

**CITY OF NORTHWOOD
WOOD COUNTY**



**CITY OF
NORTHWOOD
OHIO**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Northwood, Wood County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2021 through December 31, 2021. 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.



Keith Faber
Auditor of State
Columbus, Ohio

July 05, 2022

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**CITY OF NORTHWOOD
WOOD COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

City Council
City of Northwood, 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, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 entity'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

June 14, 2022

CITY OF NORTHWOOD, OHIO

Wood County, Ohio



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

Issued by:
Department of Finance
Kenneth A. Yant
Director



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CITY OF NORTHWOOD WOOD COUNTY, OHIO

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INTRODUCTORY SECTION





City of Northwood, Ohio

6000 Wales Road

Northwood, Ohio 43619

Phone (419) 693-9328

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June 14, 2022

Introduction

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

I am pleased to present the twenty-third Annual Comprehensive Financial Report (ACFR) for the City of Northwood, Ohio for the fiscal year ended December 31, 2021. 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 Government Auditing Standards (GAGAS) by the Auditor of the State of Ohio. 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 Annual Financial Report of the City of Northwood, Ohio, for the fiscal year ended December 31, 2021.

While there is no legal requirement for the preparation of an Annual Financial Report, 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, 2021

The City's financial statements have been audited by Plattenburg and Associates, Certified Public Accountants. 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, 2021. 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, 2021

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

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

The Clerk of Council 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, 12 patrol officers, a School Resource Officer and a seasonal crossing guard. The City received partial grant funding for the Bulletproof Vest Partnership Program, a DARE grant, Operating a Vehicle while Intoxicated Enforcement. The School Resource Officer with Northwood Local Schools resumed in 2021.

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), School Resource Officer, DARE 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 30 part-time 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.

***Letter of Transmittal
For the Year Ended December 31, 2021***

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 new concession stand, shelter house, picnic facilities, playground equipment and one mile walking and biking trail. 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 operated 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.

Budgetary and Accounting Controls

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

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

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

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

Letter of Transmittal

For the Year Ended December 31, 2021

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

Budgetary internal controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget by City Council. The activity of all funds is included in the annual appropriation budget. The City also maintains an encumbrance accounting system to maintain budgetary control. The control is maintained through the encumbering of estimated purchases through the use of formal approved purchase orders. Encumbered amounts do not lapse at year-end, unused encumbrances are carried over to the following year. The Administration, Mayor, and City Council receive a monthly report of amounts in the City's bank accounts reconciled to the amounts on the City's internal records. In addition, the Administration, Mayor, and City Council receive a monthly report comparing budgeted and actual revenue and expenditure.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

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.

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.

Letter of Transmittal

For the Year Ended December 31, 2021

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 303 in 2021. 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.

2021 was another good year for Northwood’s “economic development begins at home” strategy. This holistic approach takes into consideration the improvement of all the city’s systems from the improvement of neighborhoods, its transportation systems that connect people and products, and through economic development programs that incentivize individual initiative and investments.

One of our community’s most aggressive publicly-generated initiatives to date, “The Enclave”, became fully incentivized in 2019. Due to close interaction between city and school officials, this redevelopment area was fortified with tax increment financing (TIF) with 100% of the new real property tax revenues being redirected back to the site for thirty years to develop a multitude of “age in place” amenities including a public park, walking trails and Northwood’s first “Main Street”. The city’s zoning ordinance was also updated to provide the 120+ acre site with flexibility and a streamlined approval process. City officials worked closely with developers in the residential and senior living markets. Construction on this project began in May, 2021.

The city’s dedication and devotion towards lean government allows Northwood officials to work faster and smarter, allowing the community to accommodate the eager and the industrious. Throughout 2021, our businesses, property owners and investors were welcomed by a streamlined regulatory environment and incentives that can be authorized quicker than any community in the region.

At the present time, Northwood offers residents and businesses every economic tool allowable under the Ohio Revised Code. This includes property tax abatement programs (Community Reinvestment Area and Enterprise Zone), income tax refund programs (jobs grant), a façade and building grant program (Woodville Road Renewal Program), tax increment financing, and a revitalization district that provides for potential restaurateurs to receive a D-5 liquor license if they are located within the designated zone.

Notable economic & community development projects occurring during 2021 include:

- Over \$700K in road resurfacing projects and neighborhood initiatives that included the completion of a new concession and restroom facility. In 2021, the city invested over \$3M back into your neighborhoods between capital and general fund revenues.
- Construction on The Enclave’s \$5M infrastructure project including Northwood’s new Main Street began in 2021 with approximately 50% completion of roadways, water and sewer.
- Implementing Phase One of the City’s Corridor Beautification Strategy working closely with employers and other property owners at the near the I-75, Wales Road area. The city’s position is that the visual appearance of the city’s primary corridors is linked to improved property Working

Letter of Transmittal

For the Year Ended December 31, 2021

with Ohio Department of Transportation officials to improve safety and improve pedestrian connectivity along Woodville Road. This study is the first step in a proposed 2020-23 Woodville Road upgrade safety improvement grant funded through the Ohio Department of Transportation.

