Economic Development	0	0	0
Transportation	897,249	0	0
Debt Service:			
Principal Retirement	59,513	35,582	0
Interest and Fiscal Charges	7,522	4,029	0
	<u>964,284</u>	<u>230,426</u>	<u>89,418</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(264,014)	(113,229)	2,444
OTHER FINANCING SOURCES:			
Transfers In	680,429	149,611	0
	<u>416,415</u>	<u>36,382</u>	<u>2,444</u>
Net Change in Fund Balances			
Fund Balances (Deficit) at Beginning of Year	(254,463)	190,917	82,099
	<u>\$161,952</u>	<u>\$227,299</u>	<u>\$84,543</u>
Fund Balances (Deficit) at End of Year			

Economic Development	Parks	Health	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$406,202
0	111,215	0	151,357
0	0	12,624	122,515
79	22,110	127,905	1,006,976
0	0	0	282
0	27,482	19,344	52,578
0	0	0	955
<u>79</u>	<u>160,807</u>	<u>159,873</u>	<u>1,740,865</u>
0	0	0	402,065
0	0	0	89,418
0	0	0	190,815
0	0	134,184	164,977
0	274,789	0	429,452
45,552	0	0	45,552
0	0	0	1,196,547
0	0	0	116,854
0	0	0	11,551
<u>45,552</u>	<u>274,789</u>	<u>134,184</u>	<u>2,647,231</u>
(45,473)	(113,982)	25,689	(906,366)
<u>0</u>	<u>90,000</u>	<u>0</u>	<u>1,310,049</u>
(45,473)	(23,982)	25,689	403,683
<u>1,131,696</u>	<u>119,229</u>	<u>113,591</u>	<u>1,713,211</u>
<u>\$1,086,223</u>	<u>\$95,247</u>	<u>\$139,280</u>	<u>\$2,116,894</u>

**CITY OF NORWOOD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2010**

	<u>Parks and Recreation</u>	<u>General Improvement</u>	<u>Capital Assets</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	<u>\$5,055</u>	<u>\$63,706</u>	<u>\$7,468</u>
FUND BALANCES:			
Reserved:			
Reserved for Encumbrances	0	0	7,468
Unreserved, Undesignated	<u>5,055</u>	<u>63,706</u>	<u>0</u>
Total Fund Balances	<u>5,055</u>	<u>63,706</u>	<u>7,468</u>
Total Liabilities and Fund Balances	<u>\$5,055</u>	<u>\$63,706</u>	<u>\$7,468</u>

Montgomery Road	Total Nonmajor Capital Projects Funds
<u>\$58,075</u>	<u>\$134,304</u>
0	7,468
<u>58,075</u>	<u>126,836</u>
<u>58,075</u>	<u>134,304</u>
<u>\$58,075</u>	<u>\$134,304</u>

**CITY OF NORWOOD, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Parks and Recreation</u>	<u>General Improvement</u>	<u>Capital Assets</u>
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Current:			
Transportation	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balances at Beginning of Year	<u>5,055</u>	<u>63,706</u>	<u>7,468</u>
Fund Balances at End of Year	<u><u>\$5,055</u></u>	<u><u>\$63,706</u></u>	<u><u>\$7,468</u></u>

<u>Montgomery Road</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$0
<u>4,800</u>	<u>4,800</u>
(4,800)	(4,800)
<u>62,875</u>	<u>139,104</u>
<u><u>\$58,075</u></u>	<u><u>\$134,304</u></u>

CITY OF NORWOOD, OHIO

Agency Fund Descriptions

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

Mayor's Court

To account for court fines and fees held for distribution to other governments.

Building Assessment

To account for State building permit fees which are disbursed to the State of Ohio.

Sewage

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

**CITY OF NORWOOD, OHIO
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2010**

	<u>Building Assessment</u>	<u>Sewage</u>	<u>Total</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$5,412	\$1,029,767	\$1,035,179
Accounts Receivable	<u>0</u>	<u>1,729,460</u>	<u>1,729,460</u>
 Total Assets	 <u><u>\$5,412</u></u>	 <u><u>\$2,759,227</u></u>	 <u><u>\$2,764,639</u></u>
 LIABILITIES:			
Intergovernmental Payable	\$0	\$2,759,227	\$2,759,227
Undistributed Monies	<u>5,412</u>	<u>0</u>	<u>5,412</u>
 Total Liabilities	 <u><u>\$5,412</u></u>	 <u><u>\$2,759,227</u></u>	 <u><u>\$2,764,639</u></u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance 1/1/10	Additions	Reductions	Balance 12/31/10
MAYOR'S COURT				
ASSETS:				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$426,494	\$426,494	\$0
LIABILITIES:				
Undistributed Monies	\$0	\$426,494	\$426,494	\$0
BUILDING ASSESSMENT				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$5,574	\$2,805	\$2,967	\$5,412
LIABILITIES:				
Intergovernmental Payable	\$354	\$0	\$354	\$0
Undistributed Monies	5,220	2,805	2,613	5,412
Total Liabilities	\$5,574	\$2,805	\$2,967	\$5,412
SEWAGE				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$687,408	\$4,680,881	\$4,338,522	\$1,029,767
Accounts Receivable	1,492,214	1,729,460	1,492,214	1,729,460
Total Assets	\$2,179,622	\$6,410,341	\$5,830,736	\$2,759,227
LIABILITIES:				
Intergovernmental Payable	\$2,179,622	\$6,410,341	\$5,830,736	\$2,759,227
TOTAL - ALL AGENCY FUNDS				
ASSETS:				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$426,494	\$426,494	\$0
Equity in Pooled Cash and Cash Equivalents	692,982	4,683,686	4,341,489	1,035,179
Accounts Receivable	1,492,214	1,729,460	1,492,214	1,729,460
Total Assets	\$2,185,196	\$6,839,640	\$6,260,197	\$2,764,639
LIABILITIES:				
Intergovernmental Payable	\$2,179,976	\$6,410,341	\$5,831,090	\$2,759,227
Undistributed Monies	5,220	429,299	429,107	5,412
Total Liabilities	\$2,185,196	\$6,839,640	\$6,260,197	\$2,764,639

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property Taxes	\$1,739,860	\$2,970,811	\$2,601,753	(\$369,058)
Income Taxes	16,364,850	14,500,000	14,706,163	206,163
Other Local Taxes	12,640	11,200	12,455	1,255
Charges for Services	696,070	616,750	607,415	(9,335)
Fines, Licenses and Permits	675,852	598,835	473,453	(125,382)
Intergovernmental	1,541,345	1,365,702	1,410,874	45,172
Interest	9,593	8,500	8,263	(237)
Rent	15,801	14,000	15,908	1,908
Contributions and Donations	451	400	450	50
Refunds	84,646	75,000	17,884	(57,116)
Other	28,215	25,000	57,121	32,121
Total Revenues	21,169,323	20,186,198	19,911,739	(274,459)
EXPENDITURES:				
Current:				
General Government				
Legislative and Executive				
City Council				
Personal Services	77,090	76,340	74,849	1,491
Contractual Services	2,006	511	505	6
Supplies and Materials	2,306	543	536	7
Other	26,175	15,742	24,317	(8,575)
Total City Council	107,577	93,136	100,207	(7,071)
Clerk of Council				
Personal Services	34,846	37,596	37,696	(100)
Contractual Services	15,678	17,678	16,490	1,188
Supplies and Materials	202	202	185	17
Total Clerk of Council	50,726	55,476	54,371	1,105
Mayor				
Personal Services	62,647	61,397	60,287	1,110
Contractual Services	2,678	2,678	2,733	(55)
Supplies and Materials	614	1,204	1,313	(109)
Total Mayor	65,939	65,279	64,333	946
Law Director				
Personal Services	205,418	209,418	202,148	7,270
Contractual Services	10,075	7,167	7,143	24
Supplies and Materials	409	1,009	841	168
Other	201,747	218,601	199,979	18,622
Total Law Director	417,649	436,195	410,111	26,084
Auditor				
Personal Services	281,872	276,829	263,554	13,275
Contractual Services	9,048	5,048	4,621	427
Supplies and Materials	5,552	3,916	4,975	(1,059)
Other	102,085	86,419	106,463	(20,044)
Total Auditor	398,557	372,212	379,613	(7,401)
Treasurer				
Personal Services	90,105	87,105	85,994	1,111
Contractual Services	43,456	41,368	41,289	79
Supplies and Materials	1,205	1,005	839	166
Other	201,765	171,485	169,571	1,915
Total Treasurer	336,531	300,963	297,693	1,356
Income Tax				
Personal Services	226,433	227,833	221,415	6,418
Contractual Services	85,640	75,640	82,321	(6,681)
Supplies and Materials	1,511	1,511	1,178	333
Other	234,205	261,821	246,119	15,702
Total Income Tax	\$547,789	\$566,805	\$551,033	\$15,772

