

**CITY OF NORTHWOOD  
WOOD COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015**

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





# Dave Yost • Auditor of State

City Council  
City of Northwood  
6000 Wales Road  
Northwood, Ohio 43619-1480

We have reviewed the *Independent Auditor's Report* of the City of Northwood, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 19, 2016

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**CITY OF NORTHWOOD  
WOOD COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

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

To the Members of City Council  
City of Northwood  
Northwood , Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio, (City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 18, 2016, wherein we noted that the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and restated its net position at December 31, 2014 for governmental activities.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Northwood, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Northwood, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Northwood, Ohio's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. 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 City of Northwood, Ohio's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Northwood, Ohio's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northwood, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

May 18, 2016

**CITY OF NORTHWOOD, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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The prior audit report, as of December 31, 2014, included no citations or instances of noncompliance.

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

# CITY OF NORTHWOOD, OHIO

*Wood County, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2015



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2015

Issued by:  
Department of Finance  
Ken Yant  
Director



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WOOD COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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*Unity thru Diversification*



# City of Northwood, Ohio

6000 Wales Road

Northwood, Ohio 43619

Phone (419) 693-9328

Fax (419) 693-6705

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May 18, 2016

## Introduction

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

I am pleased to present the eighteenth Comprehensive Annual Financial Report for the City of Northwood, Ohio for the fiscal year ended December 31, 2015. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Auditing Standards (GAAS) by James G Zupka, CPA, Inc. GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## The Report

*State law*, along with *Administrative Rules* of the Auditor of State, requires all city governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the CAFR of the City of Northwood, Ohio, for the fiscal year ended December 31, 2015.

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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The City's financial statements have been audited by the audit staff of James G Zupka, CPA, Inc. The Auditor issued an unmodified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2015. The report from the Auditor is presented as the first component of the financial section of this report.

***PROFILE OF THE CITY OF NORTHWOOD***

**Early History**

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

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

**Location**

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

**Form of Government**

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

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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

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

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

**City Services**

Police:

The Northwood Police Department is a full-time department with an authorized strength of 19 sworn full-time positions. Current staffing includes the Chief, a Captain, 4 sergeants, 13 patrol officers, and a seasonal crossing guard. The City received partial grant funding for the Bulletproof Vest Partnership Program and Operating a Vehicle while Intoxicated Enforcement.

The department includes dispatching services for police, fire, and public works and is staffed by 5 full-time and 2 part-time dispatchers.

The Northwood Police Department serves the community in many different capacities. The police are involved in the protection of life and property, law enforcement and community education. Community service programs include Ohio Public Safety Department's Third Grade Safety Belt Program, A.L.E.I.A. (Area Law Enforcement Investigators Association), and Bike Patrol.

Fire:

The City of Northwood Fire Department operates out of two stations. An ambulance is staffed on a 24 hour basis by two trained personnel to ensure rapid response to emergencies in the city. The fire department is led by a part-time Fire Chief and is supported by 34 part-paid firefighters. The department provides a full range of fire, EMS and rescue services to its residents. Their equipment includes; 3 ambulances, 3 class A pumpers, 1 102' aerial ladder, 1 mini pumper and other support units. Northwood has a Class 4 ISO rating. The department received Smoke Detectors and two Thermal Imaging Camera grants from FEMA in 2015. The City also purchased a new ambulance replacing a 2007 model.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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Parks and Recreation:

The City owns four major parks. Nature Trails Park located on Curtice Road features a one mile walking or jogging trail that is partially wooded. Brentwood Park, located on Brentwood Road, features a shelter house, tennis courts, picnic facilities and playground equipment. Central Park, located on Wales Road, features a shelter house, picnic facilities, a baseball diamond, tennis courts and playground equipment. Ranger Park located on Curtice Road features a pond and walking trail.

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

Public Works:

The Public Works Department maintains the 47 miles of streets in the City. The department's functions include repairs to City streets as well as cleaning and snow removal. Weekly refuse collection is provided through a contract with Waste Management. The Street Department provides a brush pick up service to the residents as well as a fall leaf collection and a Christmas tree recycling/mulching program. Tree maintenance and new tree plantings are planned each year.

Water and Wastewater:

The City of Northwood has separate water and wastewater services. The western portion of the City is served by water treated by the City of Toledo and purchased through the Northwestern Water & Sewer District. The water is delivered through the distribution system owned and maintained by the Northwestern Water & Sewer District. The eastern portion of the City is served by water treated by the City of Oregon and purchased through the Northwestern Water & Sewer District. The Northwestern Water & Sewer District also provides wastewater services.

***INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION***

**Economic Outlook**

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

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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

Setting Northwood apart from surrounding areas is its available commercial and industrial sites plus a “can-do” attitude reinforced by City elected and appointed officials. With an available workforce of nearly 67,000 strong, the City is ideally situated for economic expansion and growth. Numerous economic opportunities and incentives are offered through the City, County and State. The City of Northwood is happy to assist companies interested in moving here.

The number of permits for commercial, industrial and residential totaled 194 in 2015. The Planning and Zoning Department will continue to work on economic development issues and plan for the future of the city through promotion of the Comprehensive Plan and continue to support and encourage the necessary enforcement of our Zoning Code to promote the livability and desirability of Northwood.

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

The City of Northwood has established two Community Reinvestment Areas (CRAs) comprising the western part of the City and the Woodville Road I-280 interchange area and a third CRA composed of the area between the existing CRAs. These areas grant property tax relief based upon real estate construction and improvement. In addition, the City of Northwood has a J.E.D.Z. (Joint Economic Development Zone) agreement each with the Cities of Oregon and Rossford and also a J.E.D.Z agreement with the City of Toledo. The City established a TIF (Tax Increment Financing) for the issuance and sale of bonds to pay for construction improvements to the Route 280 interchange at Curtice Road which revolved around the construction of a Menard’s store on Curtice Road. The Cities of Oregon and Northwood have signed a cooperative tax sharing agreement and the Northwood and Oregon school systems have signed compensation agreements with Menard’s.

In 2015, Buckeye CableSystem announced their interest in moving four of their facilities into an existing facility in the City of Northwood with a total acquisition and property improvement cost of \$10 million.. Job grants were negotiated for the creation of 400-500 jobs which will be phased in with 130 jobs starting in 2016.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**Unemployment Rates**

According to the Ohio Bureau of Employment Services, the 2015 annual average unemployment rate for Wood County was 4.1% which was lower than the state rate of 4.9% and also lower than the national rate of 5.2%.

**Employee Relations**

The City has 36 full-time and 47 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining. There are three bargaining units representing 29 full-time employees. The A.F.S.C.M.E. (American Federation of State, County and Municipal Employees) Local 755 Ohio represents 8 full-time employees. The O.P.B.A. (Ohio Patrolmen's Benevolent Association) represents 13 patrol officers and 5 police dispatchers. The FOP/OLC represents 4 sergeants.

The City negotiated in 2015 with A.F.S.C.M.E. for a 3-year term ending on March 31, 2018. The contract with O.P.B.A. was negotiated in 2014 for a 3-year term ending December 31, 2017. The City reached agreement with FOP/OLC in 2013 for a 3-year term ending June 30, 2016.

**Major City Initiatives**

During 2015, the City continued focusing on improving the quality of life and employment opportunities for its residents and taxpayers. The City pursued possible assistance such as federal, state and local grant funds. In 2015, the City received the following Police related grants; Bulletproof Vest and D.U.I. Task Force. The City also received grants from Wood County Recycling, Landfill Sponsorship, a federal community wide Smoke Detectors grant along with other training and equipment grants for the Fire Department.

During 2015, the City completed six Street Resurfacing Improvement projects.

**Continuing and Future Projects**

Major projects completed in 2015 included drainage and paving on Goodrich and Flag Streets, Harding Avenue paving and the completion of the Greenway Estates storm water retention pond. Demolition of the Woodville Mall by a contractor hired by the owner took place in 2015 by removing the mall and Sears store. Plans are in place for removal of the former Elder Beerman and Andersons stores in 2016.

The City will continue making infrastructure improvements throughout the City in 2016, including resurfacing projects on Bordeaux Rue, Terri Rue, Brentwood Dr., Bihl Ave., Ritter Ave., Royal Ave., Tracy Rd. and Mason St. The ParcdLanglade storm water pumping station will be replaced in 2016. The City has negotiated an agreement with property owners to extend McNerney Drive. A railroad crossing alert signalization project is underway and will be completed in 2016 along with a new police station roof and new fire engine.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**AWARDS AND ACKNOWLEDGEMENTS**

**Awards**

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

**Public Disclosure**

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

**Acknowledgements**

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

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

Respectfully,



Kenneth A. Yant  
Finance & Revenue Director

**CITY OF NORTHWOOD, OHIO**

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***List of Principal Officials  
For the Year Ended December 31, 2015***

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**Elected Officials**

<b><u>Name</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>
Edward Schimmel	Mayor	12/31/20
James D. Barton	City Council, President	12/31/20
Louis Fahrbach	City Council	12/31/18
Connie S. Hughes	City Council	12/31/18
Randy Kozina	City Council	12/31/18
Keith Dempsey	City Council	12/31/18
Dean Edwards	City Council	12/31/20
Dan Mikolajczyk	City Council	12/31/20

**Administrative Personnel**

<b><u>Name</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>	<b><u>Surety</u></b>
Brian Ballenger	Director of Law	Indefinite	
Robert Anderson	City Administrator	Indefinite	\$50,000 Bond
Tom Cairl	Chief of Police	Indefinite	
Joel Whitmore	Chief of Fire	Indefinite	
Craig Meier	Director of Public Service	Indefinite	
Kenneth A. Yant	Director of Finance	Indefinite	\$50,000 Bond
Kimberly Vaculik	Zoning Inspector	Indefinite	
Laura Schroeder	Clerk of Mayor's Courts	Indefinite	
C. Drew Griffith	Court Magistrate	Indefinite	

**Applies to All Elected Officials**

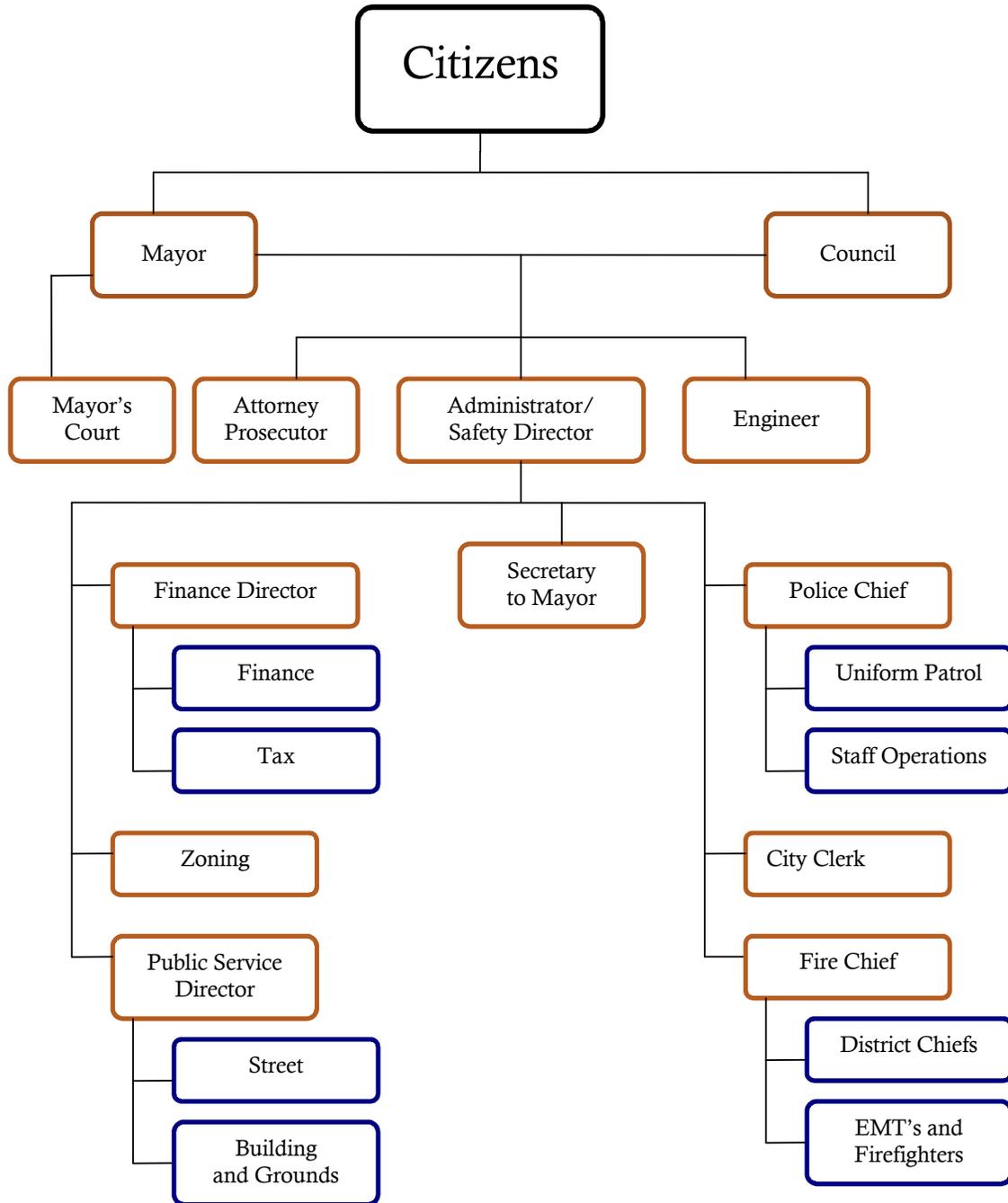
Public officials \$5 million/occurrence, \$7 million aggregate general liability.  
Term July 9, 2015 to July 9, 2016

City Address:

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

*City Organizational Chart  
For the Year Ended December 31, 2015*

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

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Government Finance Officers Association

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

Presented to

**City of Northwood  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

## *FINANCIAL SECTION*

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*Unity thru Diversification*

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of City Council  
City of Northwood  
Northwood , Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio, (City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio, as of December 31, 2015, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 2 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and restated its net position at December 31, 2014 for governmental activities. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting 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 assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Northwood, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2016, on our consideration of the City of Northwood, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northwood, Ohio's internal control over financial reporting and compliance.