- Coordinating with the Wood County Engineer, ODOT, Owens Community College, Perrysburg Township, and businesses along Oregon Road to enhance connectivity and safety. Major pedestrian connectivity improvements along Wales Road will include sidewalks, timed crosswalks, and dedicated bike lanes. A portion of Wales Road south to SR 795 will also include a road diet and further pedestrian connectivity enhancements to better connect Owens Community College and its students to Northwood.
- The \$10 million RISE Commercial building project is expected to bring over 400 jobs and \$14.6 in new payroll in 2022.
- The implementation of Northwood's Safe Routes to School Plan and grant program that encourages K-8 students to bike and walk to school. Construction began in May, 2022.
- Close interaction with Northwest Water and Sewer District in developing cost effective utility solutions for residents and businesses.
- Proactive property maintenance enforcement to address blight and vacant buildings.
- Pursuing the feasibility of creating a community improvement corporation to help frame, guide, and help monetize broad community initiatives.

The year 2022 will see additional progress due to the City's incremental and conservative, yet innovative approach to economic development.

Unemployment Rates

According to the Ohio Bureau of Employment Services, the 2021 annual average unemployment rate for Wood County was 2.8% which was lower than the state rate of 3.4% and also lower than the national rate of 3.7%.

Employee Relations

The City has 35 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 30 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 2021 with A.F.S.C.M.E. for a 3-year term ending on March 31, 2024. The contract with O.P.B.A. was negotiated in 2020 for a 3-year term ending December 31, 2023. The City reached agreement with FOP/OLC in 2019 for a 3-year term ending June 30, 2022.

Major City Initiatives

During 2021, 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 2021, the City received the following Police related grants; Bulletproof Vest, DARE and D.U.I. Task Force. The City also received grants from Wood County Recycling, Landfill Sponsorship along with FEMA equipment, training and EMS grants for the Fire Department.

Letter of Transmittal
For the Year Ended December 31, 2021

Continuing and Future Projects

Demolition of the Woodville Mall by a contractor hired by the owner took place in 2015 by removing the mall and Sears store. The City purchased the property in 2016 and began removing the former Elder Beerman and Andersons stores in 2017. The remainder of the mall was removed in 2018. During 2018 and 2019, the property was renamed The Enclave and the City has envisioned an “Age in Place” type development containing commercial and residential components. Phase I for the infrastructure of the development began construction in May, 2021 and was approximately 50% completed in 2021. A decorative lighting contract was signed in December, 2021 and is substantially complete in June, 2022.

The City has been working with M&A Architects since May, 2021 on the development of a 27,000 square foot Recreation Community Center that will be located on the Enclave footprint. Significant progress has been made on the design of the building and construction is anticipated to begin in October, 2022. The City received a \$1M grant from the Ohio Facilities Commission for construction of the building.

The City held a groundbreaking ceremony in June, 2022 for a residential development called The Bridges of Northwood to be located in The Enclave development. A private developer will begin construction of 114 townhomes on a 25 acre parcel including a lake and walking trail.

The City will continue making infrastructure improvements throughout the City in 2022, including resurfacing projects on Curtice Road near I-280 and Lauren Lane. An East Andrus Rd. storm water project will start Summer 2022. The City has planned to replace traffic signals at Wheeling & Curtice Road, Wheeling & Woodville Road and Woodville & Lemoyne Road. The concession stand project including handicap restrooms was completed in 2021 at Brentwood Park and began operating in April, 2022.

Letter of Transmittal

For the Year Ended December 31, 2021

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 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 twenty-fourth 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

List of Principal Officials

For the Year Ended December 31, 2021

Elected Officials

<i>Name</i>	<i>Office</i>	<i>Term Expires</i>
Edward Schimmel	Mayor	12/31/23
Randy Kozina	City Council, President	12/31/25
James Barton	City Council	12/31/23
Patrick Huntermark	City Council	12/31/25
Louis Fahrbach	City Council	12/31/25
Mark Stoner	City Council	12/31/25
Dean Edwards	City Council	12/31/23
Michael Melnyk	City Council	12/31/23

Administrative Personnel

<i>Name</i>	<i>Office</i>	<i>Term Expires</i>	<i>Surety</i>
Brian Ballenger	Director of Law	Indefinite	\$50,000 Bond
Robert Anderson	City Administrator	Indefinite	
Jeffrey Zahradnik	Chief of Police	Indefinite	
Joel Whitmore	Chief of Fire	Indefinite	
Craig Meier	Director of Public Service	Indefinite	\$50,000 Bond
Kenneth Yant	Director of Finance	Indefinite	
Emily Popovitch	Clerk of Council	Indefinite	\$50,000 Bond
Laura Schroeder	Clerk of Mayor's Court	Indefinite	
C. Drew Griffith	Court Magistrate	Indefinite	