(continued)

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Civil Service Commission				
Personal Services	\$35,268	\$37,518	\$35,286	\$2,232
Contractual Services	10,163	25,163	20,474	4,689
Supplies and Materials	204	384	377	7
Total Civil Service Commission	<u>45,635</u>	<u>63,065</u>	<u>56,137</u>	<u>6,928</u>
Safety/Service Director's Office				
Personal Services	108,604	108,604	105,593	3,011
Contractual Services	1,307	807	673	134
Supplies and Materials	1,226	1,226	2,441	(1,215)
Total Safety/Service Director's Office	<u>111,137</u>	<u>110,637</u>	<u>108,707</u>	<u>1,930</u>
Transportation Unassigned Vehicle				
Contractual Services	10	917	905	12
Supplies and Materials	157,018	186,116	194,576	(8,460)
Total Transportation Unassigned Vehicle	<u>157,028</u>	<u>187,033</u>	<u>195,481</u>	<u>(8,448)</u>
Division of Buildings				
Personal Services	317,621	320,021	311,275	8,746
Contractual Services	63,778	63,778	78,427	(14,649)
Supplies and Materials	1,514	1,514	1,497	17
Refund	498	498	65	433
Other	30,000	0	0	0
Total Division of Buildings	<u>383,411</u>	<u>385,811</u>	<u>391,264</u>	<u>(5,453)</u>
Public Works				
Personal Services	143,809	145,809	140,743	5,066
Contractual Services	6,538	5,038	4,764	274
Supplies and Materials	2,521	2,121	2,192	(71)
Total Public Works	<u>152,868</u>	<u>152,968</u>	<u>147,699</u>	<u>5,269</u>
Garage				
Personal Services	180,821	181,221	177,101	4,120
Contractual Services	2,517	1,867	1,651	216
Supplies and Materials	11,060	8,060	7,442	618
Total Garage	<u>194,398</u>	<u>191,148</u>	<u>186,194</u>	<u>4,954</u>
Community Center				
Personal Services	106,748	108,748	104,315	4,433
Contractual Services	100,052	100,052	19,817	80,235
Supplies and Materials	3,538	3,594	3,555	39
Other	38,257	41,757	42,088	(331)
Total Community Center	<u>248,595</u>	<u>254,151</u>	<u>169,775</u>	<u>84,376</u>
Public Lands and Buildings				
Contractual Services	202,429	221,429	226,790	(5,361)
Supplies and Materials	25,255	24,255	24,343	(88)
Other	451,345	352,808	365,694	(12,886)
Total Public Lands and Buildings	<u>679,029</u>	<u>598,492</u>	<u>616,827</u>	<u>(18,335)</u>
Parks and Playgrounds				
Personal Services	332,027	347,527	345,368	2,159
Contractual Services	5,579	3,444	1,579	1,865
Supplies and Materials	26,096	26,361	28,221	(1,860)
Total Parks and Playgrounds	<u>363,702</u>	<u>377,332</u>	<u>375,168</u>	<u>2,164</u>
Prisoner Housing				
Contractual Services	4,000	3,000	3,000	0
Total Legislative and Executive	<u>\$4,264,571</u>	<u>\$4,213,703</u>	<u>\$4,107,613</u>	<u>\$106,090</u>

(continued)

CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Judicial				
Mayor's Court				
Personal Services	\$82,379	\$81,779	\$82,390	(\$611)
Contractual Services	28,400	40,005	39,278	727
Supplies and Materials	510	944	934	10
Total Judicial	<u>111,289</u>	<u>122,728</u>	<u>122,602</u>	<u>126</u>
Total General Government	<u>4,375,860</u>	<u>4,336,431</u>	<u>4,230,215</u>	<u>106,216</u>
Security of Persons and Property				
Police				
Personal Services	7,047,381	6,978,381	6,845,749	132,632
Contractual Services	84,220	95,085	96,456	(1,371)
Supplies and Materials	97,280	77,080	85,504	(8,424)
Other	480,409	498,369	404,084	94,285
Total Police	<u>7,709,290</u>	<u>7,648,915</u>	<u>7,431,793</u>	<u>217,122</u>
Fire				
Personal Services	7,866,291	7,504,791	7,413,340	91,451
Contractual Services	61,684	66,884	66,980	(96)
Supplies and Materials	22,656	15,591	52,063	(36,472)
Other	125,878	124,978	128,894	(3,916)
Total Fire	<u>8,076,509</u>	<u>7,712,244</u>	<u>7,661,277</u>	<u>50,967</u>
Total Security of Persons and Property	<u>15,785,799</u>	<u>15,361,159</u>	<u>15,093,070</u>	<u>268,089</u>
Public Services				
Personal Services	66,717	66,717	56,965	9,752
Other	8,796	8,798	8,750	48
Total Public Services	<u>75,513</u>	<u>75,515</u>	<u>65,715</u>	<u>9,800</u>
Public Health Services				
Personal Services	472,370	488,270	422,527	65,743
Contractual Services	28,189	28,284	29,356	(1,072)
Supplies and Materials	3,107	2,042	1,849	193
Refunds	6	536	529	7
Other	523,466	555,009	541,791	13,218
Total Public Health Services	<u>1,027,138</u>	<u>1,074,141</u>	<u>996,052</u>	<u>78,089</u>
Total Expenditures	<u>21,264,310</u>	<u>20,847,246</u>	<u>20,385,052</u>	<u>462,194</u>
Excess of Revenues Under Expenditures	<u>(94,987)</u>	<u>(661,048)</u>	<u>(473,313)</u>	<u>187,735</u>
OTHER FINANCING SOURCES (USES):				
Advances In	0	0	5,943	5,943
Advances Out	(32,000)	(73,430)	(52,200)	21,230
Transfers Out	(1,655,134)	(1,413,905)	(1,310,049)	103,856
Total Other Financing Sources (Uses)	<u>(1,687,134)</u>	<u>(1,487,335)</u>	<u>(1,356,306)</u>	<u>131,029</u>
Net Change in Fund Balance	(1,782,121)	(2,148,383)	(1,829,619)	318,764
Fund Balance at Beginning of Year	2,170,049	2,170,049	2,170,049	0
Prior Year Encumbrances Appropriated	237,656	237,656	237,656	0
Fund Balance at End of Year	<u>\$625,584</u>	<u>\$259,322</u>	<u>\$578,086</u>	<u>\$318,764</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Payments in Lieu of Taxes	\$1,145,437	\$1,145,437	\$0
Special Assessments	380,944	380,944	0
Intergovernmental	0	62,136	62,136
Interest	0	12	12
	<u>1,526,381</u>	<u>1,588,529</u>	<u>62,148</u>
Total Revenues			
EXPENDITURES:			
Intergovernmental	1,572,301	242,856	1,329,445
Debt Service:			
Principal Retirement	947,414	998,055	(50,641)
Interest and Fiscal Charges	1,430,082	1,088,701	341,381
	<u>3,949,797</u>	<u>2,329,612</u>	<u>1,620,185</u>
Total Expenditures			
Net Change in Fund Balance	(2,423,416)	(741,083)	1,682,333
Fund Balance at Beginning of Year	<u>2,318,879</u>	<u>2,318,879</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$104,537)</u></u>	<u><u>\$1,577,796</u></u>	<u><u>\$1,682,333</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LINDEN POINTE CONSTRUCTION CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Payments in Lieu of Taxes	\$73,333	\$73,333	\$0
Intergovernmental	219,998	219,998	0
Other	0	785	785
Total Revenues	293,331	294,116	785
EXPENDITURES:			
Intergovernmental	73,333	73,333	0
Capital Outlay	788,600	691,073	97,527
Debt Service:			
Interest and Fiscal Charges	221,095	204,305	16,790
Total Expenditures	1,083,028	968,711	114,317
Net Change in Fund Balance	(789,697)	(674,595)	115,102
Fund Balance at Beginning of Year	753,400	753,400	0
Fund Balance (Deficit) at End of Year	(\$36,297)	\$78,805	\$115,102