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

May 18, 2016



***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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The discussion and analysis of the City of Northwood's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

**Key financial highlights for 2015 are as follows:**

- ❑ In total, net position increased \$1,722,907, which represents a 10.8% increase from 2014.
- ❑ General revenues accounted for \$6.3 million in revenue or 82% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 18% of total revenues of \$7.7 million.
- ❑ The City had \$6.0 million in expenses related to governmental activities; only \$1.4 million of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$5 million in revenues and \$4.5 million in expenditures. The general fund's fund balance increased \$498,478 to \$3,933,204.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a comparison of the City's net position between 2015 and 2014:

	Governmental Activities	
	2015	Restated 2014
Current and other assets	\$13,638,154	\$12,756,384
Capital assets, Net	10,461,587	9,603,319
Total assets	<u>24,099,741</u>	<u>22,359,703</u>
Deferred outflows of resources	<u>539,829</u>	<u>341,268</u>
Net pension liability	3,739,941	3,552,255
Other long-term liabilities	2,575,067	2,627,871
Other liabilities	313,560	258,532
Total liabilities	<u>6,628,568</u>	<u>6,438,658</u>
Deferred inflows of resources	<u>376,969</u>	<u>351,187</u>
Net position (deficit):		
Net investment in capital assets	10,422,136	9,561,074
Restricted	1,745,010	1,743,885
Unrestricted	5,466,887	4,606,167
Total net deficit	<u>\$17,634,033</u>	<u>\$15,911,126</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$19,122,113 to a net position of \$15,911,126 in governmental activities.

At fiscal year-end for governmental activities, capital assets represented 43% of total assets. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, and vehicles. Net investment in capital assets, at December 31, 2015 was \$10,422,136. These capital assets are used to provide services to the public and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$1,745,010, represents resources that are subject to external restriction on how they may be used. Excluding the effect of implementing GASB 68, the City has approximately \$9 million in unrestricted net position which may be used to meet the City's ongoing obligations to the public and creditors.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

Changes in Net position – The following table shows the changes in net position for the fiscal year 2015 and 2014:

	Governmental	
	Activities	
	2015	2014
Revenues		
Program revenues:		
Charges for Services and Sales	\$840,226	\$713,908
Operating Grants and Contributions	376,079	378,141
Capital Grants and Contributions	166,530	134,119
General revenues:		
Property Taxes	212,332	210,189
Municipal Income Taxes	5,507,757	5,617,863
Other Local Taxes	51,560	58,624
Payments in Lieu of Taxes	176,740	175,840
Grants and Entitlements not Restricted to Specific Programs	149,712	223,942
Investment Earnings	89,788	8,656
Miscellaneous	137,346	180,743
Total revenues	<u>7,708,070</u>	<u>7,702,025</u>
Program Expenses		
Security of Persons and Property	3,029,803	2,921,387
Public Health and Welfare Services	6,429	6,465
Leisure Time Activities	72,887	81,679
Community Environment	138,973	120,352
Basic Utility Services	473,215	376,044
Transportation	684,805	803,229
General Government	1,504,412	1,464,739
Interest and Fiscal Charges	74,639	78,332
Total expenses	<u>5,985,163</u>	<u>5,852,227</u>
Total Change in Net Position	1,722,907	1,849,798
Beginning Net Position, Restated	15,911,126	N/A
Ending Net Position	<u>\$17,634,033</u>	<u>\$15,911,126</u>

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$341,268 for Governmental Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$374,863 for Governmental Activities.

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	<u>Governmental Activities</u>
Total 2015 program expenses under GASB 68	\$5,985,163
Pension expense under GASB 68	(374,863)
2015 contractually required contribution	<u>368,681</u>
Adjusted 2015 program expenses	5,978,981
Total 2014 program expenses under GASB 27	<u>5,852,227</u>
Change in program expenses not related to pension	<u><u>\$126,754</u></u>

**CITY OF NORTHWOOD, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

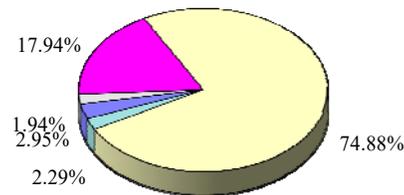
**Governmental Activities**

Net position of the City's governmental activities increased by \$1,722,907. This was due primarily to the fact that both revenues and expenditures stayed relatively stable from 2014 to 2015.

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

Property taxes and income taxes made up 3% and 71% respectively of revenues for governmental activities for the City in fiscal year 2015. The City's reliance upon tax revenues is demonstrated by the following graph indicating 75% of total revenues from general tax revenues:

Revenue Sources	2015	Percent of Total
General Shared Revenues	\$149,712	1.94%
Program Revenues	1,382,835	17.94%
General Tax Revenues	5,771,649	74.88%
Payments in Lieu of Taxes	176,740	2.29%
General Other	227,134	2.95%
<b>Total Revenue</b>	<b>\$7,708,070</b>	<b>100.00%</b>



**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$12,217,260, which is an increase from last year's balance of \$11,473,915. The schedule below indicates the fund balance and the total change in fund balance by major and nonmajor fund as of December 31, 2015 and 2014:

	Fund Balance December 31, 2015	Fund Balance December 31, 2014	Increase (Decrease)
General	\$3,933,204	\$3,434,726	\$498,478
General Obligation Debt Retirement	740,594	668,649	71,945
Capital Improvement	4,529,821	4,183,532	346,289
Capital Replacement	1,384,894	1,429,586	(44,692)
Other Governmental	1,628,747	1,757,422	(128,675)
<b>Total</b>	<b>\$12,217,260</b>	<b>\$11,473,915</b>	<b>\$743,345</b>

**CITY OF NORTHWOOD, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

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

	2015	2014	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Property Taxes	\$212,187	\$222,569	(\$10,382)
Municipal Income Tax	3,832,498	3,941,045	(108,547)
Other Local Taxes	33,670	35,380	(1,710)
Intergovernmental Revenue	299,131	281,739	17,392
Charges for Services	125,720	117,738	7,982
Licenses and Permits	103,152	118,993	(15,841)
Investment Earnings	79,087	3,200	75,887
Special Assessments	67,992	83,231	(15,239)
Fines & Forfeitures	130,719	141,303	(10,584)
Donations	785	270	515
All Other Revenue	<u>109,963</u>	<u>106,390</u>	<u>3,573</u>
Total	<u>\$4,994,904</u>	<u>\$5,051,858</u>	<u>(\$56,954)</u>

General Fund revenues in 2015 decreased 1% compared to revenues in fiscal year 2014. The most significant factors contributing to this decrease was a decrease of \$108,547 in municipal income tax during 2015 due to refunds of overstated tax estimates on business tax returns.

	2015	2014	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$2,776,630	\$2,622,305	\$154,325
Public Health and Welfare Services	6,429	6,465	(36)
Leisure Time Activities	47,092	45,030	2,062
Community Environment	125,292	103,810	21,482
Transportation	119,606	133,506	(13,900)
General Government	<u>1,425,962</u>	<u>1,346,708</u>	<u>79,254</u>
Total	<u>\$4,501,011</u>	<u>\$4,257,824</u>	<u>\$243,187</u>

General Fund expenditures increased by \$243,187 or 5.7% from the prior year mostly due to increases in Security of Persons and Property.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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The General Obligation Debt Retirement Fund balance increased by \$71,945 in 2015 due to the decrease in principal and interest payments compared to 2014.

The Capital Improvement Fund balance increased by \$346,289 in 2015. This increase was due to a decrease in capital related expenditures during 2015.

The Capital Replacement Fund balance decreased by \$44,692 in 2015. This decrease was due to an increase in capital related expenditures during 2015.

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

For the General Fund, final budget basis revenue of \$4.8 million changed over the original budget estimates of \$4.4 million. This increase was primarily due to an increase in income tax collections over the original estimated amount. There were no significant variances between the final budget and actual results for the General Fund. The General Fund had an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2015 the City had \$10,461,587 net of accumulated depreciation invested in land, improvements, infrastructure, buildings and machinery and equipment. The following table shows fiscal year 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$426,051	\$426,051	\$0
Construction in Progress	0	0	0
Land Improvements	33,100	33,100	0
Buildings and Improvements	4,038,276	3,963,944	74,332
Machinery and Equipment	1,348,689	1,267,411	81,278
Vehicles	3,045,116	2,861,476	183,640
Infrastructure	7,290,526	6,378,179	912,347
Less: Accumulated Depreciation	(5,720,171)	(5,326,842)	(393,329)
Totals	<u>\$10,461,587</u>	<u>\$9,603,319</u>	<u>\$858,268</u>

The primary increase occurred in infrastructure and vehicles. This increase is the result of road improvements and the purchase of new ancillary equipment for the Fire Department.

As of December 31, 2015, the City had contractual commitments of \$378,962. This is related to the Parc Du Langlade storm water pump station replacement and the McNerney Drive road construction projects. Additional information on the City's capital assets can be found in Note 9.

**Debt**

The following table summarizes the City's debt outstanding as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Governmental Activities:		
General Obligation Bonds	\$2,090,000	\$2,120,000
Ohio Public Works Commission	32,855	42,245
Compensated Absences	445,616	457,596
Capital Leases Payable	6,596	8,030
Net Pension Liability	3,739,941	3,210,987
Totals	<u>\$6,315,008</u>	<u>\$5,838,858</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Northwood lies, is limited to 11.5 mills. At December 31, 2015, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

**ECONOMIC FACTORS**

The City's original budget for 2015 utilized conservative revenue estimates with limited increases in base operating costs. Original General Fund revenues were projected to be 2% higher than the actual receipts for 2014. This difference was due to a conservative estimated increase in municipal income tax and anticipated increased collection of interest income.

General Fund expenditures were originally budgeted at 2% more than 2014 actual expenditures. Department requests were reduced from original submissions and in general, departments closely monitored spending.

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

**REQUESTS FOR INFORMATION**

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

**CITY OF NORTHWOOD, OHIO**

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**Statement of Net Position  
December 31, 2015**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 4,920,898
Investments	6,296,864
Receivables:	
Taxes	1,413,337
Accounts	450,371
Intergovernmental	296,438
Interest	15,384
Special Assessments	97,887
Inventory of Supplies at Cost	94,246
Prepaid Items	52,729
Capital Assets:	
Capital Assets Not Being Depreciated	426,051
Capital Assets Being Depreciated, Net	10,035,536
<b>Total Assets</b>	<b>24,099,741</b>
<b>Deferred Outflows of Resources:</b>	
Pension	539,829
<b>Liabilities:</b>	
Accounts Payable	212,238
Accrued Wages and Benefits	87,350
Accrued Interest Payable	13,972
Long-Term Liabilities:	
Due Within One Year	184,691
Due in More Than One Year	2,390,376
Net Pension Liability	3,739,941
<b>Total Liabilities</b>	<b>6,628,568</b>
<b>Deferred Inflows of Resources:</b>	
Property Tax Levy for Next Fiscal Year	359,912
Pension	17,057
<b>Total Deferred Inflows of Resources</b>	<b>376,969</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	10,422,136
Restricted For:	
Capital Projects	201,259
Debt Service	745,397
Street Construction, Maintenance and Repair	567,644
Other Purposes	230,710
Unrestricted	5,466,887
<b>Total Net Position</b>	<b>\$ 17,634,033</b>

See accompanying notes to the basic financial statements

**CITY OF NORTHWOOD, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2015**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Governmental Activities:</b>					
Security of Persons and Property	\$ 3,029,803	\$ 261,118	\$ 29,888	\$ 54,136	\$ (2,684,661)
Public Health and Welfare Services	6,429	0	0	0	(6,429)
Leisure Time Activities	72,887	1,055	0	0	(71,832)
Community Environment	138,973	18,145	5,265	2,500	(113,063)
Basic Utility Services	473,215	313,457	0	109,894	(49,864)
Transportation	684,805	3,421	340,926	0	(340,458)
General Government	1,504,412	243,030	0	0	(1,261,382)
Interest and Fiscal Charges	74,639	0	0	0	(74,639)
<b>Total Governmental Activities</b>	<b>\$ 5,985,163</b>	<b>\$ 840,226</b>	<b>\$ 376,079</b>	<b>\$ 166,530</b>	<b>(4,602,328)</b>
<b>General Revenues</b>					
Property Taxes					212,332
Municipal Income Taxes					5,507,757
Other Local Taxes					51,560
Payments in Lieu of Taxes					176,740
Grants and Entitlements not Restricted to Specific Programs					149,712
Investment Earnings					89,788
Miscellaneous					137,346
Total General Revenues					6,325,235
Change in Net Position					1,722,907
Net Position Beginning of Year, as Restated					15,911,126
Net Position End of Year					\$ 17,634,033

See accompanying notes to the basic financial statements

**CITY OF NORTHWOOD, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2015**

	General	General Obligation Debt Retirement	Capital Improvement	Capital Replacement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 979,231	\$ 740,594	\$ 1,368,845	\$ 397,577
Investments	2,232,808	0	3,149,340	914,716
Receivables:				
Taxes	937,967	156,410	207,635	103,816
Accounts	358,549	0	145	0
Intergovernmental	142,117	18,775	0	0
Interest	15,384	0	0	0
Special Assessments	97,887	0	0	0
Inventory of Supplies, at Cost	20,997	0	0	0
Prepaid Items	42,122	0	10,607	0
<b>Total Assets</b>	<b>\$ 4,827,062</b>	<b>\$ 915,779</b>	<b>\$ 4,736,572</b>	<b>\$ 1,416,109</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 3,918	\$ 0	\$ 180,172	\$ 17,927
Accrued Wages and Benefits Payable	79,056	0	0	0
<b>Total Liabilities</b>	<b>82,974</b>	<b>0</b>	<b>180,172</b>	<b>17,927</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	607,382	18,775	26,579	13,288
Property Tax for Next Fiscal Year	203,502	156,410	0	0
<b>Total Deferred Inflows of Resources</b>	<b>810,884</b>	<b>175,185</b>	<b>26,579</b>	<b>13,288</b>
<b>Fund Balances:</b>				
Nonspendable	63,119	0	10,607	0
Restricted	0	740,594	0	0
Committed	0	0	4,519,214	1,384,894
Assigned	69,123	0	0	0
Unassigned	3,800,962	0	0	0
<b>Total Fund Balances</b>	<b>3,933,204</b>	<b>740,594</b>	<b>4,529,821</b>	<b>1,384,894</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,827,062</b>	<b>\$ 915,779</b>	<b>\$ 4,736,572</b>	<b>\$ 1,416,109</b>