Applies to All Elected Officials

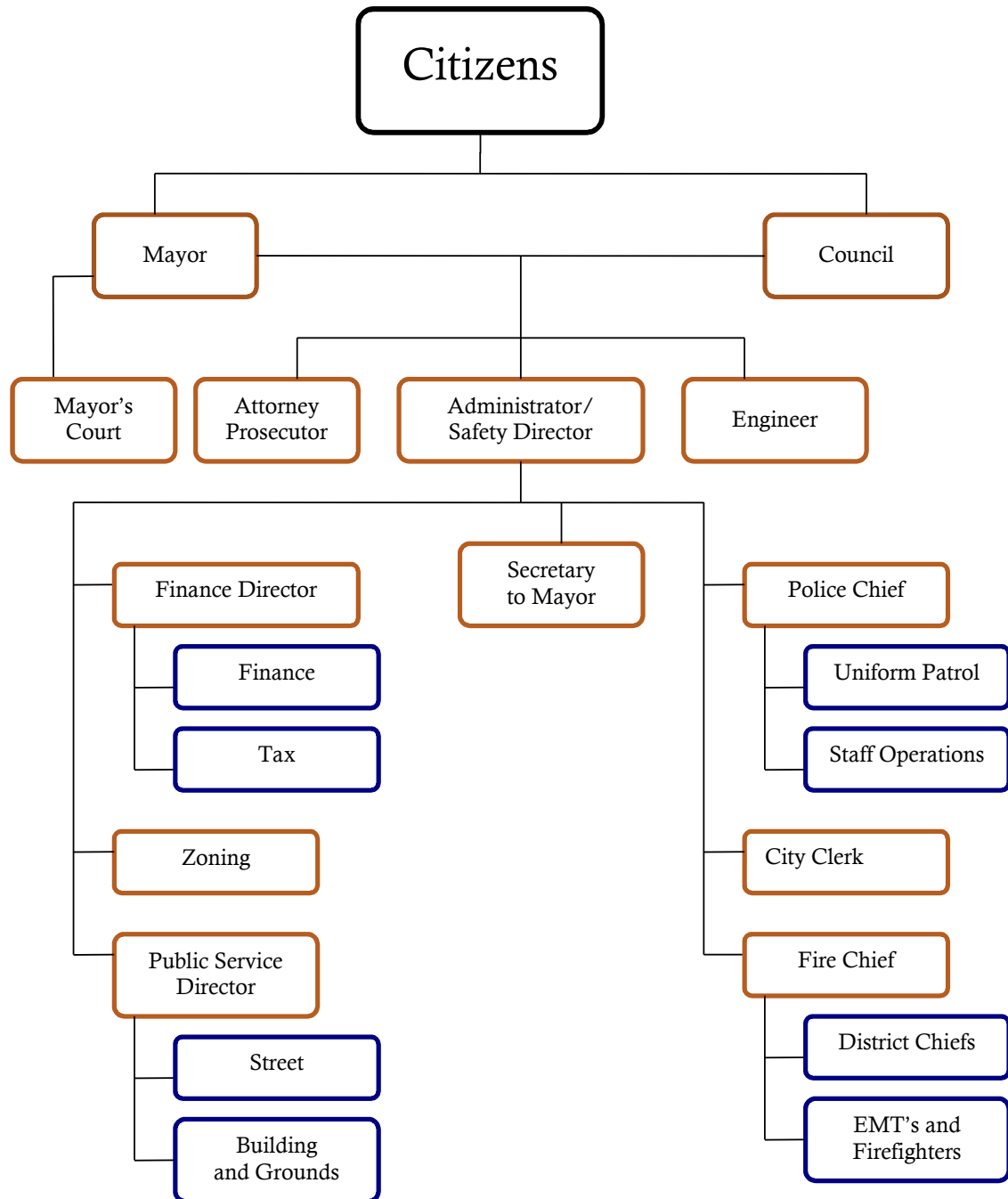
Public officials \$5 million/occurrence, \$7 million aggregate general liability.

Term July 9, 2021 to July 9, 2022

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, 2021***





Government Finance Officers Association

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**City of Northwood
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City Council
City of Northwood, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Ohio (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of December 31, 2021, and the respective changes in financial position and respective budgetary comparisons for the General and Street Construction, Maintenance and Repair funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of pension information and other postemployment information to be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
June 14, 2022



***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

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, 2021. 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 2021 are as follows:

- ❑ In total, net position increased \$3,143,022, which represents a 13.4% increase from 2020.
- ❑ General revenues accounted for \$7.4 million in revenue or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 25% of total revenues of \$9.9 million.
- ❑ The City had \$6.8 million in expenses related to governmental activities; only \$2.5 million of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$5.7 million in revenues and \$5.1 million in expenditures. The general fund's fund balance increased \$385,092 to \$8,764,938.