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
WATER ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Final Budget</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
REVENUES:			
Charges for Services	\$3,710,427	\$3,242,408	(\$468,019)
Utility Deposits Received	4,500	3,555	(945)
Intergovernmental	<u>600,000</u>	<u>529,890</u>	<u>(70,110)</u>
Total Revenues	<u>4,314,927</u>	<u>3,775,853</u>	<u>(539,074)</u>
EXPENSES:			
Personal Services	691,303	638,500	52,803
Contractual Services	3,074,976	2,551,017	523,959
Supplies and Materials	64,439	61,907	2,532
Refunds	2,085	1,731	354
Capital Outlay	530,261	529,890	371
Other	68,199	0	68,199
Debt Service:			
Principal Retirement	20,103	19,622	481
Interest and Fiscal Charges	<u>1,211</u>	<u>1,154</u>	<u>57</u>
Total Expenses	<u>4,452,577</u>	<u>3,803,821</u>	<u>648,756</u>
Net Change in Fund Equity	(137,650)	(27,968)	109,682
Fund Equity at Beginning of Year	64,876	64,876	0
Prior Year Encumbrances Appropriated	<u>159,769</u>	<u>159,769</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$86,995</u></u>	<u><u>\$196,677</u></u>	<u><u>\$109,682</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
REFUSE ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Charges for Services	<u>\$1,400,000</u>	<u>\$1,289,233</u>	<u>(\$110,767)</u>
EXPENSES:			
Contractual Services	1,356,000	1,219,963	136,037
Other	<u>0</u>	<u>793</u>	<u>(793)</u>
Total Expenses	<u>1,356,000</u>	<u>1,220,756</u>	<u>135,244</u>
Net Change in Fund Equity	44,000	68,477	24,477
Fund Equity at Beginning of Year	38,195	38,195	0
Prior Year Encumbrances Appropriated	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$88,195</u></u>	<u><u>\$112,672</u></u>	<u><u>\$24,477</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERMISSIVE TAX SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Other Local Taxes	\$360,643	\$337,656	(\$22,987)
EXPENDITURES:			
Current:			
Transportation	486,785	279,728	207,057
Debt Service:			
Principal Retirement	0	43,518	(43,518)
Total Expenditures	486,785	323,246	163,539
Net Change in Fund Balance	(126,142)	14,410	140,552
Fund Balance at Beginning of Year	114,142	114,142	0
Prior Year Encumbrances Appropriated	12,000	12,000	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$140,552</u>	<u>\$140,552</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAYOR'S COURT COMPUTERIZATION SPECIAL REVENUE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$19,000	\$18,799	(\$201)
EXPENDITURES:			
Current:			
General Government:			
Judicial System	72,293	12,342	59,951
Net Change in Fund Balance	(53,293)	6,457	59,750
Fund Balance at Beginning of Year	52,608	52,608	0
Prior Year Encumbrances Appropriated	685	685	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$59,750</u>	<u>\$59,750</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TREE BOARD SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Contributions and Donations	\$450	\$0	(\$450)
EXPENDITURES:			
Current:			
Leisure Time Services	2,154	0	2,154
Net Change in Fund Balance	(1,704)	0	1,704
Fund Balance at Beginning of Year	2,154	2,154	0
Fund Balance at End of Year	<u>\$450</u>	<u>\$2,154</u>	<u>\$1,704</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PACE TELECOMMUNICATIONS SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Other Local Taxes	\$68,000	\$68,664	\$664
EXPENDITURES:			
Current:			
Leisure Time Services	134,479	69,479	65,000
Net Change in Fund Balance	(66,479)	(815)	65,664
Fund Balance at Beginning of Year	69,479	69,479	0
Fund Balance at End of Year	<u>\$3,000</u>	<u>\$68,664</u>	<u>\$65,664</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNCIL ON AGING SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$26,000	\$38,423	\$12,423
EXPENDITURES:			
Current:			
Public Health Services	54,897	30,832	24,065
Net Change in Fund Balance	(28,897)	7,591	36,488
Fund Balance at Beginning of Year	28,898	28,898	0
Fund Balance at End of Year	<u>\$1</u>	<u>\$36,489</u>	<u>\$36,488</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 RECYCLE SPECIAL REVENUE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

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

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 HOMELAND SECURITY SPECIAL REVENUE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Current:			
Security of Persons and Property:			
Fire	<u>1,201</u>	<u>0</u>	<u>1,201</u>
Net Change in Fund Balance	(1,201)	0	1,201
Fund Balance at Beginning of Year	<u>1,201</u>	<u>1,201</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$1,201</u></u>	<u><u>\$1,201</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
21ST CENTURY GRANT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$0	\$30,001	\$30,001
Intergovernmental	44,000	13,610	(30,390)
Contributions and Donations	0	3,742	3,742
Total Revenues	44,000	47,353	3,353
EXPENDITURES:			
Current:			
Leisure Time Services	92,633	91,033	1,600
Excess of Revenues Under Expenditures	(48,633)	(43,680)	4,953
Other Financing Sources:			
Advances In	8,500	3,547	(4,953)
Net Change in Fund Balance	(40,133)	(40,133)	0
Fund Balance at Beginning of Year	36,443	36,443	0
Prior Year Encumbrances Appropriated	3,690	3,690	0
Fund Balance at End of Year	\$0	\$0	\$0

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SEPARATION PAY SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Current:			
General Government:			
Legislative and Executive	430,885	391,460	39,425
Excess of Revenues Under Expenditures	(430,885)	(391,460)	39,425
OTHER FINANCING SOURCES:			
Transfer In	429,000	390,009	(38,991)
Net Change in Fund Balance	(1,885)	(1,451)	434
Fund Balance at Beginning of Year	1,885	1,885	0
Fund Balance at End of Year	\$0	\$434	\$434