See accompanying notes to the basic financial statements

**CITY OF NORTHWOOD, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 1,434,651	\$ 4,920,898
0	6,296,864
7,509	1,413,337
91,677	450,371
135,546	296,438
0	15,384
0	97,887
73,249	94,246
0	52,729
<u>\$ 1,742,632</u>	<u>\$ 13,638,154</u>
\$ 10,221	\$ 212,238
8,294	87,350
<u>18,515</u>	<u>299,588</u>
95,370	761,394
0	359,912
<u>95,370</u>	<u>1,121,306</u>
73,249	146,975
869,179	1,609,773
686,319	6,590,427
0	69,123
0	3,800,962
<u>1,628,747</u>	<u>12,217,260</u>
<u>\$ 1,742,632</u>	<u>\$ 13,638,154</u>



**CITY OF NORTHWOOD, OHIO**

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***Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2015***

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<b>Total Governmental Fund Balances</b>		\$	12,217,260
<b><i>Amounts reported for governmental activities in the statement of net position are different because</i></b>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			10,461,587
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.			
Municipal Income Taxes	132,891		
Property Taxes	4,570		
Charges for Services	307,206		
Interest Revenues	9,354		
Special Assessments	97,887		
Intergovernmental	<u>209,486</u>		761,394
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	539,829		
Deferred Inflows - Pension	(17,057)		
Net Pension Liability	<u>(3,739,941)</u>		(3,217,169)
Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds: it is reported when due.			(13,972)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds Payable	(2,090,000)		
Ohio Public Works Commission Loan Payable	(32,855)		
Capital Lease Payable	(6,596)		
Compensated Absences Payable	<u>(445,616)</u>		<u>(2,575,067)</u>
<b><i>Net Position of Governmental Activities</i></b>		\$	<u>17,634,033</u>

See accompanying notes to the basic financial statements

**CITY OF NORTHWOOD, OHIO**

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**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015**

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	General	General Obligation Debt Retirement	Capital Improvement	Capital Replacement
<b>Revenues:</b>				
Property Taxes	\$ 212,187	\$ 0	\$ 0	\$ 0
Municipal Income Tax	3,832,498	0	1,095,287	547,644
Other Local Taxes	33,670	0	0	0
Intergovernmental Revenues	299,131	4,695	29,780	33,940
Payments in Lieu of Taxes	0	176,740	0	0
Charges for Services	125,720	0	0	0
Licenses and Permits	103,152	0	0	0
Investment Earnings	79,087	0	0	0
Special Assessments	67,992	0	3,421	0
Fines and Forfeitures	130,719	0	538	0
Donations	785	0	35	0
All Other Revenue	109,963	0	0	0
<b>Total Revenue</b>	<b>4,994,904</b>	<b>181,435</b>	<b>1,129,061</b>	<b>581,584</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,776,630	0	0	0
Public Health and Welfare Services	6,429	0	0	0
Leisure Time Activities	47,092	0	0	0
Community Environment	125,292	0	0	0
Basic Utility Services	0	0	0	0
Transportation	119,606	0	0	0
General Government	1,425,962	0	0	0
Capital Outlay	0	0	778,072	642,277
Debt Service:				
Principal Retirement	0	39,390	0	0
Interest & Fiscal Charges	0	74,800	0	0
<b>Total Expenditures</b>	<b>4,501,011</b>	<b>114,190</b>	<b>778,072</b>	<b>642,277</b>
Excess (Deficiency) of Revenues Over Expenditures	493,893	67,245	350,989	(60,693)

**CITY OF NORTHWOOD, OHIO**

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<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 212,187
0	5,475,429
17,890	51,560
336,253	703,799
0	176,740
338,844	464,564
5,573	108,725
8,669	87,756
0	71,413
14,764	146,021
0	820
8,581	118,544
<u>730,574</u>	<u>7,617,558</u>
7,835	2,784,465
0	6,429
0	47,092
15,786	141,078
450,694	450,694
399,140	518,746
20,202	1,446,164
576	1,420,925
0	39,390
0	74,800
<u>894,233</u>	<u>6,929,783</u>

(163,659) 687,775

(Continued)

**CITY OF NORTHWOOD, OHIO**

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**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015**

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	General	General Obligation Debt Retirement	Capital Improvement	Capital Replacement
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	16,001
Transfers In	0	4,700	0	0
Transfers Out	0	0	(4,700)	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>4,700</b>	<b>(4,700)</b>	<b>16,001</b>
Net Change in Fund Balances	493,893	71,945	346,289	(44,692)
<b>Fund Balances at Beginning of Year</b>	<b>3,434,726</b>	<b>668,649</b>	<b>4,183,532</b>	<b>1,429,586</b>
Increase in Inventory Reserve	4,585	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 3,933,204</b>	<b>\$ 740,594</b>	<b>\$ 4,529,821</b>	<b>\$ 1,384,894</b>

See accompanying notes to the basic financial statements

***CITY OF NORTHWOOD, OHIO***

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<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
0	16,001
0	4,700
<u>0</u>	<u>(4,700)</u>
<u>0</u>	<u>16,001</u>
(163,659)	703,776
1,757,422	11,473,915
34,984	39,569
<u>\$ 1,628,747</u>	<u>\$ 12,217,260</u>

***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, 2015***

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Net Change in Fund Balances - Total Governmental Funds \$ 703,776

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

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

Capital Outlay	1,404,414	
Depreciation	<u>(518,266)</u>	886,148

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (27,880)

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

Municipal Income Taxes	32,328	
Property Taxes	145	
Charges for Services	19,477	
Interest Revenues	2,032	
Special Assessments	32,007	
Intergovernmental	<u>(11,478)</u>	74,511

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 368,681

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (374,863)

(Continued)

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

General Obligation Bonds Principal	30,000	
OPWC Loan Principal	9,390	
Capital Lease Principal	1,434	40,824

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of net position.

Accrued Interest Payable		161
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Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in Supplies Inventory	39,569	
Decrease in Compensated Absences Payable	11,980	51,549

***Change in Net Position of Governmental Activities*** **\$ 1,722,907**

See accompanying notes to the basic financial statements

**CITY OF NORTHWOOD, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 228,153	\$ 219,354	\$ 212,364	\$ (6,990)
Municipal Income Tax	3,359,322	3,675,772	3,672,971	(2,801)
Other Local Taxes	18,000	42,500	42,075	(425)
Intergovernmental Revenue	287,600	304,900	303,119	(1,781)
Charges for Services	120,000	120,000	118,675	(1,325)
Licenses and Permits	115,000	104,900	103,286	(1,614)
Special Assessments	69,380	69,180	67,992	(1,188)
Investment Earnings	15,000	62,041	60,548	(1,493)
Fines and Forfeitures	144,200	131,250	130,719	(531)
Donations	1,000	1,000	785	(215)
All Other Revenues	79,000	116,000	110,586	(5,414)
<b>Total Revenues</b>	<b>4,436,655</b>	<b>4,846,897</b>	<b>4,823,120</b>	<b>(23,777)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,917,234	2,944,604	2,873,374	71,230
Public Health and Welfare Services	6,500	6,500	6,429	71
Leisure Time Activities	58,780	60,020	47,098	12,922
Community Environment	107,935	140,235	128,020	12,215
Transportation	154,500	154,500	134,272	20,228
General Government	1,398,570	1,518,315	1,455,183	63,132
<b>Total Expenditures</b>	<b>4,643,519</b>	<b>4,824,174</b>	<b>4,644,376</b>	<b>179,798</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(206,864)	22,723	178,744	156,021
Fund Balance at Beginning of Year	3,044,497	3,044,497	3,044,497	0
Prior Year Encumbrances	8,264	8,264	8,264	0
<b>Fund Balance at End of Year</b>	<b>\$ 2,845,897</b>	<b>\$ 3,075,484</b>	<b>\$ 3,231,505</b>	<b>\$ 156,021</b>

See accompanying notes to the basic financial statements

***Statement of Assets and Liabilities  
Fiduciary Fund  
December 31, 2015***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 1,049
<b>Total Assets</b>	<u>\$ 1,049</u>
<b>Liabilities:</b>	
Due to Others	\$ 1,049
<b>Total Liabilities</b>	<u>\$ 1,049</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The accompanying basic financial statements of the City present the financial position of the various fund types and the results of operations of the various fund types. The financial statements are presented as of December 31, 2015 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61 *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*, in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City.

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

**B. Basis of Presentation - Fund Accounting**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

***Governmental Funds***

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

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

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

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

Capital Replacement Fund - This fund is used to account for resources designated for planned replacement of major capital items for various departments within the City.

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

***Fiduciary Funds***

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting**

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

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

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

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2015, but which are not intended to finance 2015 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources as further described in Note 6.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

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

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

**1. Tax Budget**

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

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the first and final amended official certificate of estimated resources issued during 2015.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Appropriations**

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

**4. Encumbrances**

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

**5. Lapsing of Appropriations**

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

**6. Budgetary Basis of Accounting**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

6. Budgetary Basis of Accounting (Continued)

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

	<u>Net Change In Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$493,893
Increase (Decrease):	
Accrued Revenues at December 31, 2015 received during 2016	(741,020)
Accrued Revenues at December 31, 2014 received during 2015	582,450
Accrued Expenditures at December 31, 2015 paid during 2016	82,974
Accrued Expenditures at December 31, 2014 paid during 2015	(229,392)
2014 Prepays for 2015	45,845
2015 Prepays for 2016	(42,122)
2014 Mark to Market	(33,350)
2015 Mark to Market	20,136
Outstanding Encumbrances	<u>(670)</u>
Budget Basis	<u><u>\$178,744</u></u>

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Pooled Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and local ordinances. Interest revenue credited to the general fund during fiscal year 2015 amounted to \$79,087, which includes \$53,959 assigned from other City funds. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, "Pooled Cash, Cash Equivalents and Investments."

**H. Inventory**

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

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Capital Assets and Depreciation**

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

**1. Property, Plant and Equipment - Governmental Activities**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation (Continued)**

2. Depreciation

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

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

**K. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Bond Retirement Fund
Ohio Public Works Commission Loan	General Bond Retirement Fund
Compensated Absences	General Fund

**L. Compensated Absences**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Compensated Absences (Continued)**

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

**M. Net position**

Net position represents the difference between assets plus the deferred outflow of resources and liabilities plus the deferred inflow of resources. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**N. Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Fund Balances** (Continued)

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

*Assigned* – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

*Unassigned* – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

**O. Pensions**

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**P. Interfund Activity**

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

**Q. Estimates**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2015.

**S. Deferred Inflows/Outflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditures) until then. For the City, deferred outflows related to pension are explained in note 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See note 10)

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

In 2015 the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure.

The implementation of GASB 68 had the following effect on net position as reported December 31, 2014:

	Governmental Activities
Net Position December 31, 2014	<u>\$19,122,113</u>
Adjustments:	
Net Pension Liability	(3,552,255)
Deferred Outflows -	
Payments Subsequent to Measurement Date	<u>341,268</u>
Restated Net Position December 31, 2014	<u><u>\$15,911,126</u></u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

Delinquent Income Tax Revenue	\$132,891
Delinquent Property Tax Revenue	4,570
Shared Revenues	209,486
Interest Revenues	9,354
Charges for Services	307,206
Special Assessment Revenue	97,887
	<hr/>
	\$761,394

*Long-Term liabilities not reported in the funds:*

General Obligation Bonds Payable	(\$2,090,000)
Ohio Public Works Commission Loan	(32,855)
Accrued Interest on Long-Term Debt	(13,972)
Capital Leases Payable	(6,596)
Compensated Absences Payable	(445,616)
	<hr/>
	(\$2,589,039)

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

Capital Outlay	\$1,404,414
Depreciation Expense	<u>(518,266)</u>
	\$886,148

*Governmental revenues not reported in the funds:*

Increase in Delinquent Income Tax Revenue	\$32,328
Increase in Delinquent Property Tax	145
Decrease in Shared Revenue	(11,478)
Increase in Interest Revenue	2,032
Increase in Special Assessment Revenue	32,007
Increase in Charges for Services	<u>19,477</u>
	\$74,511

*Net amount of long-term debt issuance and bond and lease principal payments:*

Principal Payments	\$40,824
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*Expenses not requiring the use of current financial resources:*

Decrease in Compensated Absences Payable	\$11,980
Increase in supplies inventory	<u>39,569</u>
	\$51,549

**CITY OF NORTHWOOD, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 4 – FUND BALANCE CLASSIFICATION**

Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	General Obligation Debt Retirement Fund	Capital Improvement Fund	Capital Replacement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Supplies Inventory	\$20,997	\$0	\$0	\$0	\$73,249	\$94,246
Prepaid Items	42,122	0	10,607	0	0	52,729
Total Nonspendable	<u>63,119</u>	<u>0</u>	<u>10,607</u>	<u>0</u>	<u>73,249</u>	<u>146,975</u>
Restricted:						
General Obligation Debt Service Payments	0	740,594	0	0	0	740,594
Street Construction and Maintenance	0	0	0	0	484,060	484,060
Motor Vehicle License Tax	0	0	0	0	30,796	30,796
State Highway Improvements	0	0	0	0	91,664	91,664
Drug Fines	0	0	0	0	513	513
Law Enforcement	0	0	0	0	5,404	5,404
Enforcement and Education	0	0	0	0	416	416
Computerized Research	0	0	0	0	10,360	10,360
Recreation Parks	0	0	0	0	161,392	161,392
Keep Northwood Beautiful	0	0	0	0	84,574	84,574
Total Restricted	<u>0</u>	<u>740,594</u>	<u>0</u>	<u>0</u>	<u>869,179</u>	<u>1,609,773</u>
Committed:						
Capital Improvements	0	0	4,519,214	0	0	4,519,214
Capital Replacement	0	0	0	1,384,894	0	1,384,894
Storm Water Management	0	0	0	0	679,204	679,204
Northwood Environment	0	0	0	0	2,102	2,102
Northwood Civic Events	0	0	0	0	5,013	5,013
Total Committed	<u>0</u>	<u>0</u>	<u>4,519,214</u>	<u>1,384,894</u>	<u>686,319</u>	<u>6,590,427</u>
Assigned:						
Fiscal Year 2015 Appropriations	69,123	0	0	0	0	69,123
Unassigned	3,800,962	0	0	0	0	3,800,962
Total Fund Balances	<u>\$3,933,204</u>	<u>\$740,594</u>	<u>\$4,529,821</u>	<u>\$1,384,894</u>	<u>\$1,628,747</u>	<u>\$12,217,260</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 5 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**A. Deposits**

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

At year end the carrying amount of the City's deposits was \$4,921,247 and the bank balance was \$5,062,139. In addition, the City had \$700 petty cash on hand. Federal depository insurance covered \$250,000 of the bank balance and \$4,812,139 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$4,812,139</u>
Total Balance	<u><u>\$4,812,139</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

**B. Investments**

The City's investments at December 31, 2015 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
FHLB	\$500,370	AAA <sup>1</sup> / Aaa <sup>2</sup>	\$0	\$0	\$500,370
Negotiable CD's	5,796,494	N/A	600,403	4,450,755	745,336
Total Investments	<u>\$6,296,864</u>		<u>\$600,403</u>	<u>\$4,450,755</u>	<u>\$1,245,706</u>

<sup>1</sup> Standard & Poor's

<sup>2</sup> Moody's Investor Service

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City adheres to the Ohio Revised Code's five year policy.