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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

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, basic utility services, 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, 2021****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 a separate Statement of Fiduciary Assets and Liabilities and a separate Statement 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 2021 and 2020:

	Governmental Activities	
	2021	2020
Current and other assets	\$23,192,344	\$18,139,994
Capital assets, Net	18,799,479	16,544,476
Total assets	<u>41,991,823</u>	<u>34,684,470</u>
Deferred outflows of resources	<u>1,120,176</u>	<u>1,251,085</u>
Net pension liability	4,645,450	4,966,116
Net OPEB liability	510,311	1,724,109
Other long-term liabilities	8,228,588	3,830,451
Other liabilities	1,009,467	287,139
Total liabilities	<u>14,393,816</u>	<u>10,807,815</u>
Deferred inflows of resources	<u>2,107,557</u>	<u>1,660,136</u>
Net position:		
Net investment in capital assets	15,298,857	15,178,140
Restricted	4,036,841	1,716,577
Unrestricted	7,274,928	6,572,887
Total net position	<u>\$26,610,626</u>	<u>\$23,467,604</u>

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited**

Changes in Net position – The following table shows the changes in net position for the fiscal year 2021 and 2020:

	Governmental Activities	
	2021	2020
Revenues		
Program revenues:		
Charges for Services and Sales	\$843,827	\$797,266
Operating Grants and Contributions	541,449	1,174,090
Capital Grants and Contributions	1,093,979	86,575
General revenues:		
Property Taxes	239,992	201,501
Municipal Income Taxes	6,429,133	6,195,530
Other Local Taxes	32,597	37,466
Payments in Lieu of Taxes	223,931	219,098
Grants and Entitlements not Restricted to Specific Programs	385,638	264,824
Investment Earnings	(9,963)	292,188
Miscellaneous	145,878	129,347
Total revenues	9,926,461	9,397,885
Program Expenses		
Security of Persons and Property	3,283,930	3,461,050
Public Health and Welfare Services	6,187	6,187
Leisure Time Activities	69,372	50,518
Community Environment	168,914	280,147
Basic Utility Services	243,336	424,085
Transportation	1,674,024	934,440
General Government	1,207,837	2,234,052
Interest and Fiscal Charges	129,839	137,291
Total expenses	6,783,439	7,527,770
Total Change in Net Position	3,143,022	1,870,115
Beginning Net Position	23,467,604	21,597,489
Ending Net Position	\$26,610,626	\$23,467,604

**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited**

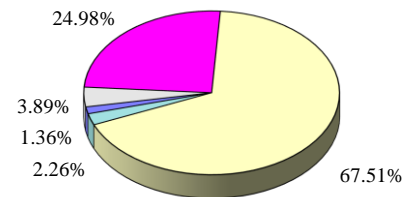
Governmental Activities

Net position of the City's governmental activities increased by \$3,143,022. Much of this increase was due to a plan design change with the OPERS OPEB plan. OPERS no longer offers a self-insured OPEB plan to its retirees. Instead, retirees receive a monthly fixed stipend based on their eligibility. As a result, the OPERS OPEB 2020 net liability converted to a net asset in 2021 with the offset recognized as a reduction in OPEB expense.

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 2% and 65% respectively of revenues for governmental activities for the City in fiscal year 2021. The City's reliance upon tax revenues is demonstrated by the following graph indicating 68% of total revenues from general tax revenues:

Revenue Sources	2021	Percent of Total
General Shared Revenues	\$385,638	3.89%
Program Revenues	2,479,255	24.98%
General Tax Revenues	6,701,722	67.51%
Payments in Lieu of Taxes	223,931	2.26%
General Other	135,915	1.36%
Total Revenue	<u>\$9,926,461</u>	<u>100.00%</u>



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CITY OF NORTHWOOD, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited****FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$20,016,445, which is an increase from last year's balance of \$16,862,148. The most significant factor contributing to this increase was the unspent proceeds from the Note issuance for The Enclave infrastructure improvements. The schedule below indicates the fund balance and the total change in fund balance by major and nonmajor fund as of December 31, 2021 and 2020:

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General	\$8,764,938	\$8,379,846	\$385,092
Street Construction, Maintenance and Repair	327,422	402,538	(75,116)
General Obligation Debt Retirement	726,444	723,497	2,947
Enclave Construction	2,437,502	5,561	2,431,941
Capital Improvement	4,133,978	3,892,076	241,902
Capital Replacement	2,568,850	2,467,232	101,618
Other Governmental	1,057,311	991,398	65,913
Total	<u>\$20,016,445</u>	<u>\$16,862,148</u>	<u>\$3,154,297</u>