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$1,330	\$1,240	(\$90)
Intergovernmental	799,468	697,453	(102,015)
Interest	0	282	282
Other	1,024	955	(69)
Total Revenues	801,822	699,930	(101,892)
EXPENDITURES:			
Current:			
Transportation	1,929,724	1,738,566	191,158
Excess of Revenues Under Expenditures	(1,127,902)	(1,038,636)	89,266
OTHER FINANCING SOURCES:			
Transfers In	729,834	680,429	(49,405)
Advances In	0	32,000	32,000
Total Other Financing Sources	729,834	712,429	(17,405)
Net Change in Fund Balance	(398,068)	(326,207)	71,861
Fund Balance at Beginning of Year	63,262	63,262	0
Prior Year Encumbrances Appropriated	364,301	364,301	0
Fund Balance at End of Year	\$29,495	\$101,356	\$71,861

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$5,662	\$10,141	\$4,479
Intergovernmental	189,800	107,056	(82,744)
Total Revenues	195,462	117,197	(78,265)
EXPENDITURES:			
Current:			
Security of Persons and Property:			
Fire	594,900	296,332	298,568
Excess of Revenues Under Expenditures	(399,438)	(179,135)	220,303
OTHER FINANCING SOURCES:			
Transfers In	149,611	149,611	0
Advances In	28,400	0	(28,400)
Total other Financing Sources	178,011	149,611	(28,400)
Net Change in Fund Balance	(221,427)	(29,524)	191,903
Fund Balance at Beginning of Year	212,061	212,061	0
Prior Year Encumbrances Appropriated	15,128	15,128	0
Fund Balance at End of Year	\$5,762	\$197,665	\$191,903

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$50,055	\$89,852	\$39,797
Contributions and Donations	290	2,010	1,720
Total Revenues	50,345	91,862	41,517
EXPENDITURES:			
Current:			
Security of Persons and Property:			
Police	137,926	98,909	39,017
Debt Service:			
Principal Retirement	172	0	172
Total Expenditures	138,098	98,909	39,189
Net Change in Fund Balance	(87,753)	(7,047)	80,706
Fund Balance at Beginning of Year	87,415	87,415	0
Prior Year Encumbrances Appropriated	1,066	1,066	0
Fund Balance at End of Year	\$728	\$81,434	\$80,706

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$58	\$79	\$21
EXPENDITURES:			
Current:			
General Government:			
Legislative and Executive	750,000	0	750,000
Leisure Time Services	5,000	0	5,000
Community and Economic Development	114,383	55,409	58,974
Total Expenditures	869,383	55,409	813,974
Net Change in Fund Balance	(869,325)	(55,330)	813,995
Fund Balance at Beginning of Year	1,135,642	1,135,642	0
Prior Year Encumbrances Appropriated	2,274	2,274	0
Fund Balance at End of Year	<u>\$268,591</u>	<u>\$1,082,586</u>	<u>\$813,995</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$204,266	\$111,215	(\$93,051)
Intergovernmental	22,110	22,110	0
Contributions and Donations	28,951	27,482	(1,469)
Total Revenues	255,327	160,807	(94,520)
EXPENDITURES:			
Current:			
Leisure Time Services	369,806	278,590	91,216
Excess of Revenues Under Expenditures	(114,479)	(117,783)	(3,304)
OTHER FINANCING SOURCES:			
Transfers In	0	90,000	90,000
Advances In	0	10,711	10,711
Total Other Financing Sources	0	100,711	100,711
Net Change in Fund Balance	(114,479)	(17,072)	97,407
Fund Balance at Beginning of Year	119,082	119,082	0
Prior Year Encumbrances Appropriated	7,869	7,869	0
Fund Balance at End of Year	\$12,472	\$109,879	\$97,407

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$12,207	\$12,624	\$417
Intergovernmental	123,198	127,905	4,707
Other	18,705	19,344	639
Contributions and Donations	5,500	0	(5,500)
Total Revenues	159,610	159,873	263
EXPENDITURES:			
Current:			
Public Health Services	276,028	143,435	132,593
Net Change in Fund Balance	(116,418)	16,438	132,856
Fund Balance at Beginning of Year	88,634	88,634	0
Prior Year Encumbrances Appropriated	27,794	27,794	0
Fund Balance at End of Year	\$10	\$132,866	\$132,856

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PARKS AND RECREATION CAPITAL PROJECTS FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Current:			
Leisure Time Services	5,055	0	5,055
Net Change in Fund Balance	(5,055)	0	5,055
Fund Balance at Beginning of Year	4,405	4,405	0
Prior Year Encumbrances Appropriated	650	650	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$5,055</u>	<u>\$5,055</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

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

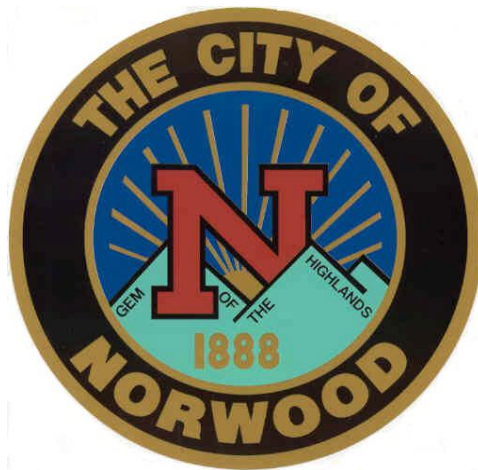
**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL ASSETS CAPITAL PROJECTS FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Capital Outlay	<u>7,467</u>	<u>7,467</u>	<u>0</u>
Net Change in Fund Balance	(7,467)	(7,467)	0
Prior Year Encumbrances Appropriated	<u>7,467</u>	<u>7,467</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MONTGOMERY ROAD CAPITAL PROJECTS FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Current:			
Transportation	<u>58,074</u>	<u>0</u>	<u>58,074</u>
Net Change in Fund Balance	(58,074)	0	58,074
Fund Balance at Beginning of Year	<u>58,074</u>	<u>58,074</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$58,074</u></u>	<u><u>\$58,074</u></u>

Statistical Section



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STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	S2-S7
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	S8
These schedules contain information to help the reader assess the City's most significant local revenue source, municipal income taxes.	
Debt Capacity	S9-S15
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	S16-S18
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating information	S20-S25
These schedules contain service and capital assets data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year and/or City of Norwood records. The City implemented *GASB Statement No. 34* in 2007. Schedules presenting government-wide information include information beginning in that year. From 2003 to 2006, the City prepared its financial statements using an other cash basis of accounting.

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

	2010	2009	2008	2007	2006
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt (Deficit)	\$9,490,219	\$8,828,832	\$8,937,229	\$8,280,277	(\$7,396,865)
Restricted for:					
Debt Service	2,857,114	3,806,183	4,106,532	2,859,140	2,299,339
Capital Outlay	134,304	417,509	(341,878)	143,385	1,233,962
Security of Persons and Property	311,842	273,016	267,469	0	0
Leisure Time Services	79,318	99,256	92,950	0	0
Community and Economic Development	1,086,223	1,048,726	1,140,219	0	0
Transportation	406,258	20,654	510,046	0	0
Other Purposes (1)	461,630	443,733	649,739	2,792,188	2,844,230
Unrestricted (Deficit)	<u>(11,982,596)</u>	<u>(10,430,117)</u>	<u>(9,592,896)</u>	<u>(9,705,845)</u>	<u>659,764</u>
<i>Total Governmental Activities Net Assets</i>	<u>2,844,312</u>	<u>4,507,792</u>	<u>5,769,410</u>	<u>4,369,145</u>	<u>(359,570)</u>
Business - Type Activities:					
Invested in Capital Assets, Net of Related Debt	2,115,105	1,686,227	1,747,681	1,747,399	1,436,315
Unrestricted	<u>1,745,514</u>	<u>1,452,887</u>	<u>942,344</u>	<u>1,010,075</u>	<u>1,189,364</u>
<i>Total Business-Type Activities Net Assets</i>	<u>3,860,619</u>	<u>3,139,114</u>	<u>2,690,025</u>	<u>2,757,474</u>	<u>2,625,679</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt (Deficit)	11,605,324	10,515,059	10,684,910	10,027,676	(5,960,550)
Restricted	5,336,689	6,109,077	6,425,077	5,794,713	6,377,531
Unrestricted (Deficit)	<u>(10,237,082)</u>	<u>(8,977,230)</u>	<u>(8,650,552)</u>	<u>(8,695,770)</u>	<u>1,849,128</u>
<i>Total Primary Government Net Assets</i>	<u>\$6,704,931</u>	<u>\$7,646,906</u>	<u>\$8,459,435</u>	<u>\$7,126,619</u>	<u>\$2,266,109</u>