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

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee. The City's investments in negotiable certificates of deposit were insured by Federal Depository Insurance in the amount of \$5,796,494.

*Concentration of Credit Risk* – The City places no limit on the amount the City may invest in one issuer. The City's investments in FHLB and negotiable certificates of deposit represent 7.9% and 92.1%, respectively of the City's total investments.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 6 – TAXES (Continued)**

**A. Property Taxes (Continued)**

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

The full tax rate for all City operations for the year ended December 31, 2015 was \$1.60 per \$1,000 of assessed value. The assessed value upon which the 2015 tax receipts were based was \$115,253,620. This amount constitutes \$112,427,900 in real property assessed value and \$2,825,720 in public utility assessed value.

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

**B. Income Tax**

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

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

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2015 consisted of taxes, special assessments, interest receivable, accounts receivable and intergovernmental receivables.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2015:

	<u>Transfers In:</u>
	General
	Obligation
	Debt Retirement
<u>Transfers Out:</u>	<u>Fund</u>
Capital Improvement Fund	<u>\$4,700</u>
	<u>\$4,700</u>

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 9 – CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2015:

*Historical Cost:*

Class	December 31, 2014	Additions	Deletions	December 31, 2015
<i>Capital assets not being depreciated:</i>				
Land	\$426,051	\$0	\$0	\$426,051
<i>Capital assets being depreciated:</i>				
Land Improvements	33,100	0	0	33,100
Buildings and Improvements	3,963,944	74,332	0	4,038,276
Machinery and Equipment	1,267,411	98,092	(16,814)	1,348,689
Vehicles	2,861,476	319,643	(136,003)	3,045,116
Infrastructure	6,378,179	912,347	0	7,290,526
	14,504,110	1,404,414	(152,817)	15,755,707
Total Cost	\$14,930,161	\$1,404,414	(\$152,817)	\$16,181,758

*Accumulated Depreciation:*

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Land Improvements	(\$33,100)	\$0	\$0	(\$33,100)
Buildings and Improvements	(1,734,656)	(83,530)	0	(1,818,186)
Machinery and Equipment	(743,186)	(78,251)	16,814	(804,623)
Vehicles	(1,816,642)	(167,429)	108,123	(1,875,948)
Infrastructure	(999,258)	(189,056)	0	(1,188,314)
Total Depreciation	(\$5,326,842)	(\$518,266) *	\$124,937	(\$5,720,171)
<i>Net Value:</i>	\$9,603,319			\$10,461,587

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$158,694
Leisure Time Activities	26,028
Community Environment	1,450
Basic Utility Services	22,883
Transportation	217,859
General Government	91,352
Total Depreciation Expense	\$518,266

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$145,187 for 2015, which was equal to the required contribution for the year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	19.50 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$223,494 for 2015, which was equal to the required contribution for the year.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$970,920	\$2,769,021	\$3,739,941
Proportion of the Net Pension Liability	0.008050%	0.0534517%	
Pension Expense	\$107,976	\$266,887	\$374,863

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$51,805	\$119,343	\$171,148
City contributions subsequent to the measurement date	<u>145,187</u>	<u>223,494</u>	<u>368,681</u>
Total Deferred Outflows of Resources	<u>\$196,992</u>	<u>\$342,837</u>	<u>\$539,829</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$17,057</u>	<u>\$0</u>	<u>\$17,057</u>

\$368,681 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2016	\$5,081	\$29,836	\$34,917
2017	5,081	29,836	34,917
2018	11,634	29,836	41,470
2019	<u>12,952</u>	<u>29,835</u>	<u>42,787</u>
Total	<u>\$34,748</u>	<u>\$119,343</u>	<u>\$154,091</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$1,786,215	\$970,920	\$284,246

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

\* levered 2x

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$3,829,975	\$2,769,021	\$1,870,716

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

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

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, local government employers contributed at a rate of 14.0% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were \$24,199, \$22,186 and \$11,219, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined 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 is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

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

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

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

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 2015, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City’s contributions for health care to the OP&F for the years ending December 31, 2015, 2014, and 2013 were \$5,881, \$5,802 and \$42,259 for police, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 12 - COMPENSATED ABSENCES**

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

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

At December 31, 2015, the City's accumulated, unpaid compensated absences amounted to \$445,616, which has been recorded as a liability of the Governmental Activities.

**NOTE 13 - CAPITAL LEASE**

The City leases equipment under a capital lease. The original cost of the equipment was \$8,259 and the related liability is reported in the Government-Wide Statement of Net Position.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2015:

<u>Year Ending December 31,</u>	<u>Capital Lease</u>
2016	\$1,982
2017	1,982
2018	1,982
2019	1,652
Minimum Lease Payments	7,598
Less amount representing interest at the City's incremental borrowing rate of interest	(1,002)
Present value of minimum lease payments	<u>\$6,596</u>

**CITY OF NORTHWOOD, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 14 - LONG-TERM DEBT**

Long-term debt of the City at December 31, 2015 is as follows:

	Issue Date	Original Issue Amount	Restated Balance December 31, 2014	Issued	(Retired)	Balance December 31, 2015	Amounts Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
	2007	\$2,200,000	\$2,120,000	\$0	(\$30,000)	\$2,090,000	\$35,000
Ohio Public Works Commission Loan:							
	1999	187,790	42,245	0	(9,390)	32,855	9,390
			457,596	445,616	(457,596)	445,616	138,756
			8,030	0	(1,434)	6,596	1,545
			3,210,987	528,954	0	3,739,941	0
Total Governmental Activities							
			\$5,838,858	\$974,570	(\$498,420)	\$6,315,008	\$184,691

During 2007, the City issued TIF bonds to finance certain public improvements within the City limits of Northwood. This was done to help pay for infrastructure associated with the construction of a building paid for by Menard's, Inc.

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2015, follow:

Years	General Obligation Bonds		OPWC Loan	
	Principal	Interest	Principal	Interest
2016	\$35,000	\$167,658	\$9,390	\$0
2017	35,000	164,400	9,389	0
2018	40,000	161,600	9,389	0
2019	45,000	158,400	4,687	0
2020	45,000	155,224	0	0
2021-2025	300,000	712,378	0	0
2026-2030	435,000	571,915	0	0
2031-2035	635,000	368,629	0	0
2036-2038	520,000	79,314	0	0
Totals	\$2,090,000	\$2,539,518	\$32,855	\$0

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 15 - CONSTRUCTION COMMITMENTS**

As of December 31, 2015 the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Par Du Langlade Pump Station	\$190,962	2016
McNerney Road Construction	188,000	2016
Total	\$378,962	

**NOTE 16 - RISK MANAGEMENT**

The City of Northwood is a participant in the Ohio Plan (the Pool). The Pool was established in 1988 and is administered under contract by Hylant Administrative Services to provide a program of property and casualty insurance for its member organizations throughout the State of Ohio.

The Pool's general objectives are to formulate, develop and administer a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 30 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as well as current members, are subject to a supplemental assessment or a refund, at the discretion of the board of trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date, there have been no assessments or refunds, due to the limited period of time that the Pool has been in existence and the nature of the coverage that is afforded to the participants.

The City obtained insurance coverage from the Pool from July, 2015 through July, 2016 for various insurance coverages, as follows:

Type of Coverage	Limits
Property	\$8,534,977
Liability	\$5,000,000/ \$7,000,000
Wrongful Acts	\$5,000,000/ \$7,000,000
Law Enforcement	\$5,000,000/ \$7,000,000
Automobile	\$5,000,000
Inland Marine Equipment	\$809,545
Fire Vehicles	\$1,574,768
Bonds	\$50,000
Crime	\$25,000
EDP	\$50,000
Employee Benefit Liability	\$5,000,000/ \$7,000,000

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - RISK MANAGEMENT (Continued)**

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

Changes in the claims liability amount in fiscal 2014 and 2015 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Year End</u>
2014	\$448	\$40,039	(\$38,431)	\$2,056
2015	2,056	33,102	(35,158)	0

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

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

**NOTE 17 - CONTINGENCIES**

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

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

**NOTE 18 – SIGNIFICANT COMMITMENTS**

There were significant encumbrances outstanding at year-end in the Capital Improvement Fund (capital projects fund) in the amount of \$187,252. This amount is reported as part of the committed fund balance.

*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF NORTHWOOD, OHIO**

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***Schedule of City's Proportionate Share of the Net Pension Liability  
Last Two Years***

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**Ohio Public Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.008050%	0.008050%
City's proportionate share of the net pension liability (asset)	\$948,990	\$970,920
City's covered-employee payroll	\$1,208,238	\$1,006,617
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	78.54%	96.45%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Fiscal Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.0534517%	0.0534517%
City's proportionate share of the net pension liability (asset)	\$2,603,265	\$2,769,021
City's covered-employee payroll	\$1,279,754	\$1,082,878
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	203.42%	255.71%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

**CITY OF NORTHWOOD, OHIO**

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***Schedule of City Contributions  
Last Three Years***

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**Ohio Public Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$157,071	\$120,794	\$145,187
Contributions in relation to the contractually required contribution	<u>157,071</u>	<u>120,794</u>	<u>145,187</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,208,238	\$1,006,617	\$1,209,892
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$218,582	\$220,474	\$223,494
Contributions in relation to the contractually required contribution	<u>218,582</u>	<u>220,474</u>	<u>223,494</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,279,754	\$1,082,878	\$1,112,464
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.09%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.  
Information prior to 2013 is not available.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Construction, Maintenance and Repair Fund**

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

**Motor Vehicle License Tax Fund**

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

**State Highway Improvement Fund**

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

**Northwood Waste/Environmental Fund**

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

**Drug Fine Fund**

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

**Special Law Enforcement Fund**

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

**Enforcement and Education Fund**

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

**Computerized Research Fund**

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

(Continued)

***Special Revenue Funds***

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**Storm Water Fund**

To account for storm water fees and surcharges related to the City's storm water program.

**Keep Northwood Beautiful Fund**

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

**Northwood Civic Events Fund**

To account for proceeds received from fundraising events in order to provide funding for community wide social events.