General Fund – The City's General Fund balance increase is due to many factors. The City's General Fund balance increase was due to revenues exceeding expenditures as noted below. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2021 Revenues	2020 Revenues	Increase (Decrease)
Property Taxes	\$240,842	\$225,778	\$15,064
Municipal Income Tax	4,494,555	4,328,287	166,268
Other Local Taxes	15,337	21,049	(5,712)
Intergovernmental Revenue	353,027	317,745	35,282
Charges for Services	175,865	138,267	37,598
Licenses and Permits	104,008	91,570	12,438
Investment Earnings	(24,313)	286,368	(310,681)
Special Assessments	90,281	102,901	(12,620)
Fines & Forfeitures	123,973	119,091	4,882
Donations	525	2,010	(1,485)
All Other Revenue	167,269	154,186	13,083
Total	<u>\$5,741,369</u>	<u>\$5,787,252</u>	<u>(\$45,883)</u>

General Fund revenues in 2021 decreased slightly compared to revenues in fiscal year 2020. The most significant factor contributing to this decrease was a decrease of \$310,681 in investment earnings during 2021 due to lower interest rates of brokered Certificates of Deposits held in the investment portfolio.

	2021 Expenditures	2020 Expenditures	Increase (Decrease)
Security of Persons and Property	\$3,259,366	\$2,933,118	\$326,248
Public Health and Welfare Services	6,187	6,187	0
Leisure Time Activities	76,790	42,906	33,884
Community Environment	224,662	244,231	(19,569)
General Government	1,539,762	1,445,771	93,991
Total	<u>\$5,106,767</u>	<u>\$4,672,213</u>	<u>\$434,554</u>

**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited**

General Fund expenditures increased by \$434,554 or about 9.3% from the prior year mostly due to careful monitoring of expenditures during the pandemic.

The Street Construction, Maintenance Repair Fund balance decreased by \$75,116 in 2021. This decrease was due to a slight increase in gas taxes during 2020 and an increase in expenditures during 2021 compared to 2020.

The General Obligation Debt Retirement Fund balance increased by \$2,947 in 2021.

The Enclave Construction Fund balance increased by \$2,431,941 in 2021. This increase was due the issuance of a note for construction purposes.

The Capital Improvement Fund balance increased by \$241,902 in 2021. This increase was due to an increase in income taxes receivable and a slight decrease in expenditures in 2021.

The Capital Replacement Fund balance increased by \$101,618 in 2021. This increase was due to an increase in income tax receivable and a decrease in capital expenditures out of the fund during 2021 compared to 2020.

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

For the General Fund, final budget basis revenue of \$5.8 million increased from the original budget estimates of \$5.3 million. 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 2021 the City had \$18,799,479 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, vehicles and machinery and equipment. The following table shows fiscal year 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$2,248,673	\$2,248,673	\$0
Construction in Progress	1,909,975	0	1,909,975
Land Improvements	113,168	113,168	0
Buildings and Improvements	4,736,591	4,686,770	49,821
Machinery and Equipment	2,131,369	2,013,917	117,452
Vehicles	4,149,550	4,200,125	(50,575)
Infrastructure	12,902,495	11,920,281	982,214
Less: Accumulated Depreciation	(9,392,342)	(8,638,458)	(753,884)
Totals	<u>\$18,799,479</u>	<u>\$16,544,476</u>	<u>\$2,255,003</u>

The primary increase occurred in construction in progress and infrastructure. This increase is the result of infrastructure improvements at The Enclave.

CITY OF NORTHWOOD, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

As of December 31, 2021, the City had contractual commitments of \$9,429,995. This is primarily related to the Enclave Infrastructure Phase I construction and the new Recreation Community Center Construction. Additional information on the City's capital assets can be found in Note 8.

Debt

The following table summarizes the City's debt outstanding as of December 31, 2021 and 2020:

	2021	2020
Governmental Activities:		
General Obligation Bonds	\$1,840,000	\$1,890,000
Long-Term Note Payable	4,600,000	0
Ohio Water Development Authority	1,063,276	1,138,360
Compensated Absences	556,025	574,115
Capital Leases Payable	169,287	227,976
Net Pension Liability	4,645,450	4,966,116
Net OPEB Liability	510,311	1,724,109
Totals	<u>\$13,384,349</u>	<u>\$10,520,676</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, 2021, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

The City's original budget for 2021 utilized conservative revenue estimates with limited increases in base operating costs. Original General Fund revenues were projected to be 2.9% lower than actual receipts for 2020. This difference was due to less miscellaneous revenue estimated in 2021.

General Fund expenditures were originally budgeted at 14% more than 2020 actual expenditures. Department requests were reduced from original submissions and in general, departments closely monitored spending, resulting in actual expenditures being less than the final budget by \$203,005.

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. The City's conservative approach and sound financial management has allowed the City government to financially sustain services subsequent to the start of the COVID-19 crisis. The City will continue to monitor the financial extent of the crisis for any extended financial effects, and if necessary, modify operations accordingly.