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

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

	2010	2009	2008 (1)	2007
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$570,638	\$689,194	\$693,459	\$635,896
Security of Persons and Property:				
Police	101,116	79,562	93,659	112,556
Fire	505,317	274,489	569,358	430,339
Public Health Services	70,053	79,543	59,898	67,660
Leisure Time Services	141,216	132,379	192,013	275,589
Transportation	1,240	8,841	12,399	8,199
Subtotal - Charges for Services	<u>1,389,580</u>	<u>1,264,008</u>	<u>1,620,786</u>	<u>1,530,239</u>
Operating, Grants, Contributions and Interest	1,042,860	1,043,193	1,128,039	1,189,062
Capital Grants, Contributions and Interest	<u>0</u>	<u>352,970</u>	<u>306,813</u>	<u>3,546,556</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,432,440</u>	<u>2,660,171</u>	<u>3,055,638</u>	<u>6,265,857</u>
Business-Type Activities:				
Charges for Services:				
Water	3,373,602	3,591,259	3,305,623	3,089,958
Refuse	<u>1,285,680</u>	<u>1,331,272</u>	<u>1,282,655</u>	<u>1,250,592</u>
Subtotal - Charges for Services	4,659,282	4,922,531	4,588,278	4,340,550
Operating, Grants, Contributions and Interest				
Water	<u>529,890</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>5,189,172</u>	<u>4,922,531</u>	<u>4,588,278</u>	<u>4,340,550</u>
<i>Total Primary Government Program Revenues</i>	<u>\$7,621,612</u>	<u>\$7,582,702</u>	<u>\$7,643,916</u>	<u>\$10,606,407</u>

(continued)

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

	2010	2009	2008 (1)	2007
Expenses				
Governmental Activities:				
General Government	\$4,391,794	\$4,417,404	\$4,419,288	\$4,224,972
Security of Persons and Property:				
Police	7,361,336	7,630,831	6,550,466	6,514,479
Fire	7,771,995	7,703,754	7,739,810	7,324,613
Public Services	69,101	71,369	55,684	69,114
Public Health Services	1,175,166	1,031,047	1,045,310	1,059,730
Leisure Time Services	442,876	481,943	465,298	492,524
Community and Economic Development	577	87,222	96,214	111,048
Public Works	0	0	0	392,265
Transportation	1,640,137	2,496,555	1,805,625	1,832,601
Intergovernmental	319,951	420,765	0	56,521
Interest and Fiscal Charges	1,428,434	1,511,449	1,366,982	1,627,876
<i>Total Governmental Activities Expenses</i>	<u>24,601,367</u>	<u>25,852,339</u>	<u>23,544,677</u>	<u>23,705,743</u>
Business-Type Activities:				
Water	3,363,495	3,142,523	3,650,452	3,367,657
Refuse	1,104,172	1,330,919	1,433,012	1,206,583
<i>Total Business-Type Activities Expenses</i>	<u>4,467,667</u>	<u>4,473,442</u>	<u>5,083,464</u>	<u>4,574,240</u>
<i>Total Primary Government Program Expenses</i>	<u>29,069,034</u>	<u>30,325,781</u>	<u>28,628,141</u>	<u>28,279,983</u>
Net (Expense)/Revenue				
Governmental Activities	(22,168,927)	(23,192,168)	(20,489,039)	(17,439,886)
Business-Type Activities	721,505	449,089	(495,186)	(233,690)
<i>Total Primary Government Net Expense</i>	<u>(21,447,422)</u>	<u>(22,743,079)</u>	<u>(20,984,225)</u>	<u>(17,673,576)</u>
General Revenues and Transfers				
Governmental Activities:				
Taxes:				
Property Taxes Levied for General Purposes	2,620,666	2,583,802	2,691,282	2,839,462
Income Taxes	14,286,726	16,035,144	16,133,313	15,692,244
Other Local Taxes	418,657	193,217	124,800	126,034
Payments in Lieu of Taxes	1,218,770	1,096,882	1,284,418	872,964
Grants and Entitlements not Restricted to				
Specific Programs	1,661,157	1,640,740	1,359,809	1,381,070
Unrestricted Contributions	77,663	149,387	138,646	1,261,003
Interest	163,732	185,746	374,138	279,015
Other	58,076	45,632	207,898	74,018
Transfers	0	0	(425,000)	(357,209)
<i>Total Governmental Activities</i>	<u>\$20,505,447</u>	<u>\$21,930,550</u>	<u>\$21,889,304</u>	<u>\$22,168,601</u>

(continued)

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

	2010	2009	2008 (1)	2007
Business-Type Activities:				
Other	\$0	\$0	\$2,737	\$8,276
Transfers	0	0	425,000	357,209
<i>Total Business-Type Activities</i>	<u>0</u>	<u>0</u>	<u>427,737</u>	<u>365,485</u>
<i>Total Primary Government General Revenues and Transfers</i>	<u>20,505,447</u>	<u>21,930,550</u>	<u>22,317,041</u>	<u>22,534,086</u>
Change in Net Assets				
Governmental Activities	(1,663,480)	(1,261,618)	1,400,265	4,728,715
Business-Type Activities	721,505	449,089	(67,449)	131,795
<i>Total Primary Government Change in Net Assets</i>	<u>(\$941,975)</u>	<u>(\$812,529)</u>	<u>\$1,332,816</u>	<u>\$4,860,510</u>

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

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

	2010	2009	2008	2007	2006
General Fund					
Reserved	\$199,648	\$202,758	\$406,899	\$188,699	\$234,380
Unreserved	820,802	2,491,027	2,214,810	3,700,938	1,638,951
Total General Fund	<u>1,020,450</u>	<u>2,693,785</u>	<u>2,621,709</u>	<u>3,889,637</u>	<u>1,873,331</u>
All Other Governmental Funds					
Reserved	145,058	120,573	191,612	223,979	228,946
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	1,979,304	1,600,756	2,384,629	2,336,848	2,660,345
Debt Service Fund	1,578,678	2,319,742	2,382,977	1,204,809	36,213
Capital Projects Funds	13,691	409,391	795,220	971,990	1,241,120
Total All Other Governmental Funds	<u>3,716,731</u>	<u>4,450,462</u>	<u>5,754,438</u>	<u>4,737,626</u>	<u>4,166,624</u>
Total Governmental Funds	<u>\$4,737,181</u>	<u>\$7,144,247</u>	<u>\$8,376,147</u>	<u>\$8,627,263</u>	<u>\$6,039,955</u>