***Capital Projects Fund***

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

**Recreation Parks Combined Fund**

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

**CITY OF NORTHWOOD, OHIO**

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**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015**

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,273,259	\$ 161,392	\$ 1,434,651
Receivables:			
Taxes	7,509	0	7,509
Accounts	91,677	0	91,677
Intergovernmental	135,546	0	135,546
Inventory of Supplies, at Cost	73,249	0	73,249
<b>Total Assets</b>	<b>\$ 1,581,240</b>	<b>\$ 161,392</b>	<b>\$ 1,742,632</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 10,221	\$ 0	\$ 10,221
Accrued Wages and Benefits Payable	8,294	0	8,294
<b>Total Liabilities</b>	<b>18,515</b>	<b>0</b>	<b>18,515</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	95,370	0	95,370
<b>Total Deferred Inflows of Resources</b>	<b>95,370</b>	<b>0</b>	<b>95,370</b>
<b>Fund Balances:</b>			
Nonspendable	73,249	0	73,249
Restricted	707,787	161,392	869,179
Committed	686,319	0	686,319
<b>Total Fund Balances</b>	<b>1,467,355</b>	<b>161,392</b>	<b>1,628,747</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,581,240</b>	<b>\$ 161,392</b>	<b>\$ 1,742,632</b>

**CITY OF NORTHWOOD, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015***

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Other Local Taxes	\$ 16,390	\$ 1,500	\$ 17,890
Intergovernmental Revenues	333,753	2,500	336,253
Charges for Services	338,844	0	338,844
Licenses and Permits	5,573	0	5,573
Investment Earnings	8,669	0	8,669
Fines and Forfeitures	14,764	0	14,764
All Other Revenue	8,581	0	8,581
<b>Total Revenue</b>	<u>726,574</u>	<u>4,000</u>	<u>730,574</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	7,835	0	7,835
Community Environment	15,786	0	15,786
Basic Utility Services	450,694	0	450,694
Transportation	399,140	0	399,140
General Government	20,202	0	20,202
Capital Outlay	0	576	576
<b>Total Expenditures</b>	<u>893,657</u>	<u>576</u>	<u>894,233</u>
Excess (Deficiency) of Revenues Over Expenditures	(167,083)	3,424	(163,659)
<b>Fund Balances at Beginning of Year</b>	1,599,454	157,968	1,757,422
Increase in Inventory Reserve	34,984	0	34,984
<b>Fund Balances End of Year</b>	<u>\$ 1,467,355</u>	<u>\$ 161,392</u>	<u>\$ 1,628,747</u>

**CITY OF NORTHWOOD, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste/ Environmental
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 460,465	\$ 28,293	\$ 88,392	\$ 1,706
Receivables:				
Taxes	0	7,509	0	0
Accounts	0	0	0	456
Intergovernmental	125,376	0	10,170	0
Inventory of Supplies, at Cost	73,249	0	0	0
<b>Total Assets</b>	<b>\$ 659,090</b>	<b>\$ 35,802</b>	<b>\$ 98,562</b>	<b>\$ 2,162</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 10,221	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	7,976	0	118	60
<b>Total Liabilities</b>	<b>18,197</b>	<b>0</b>	<b>118</b>	<b>60</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	83,584	5,006	6,780	0
<b>Total Deferred Inflows of Resources</b>	<b>83,584</b>	<b>5,006</b>	<b>6,780</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	73,249	0	0	0
Restricted	484,060	30,796	91,664	0
Committed	0	0	0	2,102
<b>Total Fund Balances</b>	<b>557,309</b>	<b>30,796</b>	<b>91,664</b>	<b>2,102</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 659,090</b>	<b>\$ 35,802</b>	<b>\$ 98,562</b>	<b>\$ 2,162</b>

**CITY OF NORTHWOOD, OHIO**

Drug Fine	Special Law Enforcement	Enforcement and Education	Computerized Research	Storm Water Management	Keep Northwood Beautiful	Northwood Civic Events	Total Nonmajor Special Revenue Funds
\$ 513	\$ 5,404	\$ 416	\$ 10,360	\$ 588,123	\$ 84,574	\$ 5,013	\$ 1,273,259
0	0	0	0	0	0	0	7,509
0	0	0	0	91,221	0	0	91,677
0	0	0	0	0	0	0	135,546
0	0	0	0	0	0	0	73,249
<u>\$ 513</u>	<u>\$ 5,404</u>	<u>\$ 416</u>	<u>\$ 10,360</u>	<u>\$ 679,344</u>	<u>\$ 84,574</u>	<u>\$ 5,013</u>	<u>\$ 1,581,240</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,221
0	0	0	0	140	0	0	8,294
0	0	0	0	140	0	0	18,515
0	0	0	0	0	0	0	95,370
0	0	0	0	0	0	0	95,370
0	0	0	0	0	0	0	73,249
513	5,404	416	10,360	0	84,574	0	707,787
0	0	0	0	679,204	0	5,013	686,319
<u>513</u>	<u>5,404</u>	<u>416</u>	<u>10,360</u>	<u>679,204</u>	<u>84,574</u>	<u>5,013</u>	<u>1,467,355</u>
<u>\$ 513</u>	<u>\$ 5,404</u>	<u>\$ 416</u>	<u>\$ 10,360</u>	<u>\$ 679,344</u>	<u>\$ 84,574</u>	<u>\$ 5,013</u>	<u>\$ 1,581,240</u>

**CITY OF NORTHWOOD, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste/ Environmental
<b>Revenues:</b>				
Other Local Taxes	\$ 0	\$ 16,390	\$ 0	\$ 0
Intergovernmental Revenues	303,850	0	24,638	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	5,573
Investment Earnings	5,201	867	867	867
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	0
<b>Total Revenue</b>	<b>309,051</b>	<b>17,257</b>	<b>25,505</b>	<b>6,440</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Community Environment	0	0	0	5,506
Basic Utility Services	0	0	0	0
Transportation	364,214	13,439	21,487	0
General Government	0	0	0	0
<b>Total Expenditures</b>	<b>364,214</b>	<b>13,439</b>	<b>21,487</b>	<b>5,506</b>
Excess (Deficiency) of Revenues Over Expenditures	(55,163)	3,818	4,018	934
<b>Fund Balances at Beginning of Year</b>	<b>577,488</b>	<b>26,978</b>	<b>87,646</b>	<b>1,168</b>
Increase in Inventory Reserve	34,984	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 557,309</b>	<b>\$ 30,796</b>	<b>\$ 91,664</b>	<b>\$ 2,102</b>

**CITY OF NORTHWOOD, OHIO**

Drug Fine	Special Law Enforcement	Enforcement and Education	Computerized Research	Storm Water Management	Keep Northwood Beautiful	Northwood Civic Events	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,390
0	0	0	0	0	5,265	0	333,753
0	0	0	0	338,844	0	0	338,844
0	0	0	0	0	0	0	5,573
0	867	0	0	0	0	0	8,669
1,372	0	382	13,010	0	0	0	14,764
0	0	0	0	0	0	8,581	8,581
<u>1,372</u>	<u>867</u>	<u>382</u>	<u>13,010</u>	<u>338,844</u>	<u>5,265</u>	<u>8,581</u>	<u>726,574</u>
1,745	6,090	0	0	0	0	0	7,835
0	0	0	0	0	6,712	3,568	15,786
0	0	0	0	450,694	0	0	450,694
0	0	0	0	0	0	0	399,140
0	0	2,977	17,225	0	0	0	20,202
<u>1,745</u>	<u>6,090</u>	<u>2,977</u>	<u>17,225</u>	<u>450,694</u>	<u>6,712</u>	<u>3,568</u>	<u>893,657</u>
(373)	(5,223)	(2,595)	(4,215)	(111,850)	(1,447)	5,013	(167,083)
886	10,627	3,011	14,575	791,054	86,021	0	1,599,454
0	0	0	0	0	0	0	34,984
<u>\$ 513</u>	<u>\$ 5,404</u>	<u>\$ 416</u>	<u>\$ 10,360</u>	<u>\$ 679,204</u>	<u>\$ 84,574</u>	<u>\$ 5,013</u>	<u>\$ 1,467,355</u>

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major General Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 228,153	\$ 219,354	\$ 212,364	\$ (6,990)
Municipal Income Taxes	3,359,322	3,675,772	3,672,971	(2,801)
Other Local Taxes	18,000	42,500	42,075	(425)
Intergovernmental Revenues	287,600	304,900	303,119	(1,781)
Charges for Services	120,000	120,000	118,675	(1,325)
Licenses and Permits	115,000	104,900	103,286	(1,614)
Investment Earnings	15,000	62,041	60,548	(1,493)
Special Assessments	69,380	69,180	67,992	(1,188)
Fines and Forfeitures	144,200	131,250	130,719	(531)
Donations	1,000	1,000	785	(215)
All Other Revenues	79,000	116,000	110,586	(5,414)
Total Revenues	4,436,655	4,846,897	4,823,120	(23,777)
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	1,787,750	1,786,200	1,759,675	26,525
Materials and Supplies	89,270	89,270	87,304	1,966
Contractual Services	46,600	46,600	46,494	106
Other Expenditures	4,000	4,000	3,907	93
Total Police Department	1,927,620	1,926,070	1,897,380	28,690
Fire Department:				
Personal Services	487,282	487,282	475,408	11,874
Materials and Supplies	97,766	122,566	118,470	4,096
Contractual Services	31,741	34,861	34,702	159
Total Fire Department	616,789	644,709	628,580	16,129
Civil Defense:				
Contractual Services	3,000	3,000	2,632	368

(Continued)

**CITY OF NORTHWOOD, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major General Fund  
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Police and Fire Communications:</b>				
Personal Services	358,725	358,725	334,128	24,597
Materials and Supplies	4,200	5,200	4,701	499
Contractual Services	6,900	6,900	5,953	947
Total Police and Fire Communications	<u>369,825</u>	<u>370,825</u>	<u>344,782</u>	<u>26,043</u>
Total Security of Persons and Property	<u>2,917,234</u>	<u>2,944,604</u>	<u>2,873,374</u>	<u>71,230</u>
<b>Public Health and Welfare Services:</b>				
<b>County Board of Health:</b>				
Contractual Services	6,500	6,500	6,429	71
Total Public Health and Welfare Services	<u>6,500</u>	<u>6,500</u>	<u>6,429</u>	<u>71</u>
<b>Leisure Time Activities:</b>				
<b>Parks and Playgrounds:</b>				
Personal Services	0	9,240	8,778	462
Materials and Supplies	4,000	4,000	2,198	1,802
Contractual Services	20,000	12,000	7,939	4,061
Capital Outlay	3,000	3,000	2,043	957
Total Parks and Playgrounds	<u>27,000</u>	<u>28,240</u>	<u>20,958</u>	<u>7,282</u>
<b>Recreation:</b>				
Contractual Services	2,000	2,000	2,000	0
<b>Baseball Programs:</b>				
Materials and Supplies	12,480	12,480	12,242	238
Contractual Services	17,200	17,200	11,863	5,337
Other Expenditures	100	100	35	65
Total Baseball Programs	<u>29,780</u>	<u>29,780</u>	<u>24,140</u>	<u>5,640</u>
Total Leisure Time Activities	<u>58,780</u>	<u>60,020</u>	<u>47,098</u>	<u>12,922</u>

(Continued)

**CITY OF NORTHWOOD, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major General Fund  
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Planning and Zoning:				
Personal Services	56,860	59,760	57,087	2,673
Materials and Supplies	2,175	2,575	2,364	211
Contractual Services	400	6,400	3,222	3,178
Total Planning and Zoning	<u>59,435</u>	<u>68,735</u>	<u>62,673</u>	<u>6,062</u>
Weed Control and Tree Care:				
Personal Services	20,000	23,000	22,996	4
Materials and Supplies	1,000	1,000	980	20
Contractual Services	9,500	9,500	6,500	3,000
Capital Outlay	1,000	1,000	942	58
Total Weed Control and Tree Care	<u>31,500</u>	<u>34,500</u>	<u>31,418</u>	<u>3,082</u>
Economic Development:				
Materials and Supplies	12,000	12,000	8,964	3,036
Contractual Services	5,000	25,000	24,965	35
Total Economic Development	<u>17,000</u>	<u>37,000</u>	<u>33,929</u>	<u>3,071</u>
Total Community Environment	<u>107,935</u>	<u>140,235</u>	<u>128,020</u>	<u>12,215</u>
Transportation:				
Street Maintenance and Repair:				
Personal Services	120,100	120,100	106,365	13,735
Materials and Supplies	33,000	33,000	26,728	6,272
Contractual Services	1,400	1,400	1,179	221
Total Transportation	<u>154,500</u>	<u>154,500</u>	<u>134,272</u>	<u>20,228</u>
General Government:				
Mayor:				
Personal Services	13,065	13,065	12,901	164
Materials and Supplies	1,600	2,380	2,319	61
Contractual Services	400	400	251	149
Total Mayor	<u>15,065</u>	<u>15,845</u>	<u>15,471</u>	<u>374</u>

(Continued)

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major General Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance Director:				
Personal Services	308,880	308,880	289,304	19,576
Materials and Supplies	4,300	7,500	6,114	1,386
Contractual Services	17,400	18,400	17,544	856
Total Finance Director	330,580	334,780	312,962	21,818
City Administrator:				
Personal Services	101,995	105,295	105,006	289
Materials and Supplies	1,500	1,850	1,765	85
Contractual Services	500	500	219	281
Total City Administrator	103,995	107,645	106,990	655
Legal Administration:				
Personal Services	37,910	80,690	78,352	2,338
Materials and Supplies	2,200	5,200	4,742	458
Contractual Services	51,500	12,500	12,251	249
Total Legal Administration	91,610	98,390	95,345	3,045
City Council:				
Personal Services	53,110	53,110	52,358	752
Materials and Supplies	700	700	387	313
Total City Council	53,810	53,810	52,745	1,065
City Clerk:				
Personal Services	65,275	70,350	69,592	758
Materials and Supplies	1,800	3,800	3,619	181
Contractual Services	6,300	6,300	5,614	686
Total City Clerk	73,375	80,450	78,825	1,625
Mayor's Court:				
Personal Services	134,850	145,300	143,201	2,099
Materials and Supplies	5,300	5,300	4,472	828
Contractual Services	12,800	12,800	12,318	482
Total Mayor's Court	152,950	163,400	159,991	3,409

(Continued)

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major General Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Civil Service Commission:				
Materials and Supplies	100	400	325	75
Contractual Services	4,570	4,570	4,194	376
Total Civil Service Commission	4,670	4,970	4,519	451
Buildings and Grounds:				
Personal Services	69,150	77,750	75,384	2,366
Materials and Supplies	8,265	8,265	6,559	1,706
Contractual Services	19,200	29,200	27,786	1,414
Other Expenditures	1,500	24,200	24,118	82
Total Buildings and Grounds	98,115	139,415	133,847	5,568
General Miscellaneous:				
Contractual Services	19,500	19,500	14,317	5,183
Special Assessments:				
Contractual Services	69,900	70,410	62,968	7,442
General Administrative:				
Personal Services	0	6,000	3,145	2,855
Materials and Supplies	8,500	11,500	10,646	854
Contractual Services	249,500	285,200	282,842	2,358
Other Expenditures	127,000	127,000	120,570	6,430
Total General Administrative	385,000	429,700	417,203	12,497
Total General Government	1,398,570	1,518,315	1,455,183	63,132
Total Expenditures	4,643,519	4,824,174	4,644,376	179,798
Excess (Deficiency) of Revenues Over (Under) Expenditures	(206,864)	22,723	178,744	156,021
Fund Balance at Beginning of Year	3,044,497	3,044,497	3,044,497	0
Prior Year Encumbrances	8,264	8,264	8,264	0
Fund Balance at End of Year	<u>\$ 2,845,897</u>	<u>\$ 3,075,484</u>	<u>\$ 3,231,505</u>	<u>\$ 156,021</u>