REQUESTS FOR INFORMATION

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

CITY OF NORTHWOOD, OHIO

**Statement of Net Position
December 31, 2021**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$ 20,097,039
Receivables:	
Taxes	983,500
Accounts	170,806
Intergovernmental	1,479,727
Interest	22,601
Special Assessments	126,726
Inventory of Supplies at Cost	72,577
Prepaid Items	68,694
Capital Assets:	
Capital Assets Not Being Depreciated	4,158,648
Capital Assets Being Depreciated, Net	14,640,831
Net OPEB Asset	170,674
Total Assets	41,991,823
Deferred Outflows of Resources:	
Pension	690,862
OPEB	429,314
Total Deferred Outflows of Resources	1,120,176
Liabilities:	
Accounts Payable	510,427
Accrued Wages and Benefits	165,623
Unearned Revenue	284,609
Accrued Interest Payable	48,808
Long-Term Liabilities:	
Due Within One Year	5,043,601
Net Pension Liability	4,645,450
Net OPEB Liability	510,311
Due in More Than One Year	3,184,987
Total Liabilities	14,393,816
Deferred Inflows of Resources:	
Property Tax Levy for Next Fiscal Year	322,179
Pension	990,192
OPEB	795,186
Total Deferred Inflows of Resources	2,107,557

CITY OF NORTHWOOD, OHIO

	Governmental Activities
Net Position:	
Net Investment in Capital Assets	15,298,857
Restricted For:	
Capital Projects	2,688,326
Debt Service	677,636
Street Construction, Maintenance and Repair	316,422
Other Purposes	354,457
Unrestricted	7,274,928
Total Net Position	\$ 26,610,626

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Statement of Activities
For the Year Ended December 31, 2021**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Security of Persons and Property	\$ 3,283,930	\$ 264,375	\$ 16,169	\$ 36,782	\$ (2,966,604)
Public Health and Welfare Services	6,187	0	0	0	(6,187)
Leisure Time Activities	69,372	0	0	50,000	(19,372)
Community Environment	168,914	39,542	0	0	(129,372)
Basic Utility Services	243,336	294,928	0	0	51,592
Transportation	1,674,024	0	525,280	7,197	(1,141,547)
General Government	1,207,837	244,982	0	1,000,000	37,145
Interest and Fiscal Charges	129,839	0	0	0	(129,839)
Total Governmental Activities	\$ 6,783,439	\$ 843,827	\$ 541,449	\$ 1,093,979	(4,304,184)
General Revenues					
Property Taxes					239,992
Municipal Income Taxes					6,429,133
Other Local Taxes					32,597
Payments in Lieu of Taxes					223,931
Grants and Entitlements not Restricted to Specific Programs					385,638
Investment Earnings					(9,963)
Miscellaneous					145,878
Total General Revenues					7,447,206
Change in Net Position					3,143,022
Net Position Beginning of Year					23,467,604
Net Position End of Year					\$ 26,610,626

See accompanying notes to the basic financial statements



CITY OF NORTHWOOD, OHIO
Balance Sheet
Governmental Funds
December 31, 2021

	General	Street Construction, Maintenance and Repair	General Obligation Debt Retirement	Enclave Construction
Assets:				
Equity in Pooled Cash and Investments	\$ 8,355,368	\$ 241,687	\$ 726,444	\$ 2,795,588
Receivables:				
Taxes	695,364	0	90,290	0
Accounts	136,541	0	0	0
Intergovernmental	178,394	198,459	0	0
Interest	22,601	0	0	0
Special Assessments	104,900	0	0	0
Inventory of Supplies, at Cost	27,930	44,647	0	0
Prepaid Items	59,039	0	0	0
Total Assets	\$ 9,580,137	\$ 484,793	\$ 816,734	\$ 2,795,588
Liabilities:				
Accounts Payable	\$ 11,199	\$ 3,085	\$ 0	\$ 358,086
Accrued Wages and Benefits Payable	142,314	21,980	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	153,513	25,065	0	358,086
Deferred Inflows of Resources:				
Unavailable Amounts	429,797	132,306	0	0
Property Tax for Next Fiscal Year	231,889	0	90,290	0
Total Deferred Inflows of Resources	661,686	132,306	90,290	0
Fund Balances:				
Nonspendable	86,969	44,647	0	0
Restricted	0	282,775	726,444	2,437,502
Committed	0	0	0	0
Assigned	114,362	0	0	0
Unassigned	8,563,607	0	0	0
Total Fund Balances	8,764,938	327,422	726,444	2,437,502
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,580,137	\$ 484,793	\$ 816,734	\$ 2,795,588