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

	2010	2009	2008	2007
Revenues				
Property Taxes	\$2,601,753	\$2,711,543	\$2,693,759	\$2,857,017
Income Taxes	14,477,543	16,754,724	15,594,632	15,649,829
Other Local Taxes	418,657	193,217	124,800	126,034
Payments in Lieu of Taxes	1,218,770	1,096,882	1,284,418	872,964
Special Assessments	226,697	208,937	192,569	177,483
Charges for Services	773,982	704,466	721,812	812,001
Fines, Licenses and Permits	593,713	660,637	716,098	679,251
Intergovernmental	2,700,423	2,939,135	2,774,602	5,823,646
Interest	164,014	186,563	397,600	546,107
Rent	15,908	18,655	15,480	13,919
Contributions and Donations	130,241	224,549	247,434	604,583
Reimbursements	0	0	0	20,000
Other	58,076	45,632	207,898	74,018
<i>Total Revenues</i>	<u>23,379,777</u>	<u>25,744,940</u>	<u>24,971,102</u>	<u>28,256,852</u>
Expenditures				
Current:				
General Government	4,359,962	4,476,744	4,414,079	3,977,677
Security of Persons and Property:				
Police	7,417,854	7,467,928	6,687,822	6,590,125
Fire	7,704,464	7,561,824	7,588,904	7,403,494
Public Services	61,571	63,839	48,154	54,640
Public Health Services	1,156,731	1,058,252	1,035,537	1,037,098
Leisure Time Services	429,452	469,887	505,952	475,947
Community and Economic Development	45,552	91,246	91,606	95,996
Public Works	0	0	0	392,265
Transportation	1,300,069	2,189,443	1,489,157	1,479,571
Intergovernmental	316,189	420,765	0	87,322
Capital Outlay	439,073	501,983	1,120,303	5,633,475
Debt Service:				
Principal Retirement	4,831,558	1,237,743	1,148,882	605,900
Interest and Fiscal Charges	1,416,578	1,500,157	1,353,433	1,625,796
Issuance Costs	118,745	0	0	72,253
<i>Total Expenditures</i>	<u>29,597,798</u>	<u>27,039,811</u>	<u>25,483,829</u>	<u>29,531,559</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,218,021)</u>	<u>(1,294,871)</u>	<u>(512,727)</u>	<u>(1,274,707)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	3,550,000
Transfers In	1,310,049	1,810,772	2,917,682	968,194
Inception of Capital Lease	215,955	62,971	686,611	385,745
Tax Increment Financing Bonds Issued	3,595,000	0	0	0
Transfers Out	(1,310,049)	(1,810,772)	(3,342,682)	(1,041,924)
<i>Total Other Financing Sources (Uses)</i>	<u>3,810,955</u>	<u>62,971</u>	<u>261,611</u>	<u>3,862,015</u>
<i>Net Change in Fund Balances</i>	<u>(\$2,407,066)</u>	<u>(\$1,231,900)</u>	<u>(\$251,116)</u>	<u>\$2,587,308</u>
Debt Service as a Percentage of Noncapital Expenditures	21.49%	10.44%	10.32%	9.37%

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

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2010	2.00%	\$14,706,143	\$10,838,643	73.70%	\$2,660,872	18.09%	\$1,206,628	8.20%
2009	2.00	16,613,298	11,613,186	69.90	3,669,570	22.09	1,330,542	8.01
2008	2.00	15,627,396	11,746,581	75.17	2,438,822	15.61	1,441,993	9.23
2007	2.00	15,577,888	11,233,235	72.11	3,020,279	19.39	1,324,374	8.50
2006	2.00	13,662,821	10,598,189	77.57	2,113,132	15.47	951,500	6.96
2005	2.00	12,703,014	9,648,940	75.96	2,176,574	17.13	877,500	6.91
2004	2.00	11,215,645	9,105,294	81.18	1,201,022	10.71	909,329	8.11
2003	2.00	10,408,106	8,368,290	80.40	1,163,910	11.18	875,906	8.42
2002	2.00	10,124,144	8,144,173	80.44	1,054,170	10.41	925,801	9.14
2001	2.00	10,674,957	8,602,998	80.59	1,116,867	10.46	955,092	8.95

(1) All ten years are on a Cash Basis

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Obligation Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capital
2010	20,483	\$1,107,576,195	\$4,491,599	0.41 %	\$219.28
2009	21,675	1,108,503,253	5,082,958	0.46	234.51
2008	21,675	1,113,075,936	5,646,000	0.51	260.48
2007	21,675	1,145,812,172	6,195,752	0.54	285.85
2006	21,675	1,190,568,831	6,345,752	0.53	292.77
2005	21,675	1,099,175,470	6,495,752	0.59	299.69
2004	21,675	1,098,674,894	6,545,752	0.60	302.00
2003	21,675	1,100,265,362	6,595,752	0.60	304.30
2002	21,675	1,046,787,948	5,890,105	0.56	271.75
2001	21,675	1,043,243,828	6,423,544	0.62	296.36

Sources:

(1) U. S. Bureau of Census, Census of Population, 2000 and 2010 Federal Census.

(2) County Auditor

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

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

Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension	TIF Bonds
2010	\$4,491,599	\$1,457,440	\$603,068	\$648,448	\$0	\$15,350,555
2009	5,082,958	1,684,137	624,826	694,237	0	15,478,200
2008	5,646,600	1,893,074	668,342	887,914	0	15,635,845
2007	6,195,752	2,085,643	711,858	439,948	0	15,753,490
2006	6,345,752	2,263,125	755,374	169,104	0	12,316,135
2005	6,495,752	2,426,705	798,892	0	0	10,335,000
2004	6,545,752	2,577,469	857,990	0	0	5,860,000
2003	6,595,752	2,716,422	418,879	0	2,611,167	0
2002	5,890,105	2,844,489	0	412,987	4,065,818	0
2001	6,423,544	2,962,522	0	762,558	4,315,771	0

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

<u>Business-Type Activities</u>			
<u>OPWC Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$49,056	\$22,600,166	5.16%	\$1,103
58,867	23,623,225	6.02	1,090
118,393	24,850,168	6.33	1,146
144,299	25,330,990	6.45	1,169
116,236	21,965,726	5.60	1,013
152,730	20,209,079	5.15	932
188,154	16,029,365	4.08	740
222,538	12,564,758	3.20	580
255,913	13,469,312	3.43	621
288,310	14,752,705	3.76	681