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Debt Service Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>GENERAL OBLIGATION DEBT RETIREMENT FUND</b>				
<b>Revenues:</b>				
Payments in Lieu of Taxes	\$ 271,000	\$ 271,850	\$ 176,740	\$ (95,110)
Intergovernmental Revenues	4,695	4,695	4,695	0
Total Revenues	<u>275,695</u>	<u>276,545</u>	<u>181,435</u>	<u>(95,110)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	39,390	39,390	39,390	0
Interest and Fiscal Charges	<u>169,600</u>	<u>169,600</u>	<u>74,800</u>	<u>94,800</u>
Total Expenditures	<u>208,990</u>	<u>208,990</u>	<u>114,190</u>	<u>94,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	66,705	67,555	67,245	(310)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>4,700</u>	<u>4,700</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>4,700</u>	<u>4,700</u>	<u>0</u>
Net Change in Fund Balance	66,705	72,255	71,945	(310)
Fund Balance at Beginning of Year	<u>668,649</u>	<u>668,649</u>	<u>668,649</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 735,354</u>	<u>\$ 740,904</u>	<u>\$ 740,594</u>	<u>\$ (310)</u>

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Capital Projects Fund  
For the Year Ended December 31, 2015**

<b>CAPITAL IMPROVEMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 1,019,200	\$ 1,094,200	\$ 1,049,708	\$ (44,492)
Intergovernmental Revenues	5,000	110,000	109,894	(106)
Special Assessments	1,000	5,000	3,421	(1,579)
Fines and Forfeitures	1,000	1,000	575	(425)
Donations	1,000	1,000	35	(965)
All Other Revenues	0	1,000	0	(1,000)
Total Revenues	<u>1,027,200</u>	<u>1,212,200</u>	<u>1,163,633</u>	<u>(48,567)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Transportation	933,723	933,723	653,724	279,999
General Government	316,600	316,600	135,390	181,210
Total Expenditures	<u>1,250,323</u>	<u>1,250,323</u>	<u>789,114</u>	<u>461,209</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(223,123)	(38,123)	374,519	412,642
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0	(4,700)	(4,700)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(4,700)</u>	<u>(4,700)</u>	<u>0</u>
Net Change In Fund Balance	(223,123)	(42,823)	369,819	412,642
Fund Balance at Beginning of Year	3,742,506	3,742,506	3,742,506	0
Prior Year Encumbrances	218,608	218,608	218,608	0
Fund Balance at End of Year	<u>\$ 3,737,991</u>	<u>\$ 3,918,291</u>	<u>\$ 4,330,933</u>	<u>\$ 412,642</u>

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Capital Projects Fund  
For the Year Ended December 31, 2015**

<b>CAPITAL REPLACEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Municipal Income Taxes	\$ 509,600	\$ 546,750	\$ 524,854	\$ (21,896)
Intergovernmental Revenues	0	57,035	56,937	(98)
Total Revenues	<u>509,600</u>	<u>603,785</u>	<u>581,791</u>	<u>(21,994)</u>
<b>Expenditures:</b>				
Capital Outlay	637,112	727,312	667,868	59,444
Total Expenditures	<u>637,112</u>	<u>727,312</u>	<u>667,868</u>	<u>59,444</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,512)	(123,527)	(86,077)	37,450
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	5,000	16,001	16,001	0
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>16,001</u>	<u>16,001</u>	<u>0</u>
Net Change in Fund Balance	(122,512)	(107,526)	(70,076)	37,450
Fund Balance at Beginning of Year	1,311,324	1,311,324	1,311,324	0
Prior Year Encumbrances	28,007	28,007	28,007	0
Fund Balance at End of Year	<u>\$ 1,216,819</u>	<u>\$ 1,231,805</u>	<u>\$ 1,269,255</u>	<u>\$ 37,450</u>

**CITY OF NORTHWOOD, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 303,000	\$ 305,975	\$ 305,885	\$ (90)
Investment Earnings	700	5,425	5,201	(224)
Total Revenues	<u>303,700</u>	<u>311,400</u>	<u>311,086</u>	<u>(314)</u>
<b>Expenditures:</b>				
Transportation:				
Street Maintenance and Repair:				
Personal Services	245,600	245,600	245,585	15
Materials and Supplies	11,859	11,859	6,451	5,408
Total Street Maintenance and Repair	<u>257,459</u>	<u>257,459</u>	<u>252,036</u>	<u>5,423</u>
Snow and Ice Removal:				
Personal Services	25,000	25,000	13,064	11,936
Materials and Supplies	90,000	90,000	58,881	31,119
Contractual Services	12,000	12,000	10,919	1,081
Total Snow and Ice Removal	<u>127,000</u>	<u>127,000</u>	<u>82,864</u>	<u>44,136</u>
Traffic Signals and Signs:				
Personal Services	10,000	10,000	9,790	210
Materials and Supplies	6,500	11,000	10,512	488
Contractual Services	25,500	21,000	9,638	11,362
Total Traffic Signals and Signs	<u>42,000</u>	<u>42,000</u>	<u>29,940</u>	<u>12,060</u>
Total Expenditures	<u>426,459</u>	<u>426,459</u>	<u>364,840</u>	<u>61,619</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(122,759)	(115,059)	(53,754)	61,305
Fund Balance at Beginning of Year	502,329	502,329	502,329	0
Prior Year Encumbrances	2,359	2,359	2,359	0
Fund Balance at End of Year	<u>\$ 381,929</u>	<u>\$ 389,629</u>	<u>\$ 450,934</u>	<u>\$ 61,305</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Other Local Taxes	\$ 16,000	\$ 16,500	\$ 16,168	\$ (332)
Investment Earnings	150	1,150	867	(283)
Total Revenues	<u>16,150</u>	<u>17,650</u>	<u>17,035</u>	<u>(615)</u>
<b>Expenditures:</b>				
Transportation:				
Contractual Services	18,000	18,000	13,439	4,561
Total Expenditures	<u>18,000</u>	<u>18,000</u>	<u>13,439</u>	<u>4,561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,850)	(350)	3,596	3,946
Fund Balance at Beginning of Year	<u>24,697</u>	<u>24,697</u>	<u>24,697</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,847</u>	<u>\$ 24,347</u>	<u>\$ 28,293</u>	<u>\$ 3,946</u>

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

STATE HIGHWAY IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 24,000	\$ 25,000	\$ 24,801	\$ (199)
Investment Earnings	150	1,150	867	(283)
Total Revenues	<u>24,150</u>	<u>26,150</u>	<u>25,668</u>	<u>(482)</u>
<b>Expenditures:</b>				
Transportation:				
Street Maintenance and Repair:				
Personal Services	12,200	12,200	11,565	635
Snow and Ice Removal:				
Materials and Supplies	11,500	11,500	9,637	1,863
Traffic Signals and Signs:				
Contractual Services	1,000	1,000	475	525
Total Expenditures	<u>24,700</u>	<u>24,700</u>	<u>21,677</u>	<u>3,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(550)	1,450	3,991	2,541
Fund Balance at Beginning of Year	84,401	84,401	84,401	0
Fund Balance at End of Year	<u>\$ 83,851</u>	<u>\$ 85,851</u>	<u>\$ 88,392</u>	<u>\$ 2,541</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and Permits	\$ 3,500	\$ 6,950	\$ 5,778	\$ (1,172)
Investment Earnings	150	900	867	(33)
Total Revenues	<u>3,650</u>	<u>7,850</u>	<u>6,645</u>	<u>(1,205)</u>
<b>Expenditures:</b>				
Community Environment:				
Personal Services	<u>2,000</u>	<u>5,700</u>	<u>5,467</u>	<u>233</u>
Total Expenditures	<u>2,000</u>	<u>5,700</u>	<u>5,467</u>	<u>233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,650	2,150	1,178	(972)
Fund Balance at Beginning of Year	<u>528</u>	<u>528</u>	<u>528</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,178</u>	<u>\$ 2,678</u>	<u>\$ 1,706</u>	<u>\$ (972)</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,500	\$ 1,372	\$ (128)
Total Revenues	<u>1,000</u>	<u>1,500</u>	<u>1,372</u>	<u>(128)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Capital Outlay	<u>2,500</u>	<u>1,800</u>	<u>1,745</u>	<u>55</u>
Total Expenditures	<u>2,500</u>	<u>1,800</u>	<u>1,745</u>	<u>55</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,500)	(300)	(373)	(73)
Fund Balance at Beginning of Year	<u>886</u>	<u>886</u>	<u>886</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (614)</u>	<u>\$ 586</u>	<u>\$ 513</u>	<u>\$ (73)</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 150	\$ 1,150	\$ 867	\$ (283)
Fines and Forfeitures	6,000	5,000	0	(5,000)
Total Revenues	6,150	6,150	867	(5,283)
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	2,000	2,000	290	1,710
Capital Outlay	7,000	7,000	5,800	1,200
Total Expenditures	9,000	9,000	6,090	2,910
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,850)	(2,850)	(5,223)	(2,373)
Fund Balance at Beginning of Year	10,627	10,627	10,627	0
Fund Balance at End of Year	\$ 7,777	\$ 7,777	\$ 5,404	\$ (2,373)

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 800	\$ 800	\$ 382	\$ (418)
Total Revenues	800	800	382	(418)
<b>Expenditures:</b>				
General Government:				
Materials and Supplies	3,000	4,300	3,622	678
Total Expenditures	3,000	4,300	3,622	678
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,200)	(3,500)	(3,240)	260
Fund Balance at Beginning of Year	3,656	3,656	3,656	0
Fund Balance at End of Year	\$ 1,456	\$ 156	\$ 416	\$ 260

**CITY OF NORTHWOOD, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 17,250	\$ 17,250	\$ 13,010	\$ (4,240)
Total Revenues	<u>17,250</u>	<u>17,250</u>	<u>13,010</u>	<u>(4,240)</u>
<b>Expenditures:</b>				
General Government:				
Capital Outlay	<u>14,000</u>	<u>18,000</u>	<u>17,708</u>	<u>292</u>
Total Expenditures	<u>14,000</u>	<u>18,000</u>	<u>17,708</u>	<u>292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,250	(750)	(4,698)	(3,948)
Fund Balance at Beginning of Year	<u>15,058</u>	<u>15,058</u>	<u>15,058</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 18,308</u>	<u>\$ 14,308</u>	<u>\$ 10,360</u>	<u>\$ (3,948)</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 275,000	\$ 300,000	\$ 296,542	\$ (3,458)
Total Revenues	<u>275,000</u>	<u>300,000</u>	<u>296,542</u>	<u>(3,458)</u>
<b>Expenditures:</b>				
Basic Utility Services:				
Personal Services	24,800	24,800	13,394	11,406
Contractual Services	12,700	13,700	8,052	5,648
Capital Outlay	<u>278,965</u>	<u>717,890</u>	<u>429,211</u>	<u>288,679</u>
Total Expenditures	<u>316,465</u>	<u>756,390</u>	<u>450,657</u>	<u>305,733</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,465)	(456,390)	(154,115)	302,275
Fund Balance at Beginning of Year	719,898	719,898	719,898	0
Prior Year Encumbrances	<u>22,340</u>	<u>22,340</u>	<u>22,340</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 700,773</u>	<u>\$ 285,848</u>	<u>\$ 588,123</u>	<u>\$ 302,275</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 5,265	\$ 5,265	\$ 5,265	\$ 0
Total Revenues	<u>5,265</u>	<u>5,265</u>	<u>5,265</u>	<u>0</u>
<b>Expenditures:</b>				
Community Environment:				
Capital Outlay	<u>20,134</u>	<u>20,134</u>	<u>6,712</u>	<u>13,422</u>
Total Expenditures	<u>20,134</u>	<u>20,134</u>	<u>6,712</u>	<u>13,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,869)	(14,869)	(1,447)	13,422
Fund Balance at Beginning of Year	85,887	85,887	85,887	0
Prior Year Encumbrances	<u>134</u>	<u>134</u>	<u>134</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 71,152</u>	<u>\$ 71,152</u>	<u>\$ 84,574</u>	<u>\$ 13,422</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 8,600	\$ 8,581	\$ (19)
Total Revenues	<u>0</u>	<u>8,600</u>	<u>8,581</u>	<u>(19)</u>
<b>Expenditures:</b>				
Community Environment:				
Materials and Supplies	0	3,700	3,568	132
Total Expenditures	<u>0</u>	<u>3,700</u>	<u>3,568</u>	<u>132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	4,900	5,013	113
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 4,900</u>	<u>\$ 5,013</u>	<u>\$ 113</u>

**CITY OF NORTHWOOD, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2015***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Other Local Taxes	\$ 2,000	\$ 2,000	\$ 1,500	\$ (500)
Intergovernmental Revenues	2,500	2,500	2,500	0
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>4,000</u>	<u>(500)</u>
<b>Expenditures:</b>				
Capital Outlay	39,000	39,000	576	38,424
Total Expenditures	<u>39,000</u>	<u>39,000</u>	<u>576</u>	<u>38,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,500)	(34,500)	3,424	37,924
Fund Balance at Beginning of Year	<u>157,968</u>	<u>157,968</u>	<u>157,968</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 123,468</u>	<u>\$ 123,468</u>	<u>\$ 161,392</u>	<u>\$ 37,924</u>

***Fiduciary Fund***

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

***Agency Fund***

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**Mayor's Court Fund**

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

**CITY OF NORTHWOOD, OHIO**

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***Statement Of Changes In Assets And Liabilities  
Agency Fund  
For the Year Ended December 31, 2015***

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	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<u>Mayor's Court Fund</u>				
Cash and Cash Equivalents	\$1,049	\$0	\$0	\$1,049
Total Assets	<u>\$1,049</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,049</u>
Liabilities:				
Due to Others	\$1,049	\$0	\$0	\$1,049
Total Liabilities	<u>\$1,049</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,049</u>



*STATISTICAL SECTION*

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*Unity thru Diversification*

## ***STATISTICAL TABLES***

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

### ***Contents***

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<b>Financial Trends</b>	S 2 – S 11
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 12 – S 15
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
<b>Debt Capacity</b>	S 16 – S 23
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.	
<b>Economic and Demographic Information</b>	S 24 – S 27
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 28 – S 33
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## *City of Northwood*