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

Capital Improvement	Capital Replacement	Other Governmental Funds	Total Governmental Funds
\$ 4,022,265	\$ 2,617,529	\$ 1,338,158	\$ 20,097,039
131,035	65,517	1,294	983,500
0	0	34,265	170,806
1,050,000	36,782	16,092	1,479,727
0	0	0	22,601
21,826	0	0	126,726
0	0	0	72,577
9,655	0	0	68,694
<u>\$ 5,234,781</u>	<u>\$ 2,719,828</u>	<u>\$ 1,389,809</u>	<u>\$ 23,021,670</u>
\$ 0	\$ 136,490	\$ 1,567	\$ 510,427
0	0	1,329	165,623
0	0	284,609	284,609
<u>0</u>	<u>136,490</u>	<u>287,505</u>	<u>960,659</u>
1,100,803	14,488	44,993	1,722,387
0	0	0	322,179
<u>1,100,803</u>	<u>14,488</u>	<u>44,993</u>	<u>2,044,566</u>
9,655	0	0	141,271
0	0	502,280	3,949,001
4,124,323	2,568,850	555,031	7,248,204
0	0	0	114,362
0	0	0	8,563,607
<u>4,133,978</u>	<u>2,568,850</u>	<u>1,057,311</u>	<u>20,016,445</u>
<u>\$ 5,234,781</u>	<u>\$ 2,719,828</u>	<u>\$ 1,389,809</u>	<u>\$ 23,021,670</u>



CITY OF NORTHWOOD, OHIO

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2021

Total Governmental Fund Balances	\$ 20,016,445
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***Amounts reported for governmental activities in the
statement of net position are different because***

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	18,799,479
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Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds.

Municipal Income Taxes	144,884	
Property Taxes	2,000	
Charges for Services	114,655	
Interest Revenues	17,487	
Special Assessments	126,726	
Intergovernmental	<u>1,316,635</u>	1,722,387

The net pension/OPEB liability is not due and payable in the current period;
therefore, the liability and related deferred inflows/outflows are not
reported in governmental funds:

Net OPEB Asset	170,674	
Deferred Outflows - Pension	690,862	
Deferred Inflows - Pension	(990,192)	
Deferred Outflows - OPEB	429,314	
Deferred Inflows - OPEB	(795,186)	
Net Pension Liability	(4,645,450)	
Net OEPB Liability	<u>(510,311)</u>	(5,650,289)

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.	(48,808)
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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	(1,840,000)	
Long-Term Note Payable	(4,600,000)	
Ohio Water Development Authority Loan Payable	(1,063,276)	
Capital Lease Payable	(169,287)	
Compensated Absences Payable	<u>(556,025)</u>	<u>(8,228,588)</u>

<i>Net Position of Governmental Activities</i>	<u><u>\$ 26,610,626</u></u>
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See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021**

	General	Street Construction, Maintenance and Repair	General Obligation Debt Retirement	Enclave Construction
Revenues:				
Property Taxes	\$ 240,842	\$ 0	\$ 0	\$ 0
Municipal Income Tax	4,494,555	0	0	0
Other Local Taxes	15,337	0	0	0
Intergovernmental Revenues	353,027	459,289	0	0
Payments in Lieu of Taxes	0	0	132,747	0
Charges for Services	175,865	0	0	0
Licenses and Permits	104,008	0	0	0
Investment Earnings	(24,313)	8,925	0	0
Special Assessments	90,281	0	0	0
Fines and Forfeitures	123,973	0	0	0
Donations	525	0	0	0
All Other Revenue	167,269	75	0	0
Total Revenue	5,741,369	468,289	132,747	0
Expenditures:				
Current:				
Security of Persons and Property	3,259,366	0	0	0
Public Health and Welfare Services	6,187	0	0	0
Leisure Time Activities	76,790	0	0	0
Community Environment	224,662	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	610,776	0	0
General Government	1,539,762	0	0	0
Capital Outlay	0	0	0	2,268,059
Debt Service:				
Principal Retirement	0	0	50,000	0
Interest & Fiscal Charges	0	0	79,800	0
Total Expenditures	5,106,767	610,776	129,800	2,268,059
Excess (Deficiency) of Revenues Over Expenditures	634,602	(142,487)	2,947	(2,268,059)

CITY OF NORTHWOOD, OHIO

Capital Improvement	Capital Replacement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 240,842
1,284,158	642,080	0	6,420,793
0	0	17,260	32,597
128,500	36,782	36,658	1,014,256
0	0	91,184	223,931
0	0	265,716	441,581
0	0	600	104,608
0	0	5,948	(9,440)
7,197	0	0	97,478
0	0	11,550	135,523
0	0	25	550
14,839	0	0	182,183
1,434,694	678,862	428,941	8,884,902
0	0	15,890	3,275,256
0	0	0	6,187
0	0	50	76,840
0	0	16,942	241,604
0	0	203,287	203,287
0	0	49,343	660,119
0	0	45,312	1,585,074
1,045,188	589,094	57,204	3,959,545
133,773	0	0	183,773
13,831	0	0	93,631
1,192,792	589,094	388,028	10,285,316
241,902	89,768	40,913	(1,400,414)