City of Norwood, Ohio
Legal Debt Margin
Last Ten Years

	2010	2009	2008	2007	2006
Total Assessed Property Value	<u>\$395,337,730</u>	<u>\$394,807,030</u>	<u>\$392,102,410</u>	<u>\$397,405,920</u>	<u>\$410,646,810</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$41,510,462	\$41,454,738	\$41,170,753	\$41,727,622	\$43,117,915
Debt Outstanding:					
General Obligation Bonds	4,491,599	5,082,958	5,646,600	6,195,752	6,345,752
Tax Incremental Financing Bonds	15,505,000	15,640,000	15,805,000	15,930,000	12,500,000
Special Assessment Bonds	1,457,440	1,684,137	1,893,074	2,085,643	2,263,126
Bond Anticipation Notes	0	0	0	0	0
Tax Incremental Financing Notes	0	0	0	0	10,335,000
OPWC Loans	<u>652,124</u>	<u>683,693</u>	<u>786,735</u>	<u>856,157</u>	<u>871,610</u>
Total Gross Indebtedness	22,106,163	23,090,788	24,131,409	25,067,552	32,315,488
Less:					
Tax Incremental Financing Bonds	(15,505,000)	(15,640,000)	(15,805,000)	(15,930,000)	(12,500,000)
Special Assessment Bonds	(1,457,440)	(1,684,137)	(1,893,074)	(2,085,643)	(2,263,126)
Tax Incremental Financing Notes	0	0	0	0	(10,335,000)
OPWC Loans	<u>(49,056)</u>	<u>(58,867)</u>	<u>(118,393)</u>	<u>(144,299)</u>	<u>(116,236)</u>
Total Net Debt Applicable to Debt Limit	<u>5,094,667</u>	<u>5,707,784</u>	<u>6,314,942</u>	<u>6,907,610</u>	<u>7,101,126</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$36,415,795</u>	<u>\$35,746,954</u>	<u>\$34,855,811</u>	<u>\$34,820,012</u>	<u>\$36,016,789</u>
Legal Debt Margin as a Percentage of the Debt Limit	87.73%	86.23%	84.66%	83.45%	83.53%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$21,743,575</u>	<u>\$21,714,387</u>	<u>\$21,565,633</u>	<u>\$21,857,326</u>	<u>\$22,585,575</u>
Total Gross Indebtedness	22,106,163	23,090,788	24,131,409	25,067,552	32,315,488
Less:					
Tax Incremental Financing Bonds	(15,505,000)	(15,640,000)	(15,805,000)	(15,930,000)	(12,500,000)
Special Assessment Bonds	(1,457,440)	(1,684,137)	(1,893,074)	(2,085,643)	(2,263,126)
Tax Incremental Financing Notes	0	0	0	0	(10,335,000)
OPWC Loans	<u>(49,056)</u>	<u>(58,867)</u>	<u>(118,393)</u>	<u>(144,299)</u>	<u>(116,236)</u>
Net Debt Within 5 ½ % Limitations	<u>5,094,667</u>	<u>5,707,784</u>	<u>6,314,942</u>	<u>6,907,610</u>	<u>7,101,126</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$16,648,908</u>	<u>\$16,006,603</u>	<u>\$15,250,691</u>	<u>\$14,949,716</u>	<u>\$15,484,449</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	76.57%	73.71%	70.72%	68.40%	68.56%

Source: City Financial Records

2005	2004	2003	2002	2001
<u>\$372,394,400</u>	<u>\$373,408,480</u>	<u>\$374,985,400</u>	<u>\$350,823,250</u>	<u>\$349,937,220</u>
\$39,101,412	\$39,207,890	\$39,373,467	\$36,836,441	\$36,743,408
6,495,752	6,545,752	6,595,752	5,890,105	6,423,544
0	0	0	0	0
2,426,705	2,577,469	2,716,422	2,844,489	2,962,522
0	5,860,000	0	0	0
0	0	0	0	0
951,622	1,046,144	641,417	255,913	288,310
9,874,079	16,029,365	9,953,591	8,990,507	9,674,376
0	0	0	0	0
(2,426,705)	(2,577,469)	(2,716,422)	(2,844,489)	(2,962,522)
0	0	0	0	0
(152,730)	(188,154)	(222,538)	(255,913)	(288,310)
7,294,644	13,263,742	7,014,631	5,890,105	6,423,544
<u>\$31,806,768</u>	<u>\$25,944,148</u>	<u>\$32,358,836</u>	<u>\$30,946,336</u>	<u>\$30,319,864</u>
81.34%	66.17%	82.18%	84.01%	82.52%
<u>\$20,481,692</u>	<u>\$20,537,466</u>	<u>\$20,624,197</u>	<u>\$19,295,279</u>	<u>\$19,246,547</u>
9,874,079	16,029,365	9,953,591	8,990,507	9,674,376
0	0	0	0	0
(2,426,705)	(2,577,469)	(2,716,422)	(2,844,489)	(2,962,522)
0	0	0	0	0
(152,730)	(188,154)	(222,538)	(255,913)	(288,310)
7,294,644	13,263,742	7,014,631	5,890,105	6,423,544
<u>\$13,187,048</u>	<u>\$7,273,724</u>	<u>\$13,609,566</u>	<u>\$13,405,174</u>	<u>\$12,823,003</u>
64.38%	35.42%	65.99%	69.47%	66.62%

City of Norwood, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2010

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Direct - City of			
General Obligation Bonds	\$4,491,599	100.00%	\$4,491,599
Special Assessment Bonds	1,457,440	100.00	1,457,440
OPWC Loans	603,068	100.00	603,068
Capital Leases	648,448	100.00	648,448
Tax Increment Financing Bonds	<u>15,350,555</u>	100.00	<u>15,350,555</u>
<i>Total Direct Debt</i>	<u>22,551,110</u>		<u>22,551,110</u>
Overlapping			
Norwood City School District (2)	5,130,825	100.00	5,130,825
Hamilton County	<u>99,708,450</u>	1.95	<u>1,944,315</u>
<i>Total Overlapping Debt</i>	<u>104,839,275</u>		<u>7,075,140</u>
Total	<u><u>\$127,390,385</u></u>		<u><u>\$29,626,250</u></u>

Source: County Auditor

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

(2) The debt outstanding is as of June 30, 2010 and is a capital lease.

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

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

Year	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
2010	\$369,848	\$226,697	\$143,151	1.00
2009	369,848	208,937	160,911	1.00
2008	369,848	192,569	177,280	1.00
2007	369,848	177,483	192,366	1.00
2006	369,848	163,578	206,270	1.00
2005	369,848	150,763	219,085	1.00
2004	369,848	138,953	230,896	1.00
2003	369,848	128,067	241,781	1.00
2002	369,848	118,034	251,814	1.00
2001	369,848	108,787	261,061	1.00

(1) Net of Auditor and Treasurer Fees

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2010	20,483	\$437,660,261	\$21,367	\$39,224	34
2009	21,675	392,490,900	18,108	32,223	34
2008	21,675	392,490,900	18,108	32,223	34
2007	21,675	392,490,900	18,108	32,223	34
2006	21,675	392,490,900	18,108	32,223	34
2005	21,675	392,490,900	18,108	32,223	34
2004	21,675	392,490,900	18,108	32,223	34
2003	21,675	392,490,900	18,108	32,223	34
2002	21,675	392,490,900	18,108	32,223	34
2001	21,675	392,490,900	18,108	32,223	34

(1) Source: U. S. Census

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

(3) Source: Ohio Department of Education Website:

<http://www.ode.state.oh.us/data/>

(4) Source: County Planning Commission

(5) Source: County Auditor

N/A - Information not available

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (3)	Hamilton County Unemployment Rate (4)	Average Sales Price of Residential Property (5)	Total Assessed Property Value (5)
N/A	2,239	8.5%	N/A	\$395,337,730
1,494	2,332	9.5	N/A	394,807,030
1,494	2,407	7.1	224,204	382,102,410
1,494	2,323	5.2	273,636	397,405,920
1,494	2,304	5.2	311,853	410,646,810
1,494	2,527	5.6	296,544	372,394,100
1,494	2,620	5.8	232,211	373,408,480
1,494	2,809	5.7	229,431	374,985,400
1,494	2,850	5.9	231,654	350,823,250
1,494	2,947	4.3	182,871	349,937,200

City of Norwood, Ohio

Principal Employers

2010 and 2001

2010

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

2001

<u>Employer</u>	<u>Nature of Business</u>	<u>Rank</u>
Convergys	Service	1
U.S. Playing Card Co.	Consumer Goods Manufacturing	2
Siemens Automation	Capital Goods	3
Zumbiel Box Company	Packaging Manufacturing	4
United Dairy Farmers, Inc.	Consumer Goods Manufacturing	5
Norwood Board of Education	Education	6
City of Norwood	Municipal Government	7
EM Industries	Chemical Manufacturing	8
Aramark Services	Uniform Supplies and Cleaning	9
Broadwing	Communications	10