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*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$4,761,018	\$5,587,177	\$6,116,752	\$8,091,560
Restricted	3,558,021	3,867,539	4,308,532	4,027,308
Unrestricted	1,504,770	(294,696)	(988,847)	(1,704,094)
Total Governmental Activities Net Position	<u>\$9,823,809</u>	<u>\$9,160,020</u>	<u>\$9,436,437</u>	<u>\$10,414,774</u>

Source: Finance Director's Office

*City of Northwood*

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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$8,446,516	\$8,284,546	\$9,368,500	\$9,457,531	\$9,561,074	\$10,422,136
4,863,846	5,989,880	5,056,816	878,115	1,743,885	1,745,010
<u>(1,272,233)</u>	<u>(232,073)</u>	<u>867,561</u>	<u>6,936,669</u>	<u>7,817,154</u>	<u>5,466,887</u>
<u>\$12,038,129</u>	<u>\$14,042,353</u>	<u>\$15,292,877</u>	<u>\$17,272,315</u>	<u>\$19,122,113</u>	<u>\$17,634,033</u>

## City of Northwood

### Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$2,774,120	\$2,891,340	\$2,926,916	\$2,933,171
Public Health and Welfare Services	7,256	7,869	8,164	8,975
Leisure Time Activities	81,343	98,108	82,278	68,744
Community Environment	271,984	582,567	201,995	345,967
Basic Utility Services	344,234	416,410	200,738	530,276
Transportation	559,877	3,152,393	873,865	652,731
General Government	1,526,552	1,765,444	2,250,336	1,648,872
Interest and Fiscal Charges	43,463	73,790	77,672	36,024
<i>Total Primary Government Expenses</i>	<u>\$5,608,829</u>	<u>\$8,987,921</u>	<u>\$6,621,964</u>	<u>\$6,224,760</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$102,273	\$312,025	\$189,662	\$226,894
Leisure Time Activities	9,290	7,980	2,995	4,755
Community Environment	21,355	91,830	17,262	15,663
Basic Utility Services	423,974	359,903	295,004	243,580
Transportation	13,628	32,915	24,103	35,578
General Government	477,342	382,156	330,888	359,009
Operating Grants and Contributions	483,324	810,546	380,473	630,584
Capital Grants and Contributions	263,996	96,445	34,912	241,714
<i>Total Governmental Activities Program Revenues</i>	<u>1,795,182</u>	<u>2,093,800</u>	<u>1,275,299</u>	<u>1,757,777</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes	289,354	349,006	360,753	331,711
Municipal Income Taxes	4,222,764	4,378,660	4,195,332	3,667,625
Other Local Taxes	73,800	61,285	48,851	47,714
Payments In Lieu of Taxes	0	0	0	0
Grants and Entitlements not Restricted to Specific Programs	471,649	1,156,122	785,185	501,639
Investment Earnings	180,924	217,168	138,404	17,024
Miscellaneous	74,378	68,091	94,557	0
<i>Total Primary Government</i>	<u>5,312,869</u>	<u>6,230,332</u>	<u>5,623,082</u>	<u>4,565,713</u>
Special Item: Transfer of Debt	0	0	0	879,607
<b>Change in Net Position</b>	<u>\$1,499,222</u>	<u>(\$663,789)</u>	<u>\$276,417</u>	<u>\$978,337</u>

Source: Finance Director's Office

*City of Northwood*

2010	2011	2012	2013	2014	2015
\$2,503,028	\$2,372,014	\$2,708,090	\$2,925,711	\$2,921,387	\$3,029,803
8,833	8,682	6,695	6,432	6,465	6,429
82,707	87,105	80,200	76,125	81,679	72,887
381,282	107,373	102,235	122,419	120,352	138,973
172,679	214,271	86,753	143,644	376,044	473,215
376,340	598,193	972,133	910,073	803,229	684,805
1,468,895	1,381,014	1,518,514	1,369,674	1,464,739	1,504,412
181,053	112,882	81,286	84,282	78,332	74,639
<u>\$5,174,817</u>	<u>\$4,881,534</u>	<u>\$5,555,906</u>	<u>\$5,638,360</u>	<u>\$5,852,227</u>	<u>\$5,985,163</u>
\$220,362	\$235,697	\$213,543	\$202,644	\$114,034	\$261,118
6,105	135,640	5,975	6,830	4,340	1,055
16,815	34,602	26,956	27,456	34,467	18,145
174,697	289,722	273,409	206,799	302,114	313,457
15,656	5,246	6,172	12,734	5,225	3,421
369,572	422,418	382,898	321,591	253,728	243,030
770,000	375,248	376,964	352,982	378,141	376,079
185,416	4,779	2,500	556,325	134,119	166,530
<u>1,758,623</u>	<u>1,503,352</u>	<u>1,288,417</u>	<u>1,687,361</u>	<u>1,226,168</u>	<u>1,382,835</u>
476,377	427,146	413,241	202,903	210,189	212,332
3,945,769	4,359,623	4,720,735	5,127,797	5,617,863	5,507,757
39,035	44,816	37,077	34,032	58,624	51,560
0	0	0	128,661	175,840	176,740
552,730	474,873	239,456	359,087	223,942	149,712
9,273	15,983	20,512	19,383	8,656	89,788
16,365	59,965	86,992	58,574	180,743	137,346
<u>5,039,549</u>	<u>5,382,406</u>	<u>5,518,013</u>	<u>5,930,437</u>	<u>6,475,857</u>	<u>6,325,235</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,623,355</u>	<u>\$2,004,224</u>	<u>\$1,250,524</u>	<u>\$1,979,438</u>	<u>\$1,849,798</u>	<u>\$1,722,907</u>

## *City of Northwood*

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	79,646	71,392	71,728	32,617
Unreserved	<u>1,238,679</u>	<u>1,659,957</u>	<u>915,010</u>	<u>426,584</u>
<i>Total General Fund</i>	<u>1,318,325</u>	<u>1,731,349</u>	<u>986,738</u>	<u>459,201</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned	0	0	0	0
Reserved	266,399	215,849	217,603	442,972
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,070,624	1,112,965	1,162,943	807,993
Debt Service Funds	26,487	125,182	211,210	297,464
Capital Projects Funds	<u>1,810,665</u>	<u>2,043,330</u>	<u>2,369,245</u>	<u>2,206,596</u>
Total All Other Governmental Funds	<u>3,174,175</u>	<u>3,497,326</u>	<u>3,961,001</u>	<u>3,755,025</u>
<i>Total Governmental Funds</i>	<u><u>\$4,492,500</u></u>	<u><u>\$5,228,675</u></u>	<u><u>\$4,947,739</u></u>	<u><u>\$4,214,226</u></u>

Source: Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

*City of Northwood*

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2010	2011	2012	2013	2014	2015
\$0	\$49,963	\$38,134	\$53,228	\$62,257	\$63,119
0	0	215	195,512	205,376	69,123
0	1,689,721	1,947,762	2,376,653	3,167,093	3,800,962
54,798	0	0	0	0	0
691,464	0	0	0	0	0
<u>746,262</u>	<u>1,739,684</u>	<u>1,986,111</u>	<u>2,625,393</u>	<u>3,434,726</u>	<u>3,933,204</u>
0	53,120	62,996	43,981	48,585	83,856
0	1,240,589	1,392,447	1,588,320	1,595,584	1,609,773
0	4,492,947	4,298,751	5,342,796	6,395,020	6,590,427
0	(147)	0	0	0	0
38,184	0	0	0	0	0
1,135,967	0	0	0	0	0
384,210	0	0	0	0	0
3,086,917	0	0	0	0	0
<u>4,645,278</u>	<u>5,786,509</u>	<u>5,754,194</u>	<u>6,975,097</u>	<u>8,039,189</u>	<u>8,284,056</u>
<u>\$5,391,540</u>	<u>\$7,526,193</u>	<u>\$7,740,305</u>	<u>\$9,600,490</u>	<u>\$11,473,915</u>	<u>\$12,217,260</u>

# City of Northwood

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Taxes	\$4,752,120	\$4,760,809	\$4,584,503	\$4,099,357
Intergovernmental Revenues	1,435,315	2,115,238	1,279,354	1,377,468
Payments in Lieu of Taxes	0	0	0	0
Charges for Services	425,805	467,096	366,060	347,120
Licenses, Permits and Fees	206,052	213,636	159,152	140,602
Investment Earnings	213,501	217,168	114,996	40,432
Special Assessments	113,540	112,938	78,805	90,020
Fines and Forfeitures	347,983	215,554	184,004	231,562
Donations	2,925	142,250	9,329	46,572
All Other Revenue	72,294	89,977	75,859	87,423
<b>Total Revenue</b>	<b>7,569,535</b>	<b>8,334,666</b>	<b>6,852,062</b>	<b>6,460,556</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,669,816	2,754,757	2,799,260	2,763,288
Public Health and Welfare Services	7,256	7,869	8,164	8,975
Leisure Time Activities	72,183	87,164	71,334	65,645
Community Environment	264,879	574,272	198,281	343,722
Basic Utility Services	338,972	405,668	188,488	521,738
Transportation	466,844	519,115	530,824	519,477
General Government	1,463,430	1,679,704	2,144,392	1,558,290
Capital Outlay	1,633,065	3,568,027	998,686	1,338,924
Debt Service:				
Principal Retirement	108,426	120,405	122,498	84,390
Interest and Fiscal Charges	92,658	83,363	77,934	21,620
<b>Total Expenditures</b>	<b>7,117,529</b>	<b>9,800,344</b>	<b>7,139,861</b>	<b>7,226,069</b>
Excess (Deficiency) of Revenues Over Expenditures	452,006	(1,465,678)	(287,799)	(765,513)

*City of Northwood*

2010	2011	2012	2013	2014	2015
\$4,475,046	\$4,812,246	\$5,172,313	\$5,367,181	\$5,912,768	\$5,739,176
1,303,269	906,492	695,338	1,229,605	774,666	703,799
0	0	0	128,661	175,840	176,740
281,710	377,372	338,083	357,881	499,966	464,564
118,472	97,433	129,223	135,789	121,665	108,725
9,273	15,083	21,412	15,867	4,850	87,756
83,179	96,248	91,510	87,052	88,456	71,413
231,306	333,344	264,656	205,353	166,747	146,021
9,941	3,108	950	5,480	515	820
73,478	193,017	72,380	68,023	106,390	118,544
<u>6,585,674</u>	<u>6,834,343</u>	<u>6,785,865</u>	<u>7,600,892</u>	<u>7,851,863</u>	<u>7,617,558</u>
2,393,940	2,280,391	2,496,622	2,506,113	2,631,091	2,784,465
8,833	8,682	6,695	6,432	6,465	6,429
51,496	55,894	52,933	50,829	45,030	47,092
380,054	106,247	100,996	120,352	117,622	141,078
134,189	193,065	84,886	123,671	356,071	450,694
456,878	453,799	447,831	437,074	501,402	518,746
1,425,422	1,279,165	1,423,482	1,267,953	1,381,368	1,446,164
287,514	139,903	1,782,475	996,573	743,592	1,420,925
89,390	94,390	124,390	124,390	134,390	39,390
181,333	113,180	81,767	84,764	78,865	74,800
<u>5,409,049</u>	<u>4,724,716</u>	<u>6,602,077</u>	<u>5,718,151</u>	<u>5,995,896</u>	<u>6,929,783</u>
1,176,625	2,109,627	183,788	1,882,741	1,855,967	687,775

(Continued)

## *City of Northwood*

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	500	5,210	2,200
Inception of Capital Lease	0	0	0	0
General Obligation Bonds Issued	0	2,200,000	0	0
Transfers In	364,000	294,000	197,000	102,000
Transfers Out	(364,000)	(294,000)	(197,000)	(102,000)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>2,200,500</u>	<u>5,210</u>	<u>2,200</u>
<b>Net Change in Fund Balance</b>	<u>\$452,006</u>	<u>\$734,822</u>	<u>(\$282,589)</u>	<u>(\$763,313)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	3.71%	2.34%	3.16%	1.83%

Source: Finance Director's Office

*City of Northwood*

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2010	2011	2012	2013	2014	2015
6,119	10,000	19,056	0	1,602	16,001
0	0	0	0	8,259	0
0	0	0	0	0	0
104,000	105,000	105,000	100,000	100,000	4,700
(104,000)	(105,000)	(105,000)	(100,000)	(100,000)	(4,700)
6,119	10,000	19,056	0	9,861	16,001
<u>\$1,182,744</u>	<u>\$2,119,627</u>	<u>\$202,844</u>	<u>\$1,882,741</u>	<u>\$1,865,828</u>	<u>\$703,776</u>
5.61%	4.58%	4.01%	3.95%	3.85%	2.07%

## *City of Northwood*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%
Total Tax Collected	\$4,478,459	\$4,433,918	\$4,292,624	\$3,736,474	\$3,851,790
Income Tax Receipts					
Withholding Accounts	3,398,217	3,540,483	3,480,120	3,020,380	3,240,345
Percentage	75.9%	79.9%	81.1%	80.9%	84.1%
Business Accounts	808,377	626,095	423,309	382,160	370,316
Percentage	18.1%	14.1%	9.9%	10.2%	9.6%
Residential Accounts	271,865	267,340	389,195	333,934	241,129
Percentage	6.0%	6.0%	9.0%	8.9%	6.3%

Source: City Income Tax Department

*City of Northwood*

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2011	2012	2013	2014	2015
1.50%	1.50%	1.50%	1.50%	1.50%
\$4,343,123	\$4,507,859	\$5,218,070	\$5,552,109	\$5,247,534
3,653,962	3,716,861	3,781,888	4,246,028	4,169,700
84.1%	82.5%	72.5%	76.5%	79.5%
428,083	512,721	1,145,616	977,774	726,525
9.9%	11.4%	22.0%	17.6%	13.8%
261,078	278,277	290,566	328,307	351,309
6.0%	6.1%	5.5%	5.9%	6.7%



## *City of Northwood*

### *Income Tax Collections Current Year and Nine Years Ago*

Calendar Year 2015				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
Top Ten	10	0.57%	\$167,063,316	47.75%
All Others	1,680	96.28%	182,772,284	52.25%
Total	1,690	96.85%	\$349,835,600	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Northwood	\$351,309
Taxes Credited to Other Municipalities	949,267
	\$1,300,576

Calendar Year 2006				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
Top Ten	10	0.62%	\$3,251,434	4.46%
All Others	1,601	99.38%	69,664,510	95.54%
Total	1,611	100.00%	\$72,915,944	100.00%

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

Source: City Income Tax Department  
Information is not available in this format prior to 2006.