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

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

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

Function/Program	2010	2009	2008	2007	2006
General Government					
Council	8	8	8	8	9
Clerk of Council	2	2	2	1	1
Mayor	2	1	1	1	1
Mayor's Clerk of Court	2	2	2	2	2
Finance	5	4	4	6	6
Tax	2	1	1	2	2
Treasurer	2	2	2	2	2
City Manager	1	1	1	1	1
Law	2	2	2	3	2
Administration	24	25	27	27	25
Civil Service	4	4	4	4	4
Public Building	1	1	1	1	1
Security of Persons and Property					
Police Administration	1	1	1	1	1
Police	50	55	51	53	52
Police - Auxiliary/Guards	4	4	5	6	7
Police - Dispatchers/Office/Other	7	8	7	8	12
Crossing Guards	13	19	19	13	19
Fire	51	56	58	57	57
Fire - Secretary - Other	1	1	1	1	1
Public Health Services					
Health Administration	1	1	1	1	1
Leisure Time Services					
Recreation	48	53	30	37	32
Community Center	1	1	1	1	1
Community and Economic Development					
Economic Development	0	1	1	1	1
Transportation					
Service	1	1	1	1	1
Street Maintenance and Repair	16	18	20	20	19
Basic Utility Services					
Water	3	3	3	3	3
Totals:	<u>252</u>	<u>275</u>	<u>254</u>	<u>261</u>	<u>263</u>

Source: City Payroll Department W-2 Audit Listing

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

2005	2004	2003	2002	2001
6	6	4	4	3
1	1	0	0	0
1	1	1	1	1
2	2	1	2	2
4	4	4	4	4
2	1	0	0	0
2	2	2	2	2
1	1	1	1	0
2	2	2	1	0
25	24	22	23	20
3	2	3	3	2
1	1	1	1	1
1	1	1	1	1
48	48	53	42	39
7	7	7	7	7
7	2	1	1	1
13	10	9	8	7
57	57	57	56	52
1	1	1	1	1
1	1	1	2	1
25	17	17	35	31
1	1	1	1	1
1	1	1	1	1
1	1	1	3	3
18	17	16	6	5
3	3	3	3	5
<u>234</u>	<u>214</u>	<u>210</u>	<u>209</u>	<u>190</u>

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

Function/Program	2010	2009	2008	2007
General Government				
<i>Finance Department</i>				
Number of checks/ vouchers issued	3,017	3,472	3,104	2,726
Amount of checks written	\$36,843,157	\$39,953,482	\$25,820,163	\$27,683,727
Number of Receipts issued	1,291	1,228	1,259	1,327
General Fund Receipts (cash basis)	\$19,917,682	\$22,067,258	\$21,284,479	\$21,200,444
General Fund Expenditures (cash basis)	\$21,493,993	\$22,448,636	\$22,668,728	\$18,735,747
General Fund Cash Balances	\$831,394	\$2,170,049	\$2,237,959	\$3,922,070
<i>Municipal Court</i>				
Number of Civil Cases	N/A	N/A	N/A	N/A
<i>Building Department Indicators</i>				
Number of Building Permits	581	823	893	696
Number of Building Inspections	1,338	1,662	1,813	2,491
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	0	0	0	34,240
Number of traffic citations issued	1,091	753	0	804
Number of parking citations issued	408	403	375	357
Number of criminal arrests	3,291	4,200	3,500	3,394
DUI Arrests	0	0	0	0
Prisoner meal costs	\$87	\$60	\$138	\$153
Gasoline Gallons Used	49,220	49,220	32,079	32,239
<i>Fire</i>				
EMS Calls	3,450	3,260	3,302	N/A
Fire Calls	1,380	1,143	1,319	N/A
Fire Safety Inspections	4,990	3,600	3,504	3,504
Leisure Time Activities				
<i>Recreation</i>				
Number of Programs	23	22	23	23
Number of Pool Passes Issued	22,060	16,665	22,070	16,665

N/A - Information not available

2006	2005	2004	2003	2002	2001
2,700	2,500	N/A	N/A	N/A	N/A
\$28,677,852	\$25,012,588	N/A	N/A	N/A	N/A
1,430	1,357	1,365	1,228	1,128	N/A
\$22,426,635	\$18,654,279	\$16,627,452	\$15,846,663	\$17,901,746	\$16,664,235
\$21,665,892	\$18,084,471	\$16,904,824	\$16,350,773	\$18,114,298	\$16,295,998
\$1,418,146	\$762,229	\$63,352	\$128,319	\$448,483	\$577,302
N/A	N/A	N/A	N/A	N/A	N/A
404	457	487	541	N/A	N/A
1,461	N/A	1,015	1,505	N/A	N/A
33,800	31,834	31,796	31,478	N/A	59,882
1,784	2,870	1,642	2,331	N/A	4,236
2,818	2,715	2,400	2,193	N/A	2,011
3,286	4,172	3,266	2,738	N/A	2,593
104	120	117	213	N/A	205
\$394	\$370	\$194	\$290	\$525	\$341
30,191	N/A	N/A	N/A	N/A	N/A
2,635	3,000	3,000	3,020	N/A	N/A
1,078	500	500	604	N/A	N/A
4,971	3,412	3,482	N/A	3,482	3,376
22	25	25	24	20	26
16,209	19,078	14,634	15,197	23,033	28,531

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

Function/Program	2010	2009	2008	2007	2006
General Government					
Square Footage Occupied	9,860	9,860	9,860	9,860	9,860
Administrative Vehicles	11	11	11	11	11
Lands and Buildings Vehicles	8	8	8	7	7
Police					
Stations	1	1	1	1	1
Square Footage of Building	2,809	2,809	2,809	2,809	2,809
Vehicles	42	42	39	39	35
Fire					
Stations	1	1	1	1	1
Square Footage of Building	5,770	5,770	5,770	5,770	5,770
Vehicles	14	14	14	14	14
Recreation					
Number of Parks	11	11	11	11	11
Libraries	1	1	1	1	1
Number of Pools	3	3	3	3	3
Number of Tennis Courts	1	1	1	1	1
Number of Baseball Diamonds	8	8	8	8	8
Number of Basketball Courts	2	2	2	2	2
Number of Soccer Fields	5	5	5	5	5
Square Footage of Building	3,772	3,772	3,772	3,772	3,772
Vehicles	2	2	2	2	1
Other Public Works					
Streets (miles)	142	142	142	n/a	n/a
Number of Streetlights (per light bill)	42	42	42	42	42
Service Vehicles	7	7	7	7	3
Wastewater					
Storm Sewers (miles)	100,000	100,000	100,000	100,000	100,000
Water Department					
Water Lines (miles)	302,000	302,000	302,000	302,000	302,000

2005	2004	2003	2002	2001
9,860	9,860	9,860	9,860	9,860
11	11	11	11	11
7	7	7	7	7
1	1	1	1	1
2,809	2,809	2,809	2,809	2,809
35	30	30	28	25
1	1	1	1	1
5,770	5,770	5,770	5,770	5,770
13	13	13	13	13
9	9	9	9	9
1	1	1	1	1
3	3	3	4	4
1	1	1	1	1
8	8	8	8	8
2	2	2	2	2
5	5	5	5	5
3,772	3,772	3,772	3,772	3,772
1	1	1	1	1
n/a	n/a	n/a	60	60
42	42	42	42	30
3	3	3	3	3
100,000	100,000	100,000	100,000	100,000
302,000	302,000	302,000	302,000	302,000

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Dave Yost • Auditor of State

CITY OF NORWOOD

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 18, 2011