## *City of Northwood*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$665,000	\$590,000	\$515,000	\$440,000
General Obligation Bonds Payable (TIF Supported)	0	2,200,000	2,200,000	2,200,000
OPWC Loan Payable	117,365	107,975	98,585	89,195
OWDA Loans Payable	953,730	917,715	879,607	0
Capital Leases	0	0	0	0
Total Primary Government	<u>\$1,736,095</u>	<u>\$3,815,690</u>	<u>\$3,693,192</u>	<u>\$2,729,195</u>
<b>Population</b> <sup>(2)</sup>				
City of Northwood	5,493	5,493	5,493	5,493
Outstanding Debt Per Capita	\$316	\$695	\$672	\$497
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	179,319	188,289	197,215	187,443
Percentage of Personal Income	0.97%	2.03%	1.87%	1.46%

**Sources:**

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

*City of Northwood*

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2010	2011	2012	2013	2014	2015
\$360,000	\$275,000	\$185,000	\$95,000	\$0	\$0
2,200,000	2,200,000	2,175,000	2,150,000	2,120,000	2,090,000
79,805	70,415	61,025	51,635	42,245	32,855
0	0	0	0	0	0
0	0	0	0	8,030	6,596
<u>\$2,639,805</u>	<u>\$2,545,415</u>	<u>\$2,421,025</u>	<u>\$2,296,635</u>	<u>\$2,170,275</u>	<u>\$2,129,451</u>
5,265	5,269	5,304	5,344	5,335	5,341
\$501	\$483	\$456	\$430	\$407	\$399
182,085	182,223	197,256	142,359	207,734	218,906
1.45%	1.40%	1.23%	1.61%	1.04%	0.97%

## *City of Northwood*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2006	2007	2008	2009
<b>Population</b> (1)	5,493	5,493	5,493	5,493
<b>Assessed Value</b> (2)	\$149,509,617	\$139,923,694	\$143,367,100	\$144,898,810
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	\$665,000	\$2,790,000	\$2,715,000	\$2,640,000
<b>Resources Available to Pay Principal</b> (4)	\$26,487	\$125,182	\$211,210	\$297,464
<b>Net General Bonded Debt</b>	\$638,513	\$2,664,818	\$2,503,790	\$2,342,536
<b>Ratio of Net Bonded Debt to Assessed Value</b>	0.43%	1.90%	1.75%	1.62%
<b>Net Bonded Debt per Capita</b>	\$116.24	\$485.13	\$455.81	\$426.46

**Source:**

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

(2) Wood County Auditor

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

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

*City of Northwood*

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2010	2011	2012	2013	2014	2015
5,265	5,269	5,304	5,344	5,335	5,341
\$142,268,630	\$130,722,140	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530
\$2,560,000	\$2,475,000	\$2,360,000	\$2,245,000	\$2,120,000	\$2,090,000
\$384,210	\$466,997	\$577,167	\$601,369	\$668,649	\$740,594
\$2,175,790	\$2,008,003	\$1,782,833	\$1,643,631	\$1,451,351	\$1,349,406
1.53%	1.54%	1.33%	1.22%	1.26%	1.01%
\$413.26	\$381.10	\$336.13	\$307.57	\$272.04	\$252.65



**City of Northwood**

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*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2015*

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<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Northwood</u>	<u>Amount Applicable to the City of Northwood</u>
<b>Direct:</b>			
City of Northwood	\$2,129,451	100.00%	\$2,129,451
<b>Overlapping:</b>			
Wood County	5,107,147	0.40%	<u>20,429</u>
		Subtotal	<u>20,429</u>
		Total	<u><u>\$2,149,880</u></u>

**Source: Wood County**

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

## City of Northwood

### Debt Limitations Last Ten Years

Collection Year	2006	2007	2008	2009
<b>Total Debt</b>				
Net Assessed Valuation	\$149,509,617	\$139,923,694	\$143,367,100	\$144,898,810
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	15,698,510	14,691,988	15,053,546	15,214,375
City Debt Outstanding	665,000	2,790,000	2,715,000	2,640,000
Less: Applicable Debt Service Fund Amounts (2)	(26,487)	(125,182)	(211,210)	(297,464)
Net Indebtedness Subject to Limitation	<u>638,513</u>	<u>2,664,818</u>	<u>2,503,790</u>	<u>2,342,536</u>
Overall Legal Debt Margin	<u>\$15,059,997</u>	<u>\$12,027,170</u>	<u>\$12,549,756</u>	<u>\$12,871,839</u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$149,509,617	\$139,923,694	\$143,367,100	\$144,898,810
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	8,223,029	7,695,803	7,885,191	7,969,435
City Debt Outstanding	665,000	2,790,000	2,715,000	2,640,000
Less: Applicable Debt Service Fund Amounts (2)	(26,487)	(125,182)	(211,210)	(297,464)
Net Indebtedness Subject to Limitation	<u>638,513</u>	<u>2,664,818</u>	<u>2,503,790</u>	<u>2,342,536</u>
Overall Legal Debt Margin	<u>\$7,584,516</u>	<u>\$5,030,985</u>	<u>\$5,381,401</u>	<u>\$5,626,899</u>

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

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

Source: Finance Director's Office

*City of Northwood*

2010	2011	2012	2013	2014	2015
\$142,268,630	\$130,722,140	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
14,938,206	13,725,825	14,118,805	14,196,678	12,101,630	14,068,901
2,560,000	2,475,000	2,360,000	2,245,000	2,120,000	2,090,000
(384,210)	(466,997)	(577,167)	(601,369)	(668,649)	(740,594)
2,175,790	2,008,003	1,782,833	1,643,631	1,451,351	1,349,406
\$12,762,416	\$11,717,822	\$12,335,972	\$12,553,047	\$10,650,279	\$12,719,495
\$142,268,630	\$130,722,140	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
7,824,775	7,189,718	7,395,565	7,436,355	6,338,949	7,369,424
2,560,000	2,475,000	2,360,000	2,245,000	2,120,000	2,090,000
(384,210)	(466,997)	(577,167)	(601,369)	(668,649)	(740,594)
2,175,790	2,008,003	1,782,833	1,643,631	1,451,351	1,349,406
\$5,648,985	\$5,181,715	\$5,612,732	\$5,792,724	\$4,887,598	\$6,020,018

## *City of Northwood*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2006	2007	2008	2009	2010
<b>Population</b> <sup>(1)</sup>					
City of Northwood	5,493	5,493	5,493	5,493	5,265
Wood County	123,929	123,929	123,929	123,929	125,380
<b>Income</b> <sup>(2) (a)</sup>					
Total Personal (in thousands)	179,319	188,289	197,215	187,443	182,085
Per Capita	32,645	34,278	35,903	34,124	34,584
<b>Unemployment Rate</b> <sup>(3)</sup>					
Federal	5.0%	4.6%	5.8%	9.3%	9.6%
State	5.9%	5.6%	6.5%	10.3%	10.1%
Wood County	5.2%	5.4%	6.9%	11.2%	10.1%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>					
State	5,971,500	5,976,500	5,986,400	5,970,000	5,897,600
Wood County	68,400	68,600	68,600	68,600	65,000

**Sources:**

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

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2010 for the presentation of 2011 statistics, the City is using the latest information available.

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

(3) State Department of Labor Statistics

*City of Northwood*

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2011	2012	2013	2014	2015
5,269	5,304	5,344	5,335	5,341
126,909	128,200	129,264	129,590	129,730
182,223	197,256	142,359	207,734	218,906
34,584	37,190	26,639	38,938	40,986
8.9%	7.9%	7.1%	5.5%	5.2%
8.6%	6.9%	6.9%	5.1%	4.9%
8.3%	6.5%	6.5%	4.2%	4.1%
5,806,000	5,695,000	5,520,049	5,725,800	5,694,000
65,000	65,100	65,763	68,800	69,104



## *City of Northwood*

### *Principal Employers Current Year and Nine Years Ago*

<u>Employer</u>	<u>Nature of Business</u>	<u>2015</u>	
		<u>Number of Employees</u>	<u>Rank</u>
Norplas Industries	Automotive Parts	1,311	1
Hoover Universal	Automotive Parts	756	2
North American Science Association	Medical Equipment Testing	361	3
Federal Express Freight	Package Delivery	270	4
Northwood Local Board of Education	Education	184	5
Malcolm Meat Company	Meat Distribution	150	6
Pilkington	Glass Manufacturing	145	7
Thyssenkrupp Logistics	Trucking	137	8
Treu House of Munch	Beverage Distributor	120	9
TNS Research	Research	117	10
Total		<u>3,551</u>	

<u>Employer</u>	<u>Nature of Business</u>	<u>2006</u>	
		<u>Number of Employees</u>	<u>Rank</u>
Norplas Industries	Automotive Parts	610	1
Sofres Intersearch Corp	Research	420	2
Hoover Universal	Automotive Parts	255	3
Interstate Brands	Bakery Distribution Center	250	4
Andersons	Retail	200	5
North American Science	Medical Equipment Testing	190	6
Northwood Board of Education	Education	155	7
Lear Corporation	Automotive Parts	130	8
Malcolm Meats	Meat Processing	120	9
Treu House of Munch	Beverage Distributor	100	10
Total		<u>2,430</u>	

Source: City Income Tax Department

## *City of Northwood*

### *Full Time Equivalent Employees by Function Last Ten Years*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental Activities</b>						
General Government						
Finance	5.00	5.00	5.00	4.00	3.00	4.00
Legal/Court	3.50	3.50	3.50	2.50	2.50	2.50
Administration	2.00	2.00	2.00	1.00	1.00	1.00
Maintenance	2.50	2.50	2.50	2.50	2.00	1.50
Security of Persons and Property						
Police	24.00	24.00	24.00	23.00	17.50	17.00
Dispatch	6.00	6.00	6.00	5.00	4.50	4.50
Fire	2.00	2.00	2.00	1.00	1.00	1.00
Fire - Volunteers	45.00	46.00	46.00	43.00	39.00	51.00
Transportation						
Street	8.00	7.00	7.00	6.00	5.00	5.00
Leisure Time Activities						
Recreation/Seniors	0.50	0.50	0.50	0.50	0.50	0.50
Community Environment						
Service	1.50	1.50	1.50	1.00	1.00	1.00
<i>Total Employees</i>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>89.50</u>	<u>77.00</u>	<u>89.00</u>

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

Source: Finance Director's Office

*City of Northwood*

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<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00
1.50	1.50	1.00	1.00
18.00	18.00	18.00	18.00
5.50	5.00	5.00	6.00
9.00	9.00	9.00	9.00
35.00	35.00	34.00	34.00
5.00	5.00	6.00	6.00
0.50	0.50	0.50	0.50
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<u>82.50</u>	<u>82.00</u>	<u>81.50</u>	<u>82.50</u>

## *City of Northwood*

### *Operating Indicators by Function Last Ten Years*

	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>						
General Government						
Court						
Number of Criminal Cases	379	310	296	215	176	207
Number of Traffic Cases	1,853	1,559	1,457	2,067	2,219	1,667
Number of Open Cases	302	133	162	140	206	124
Permits						
Residential Zoning Permits	270	275	253	217	223	153
Commercial Zoning Permits	57	123	93	22	29	17
Industrial Zoning Permits	31	17	17	11	22	5
Central Business District						41
Security of Persons and Property						
Police						
Criminal/Juvenile Arrests	571	444	454	406	404	383
Traffic Citations Issued	1,728	1,530	1,398	2,101	2,254	1,630
Parking Tickets Written	122	103	158	72	38	71
Number of Calls Answered	10,094	8,925	8,938	9,311	8,982	8,173
Fire						
Number of Calls Answered	751	834	822	711	732	767
Number of Inspections	111	166	262	n/a	n/a	10

Source: Finance Director's Office

n/a = not available

*City of Northwood*

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2012	2013	2014	2015
186	226	169	224
1,283	1,606	1,603	1,795
138	168	174	288
135	151	141	168
14	18	13	6
4	5	19	10
40	26	27	10
353	312	436	292
1,394	1,613	1,627	1,712
42	97	134	125
8,598	11,199	11,218	13,059
701	791	896	982
212	207	202	293

## *City of Northwood*

### *Capital Asset Statistics by Function Last Ten Years*

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	118	118	118	118	118
Buildings	6	6	6	6	6
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	12	16	16	14	14
Fire					
Stations	1	2	2	2	2
Vehicles	12	14	13	14	14
Transportation					
Streets					
Streets (lane miles)	41	41	41	41	47
Intersections with Traffic Signals	16	16	16	16	16
Vehicles	9	10	10	10	10
Leisure Time Activities					
Recreation					
Park Areas (acres)	78	83	83	83	83
Shelter Houses	2	2	2	2	2
Parks	3	4	4	4	4
Playgrounds	2	2	2	2	2
Tennis Courts	4	4	4	4	4
Baseball/Softball Diamonds	2	2	2	4	4
Soccer Fields	2	2	2	2	2

Source: Finance Director's Office

*City of Northwood*

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
118	118	118	118	118
6	6	6	6	6
1	1	1	1	1
14	12	12	12	12
2	2	2	2	2
14	15	15	15	15
47	47	47	47	47
16	16	16	16	16
10	11	11	11	11
83	83	83	83	83
2	2	2	2	2
4	4	4	4	4
2	2	2	2	2
4	4	4	4	4
4	4	4	4	4
2	2	2	2	2





# Dave Yost • Auditor of State

**CITY OF NORTHWOOD**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 2, 2016**