(Continued)

CITY OF NORTHWOOD, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021**

	General	Street Construction, Maintenance and Repair	General Obligation Debt Retirement	Enclave Construction
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
General Obligation Notes Issued	0	0	0	4,600,000
Transfers In	0	125,000	0	100,000
Transfers Out	(250,000)	0	0	0
Total Other Financing Sources (Uses)	(250,000)	125,000	0	4,700,000
Net Change in Fund Balances	384,602	(17,487)	2,947	2,431,941
Fund Balances at Beginning of Year	8,379,846	402,538	723,497	5,561
Increase (Decrease) in Inventory Reserve	490	(57,629)	0	0
Fund Balances End of Year	\$ 8,764,938	\$ 327,422	\$ 726,444	\$ 2,437,502

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

Capital Improvement	Capital Replacement	Other Governmental Funds	Total Governmental Funds
0	11,850	0	11,850
0	0	0	4,600,000
0	0	25,000	250,000
0	0	0	(250,000)
0	11,850	25,000	4,611,850
241,902	101,618	65,913	3,211,436
3,892,076	2,467,232	991,398	16,862,148
0	0	0	(57,139)
<u>\$ 4,133,978</u>	<u>\$ 2,568,850</u>	<u>\$ 1,057,311</u>	<u>\$ 20,016,445</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, 2021***

Net Change in Fund Balances - Total Governmental Funds **\$ 3,211,436**

***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	3,142,970	
Depreciation	<u>(887,967)</u>	2,255,003

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

Municipal Income Taxes	8,340	
Property Taxes	(850)	
Charges for Services	19,913	
Interest Revenues	(523)	
Special Assessments	(3,981)	
Intergovernmental	<u>1,006,810</u>	1,029,709

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

Pension	412,545	
OPEB	<u>6,151</u>	418,696

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	(263,311)	
OPEB	<u>986,355</u>	723,044

(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.

Long-Term Note Issued	(4,600,000)	
General Obligation Bonds Principal	50,000	
OWDA Loan Principal	75,084	
Capital Lease Principal	<u>58,689</u>	(4,416,227)

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		(36,208)
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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.

Decrease in Supplies Inventory	(57,139)	
Decrease in Compensated Absences Payable	<u>14,708</u>	<u>(42,431)</u>

Change in Net Position of Governmental Activities

\$ 3,143,022

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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 232,725	\$ 232,725	\$ 240,842	\$ 8,117
Municipal Income Tax	4,120,000	4,450,000	4,601,482	151,482
Other Local Taxes	40,000	20,000	22,410	2,410
Intergovernmental Revenue	305,410	343,909	349,548	5,639
Charges for Services	110,000	165,000	178,176	13,176
Licenses and Permits	96,800	111,800	97,017	(14,783)
Special Assessments	89,000	111,000	90,281	(20,719)
Investment Earnings	126,700	126,700	133,871	7,171
Fines and Forfeitures	141,700	151,700	123,973	(27,727)
Donations	1,000	1,000	525	(475)
All Other Revenues	63,960	148,960	175,321	26,361
Total Revenues	5,327,295	5,862,794	6,013,446	150,652
Expenditures:				
Current:				
Security of Persons and Property	3,416,785	3,509,624	3,276,396	233,228
Public Health and Welfare Services	6,200	6,200	6,187	13
Leisure Time Activities	80,550	91,850	78,432	13,418
Community Environment	288,610	309,435	225,354	84,081
General Government	1,616,763	1,668,923	1,544,352	124,571
Total Expenditures	5,408,908	5,586,032	5,130,721	455,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,613)	276,762	882,725	605,963
Other Financing Sources (Uses):				
Transfers Out	(155,000)	(255,000)	(250,000)	5,000
Total Other Financing Sources (Uses):	(155,000)	(255,000)	(250,000)	5,000
Net Change In Fund Balance	(236,613)	21,762	632,725	610,963
Fund Balance at Beginning of Year	7,588,516	7,588,516	7,588,516	0
Prior Year Encumbrances	12,624	12,624	12,624	0
Fund Balance at End of Year	\$ 7,364,527	\$ 7,622,902	\$ 8,233,865	\$ 610,963

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)
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 440,000	\$ 449,000	\$ 452,749	\$ 3,749
Investment Earnings	1,000	11,000	8,925	(2,075)
All Other Revenues	0	0	75	75
Total Revenues	441,000	460,000	461,749	1,749
Expenditures:				
Transportation	626,300	673,253	614,074	59,179
Total Expenditures	626,300	673,253	614,074	59,179
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,300)	(213,253)	(152,325)	60,928
Other Financing Sources (Uses):				
Transfers In	0	125,000	125,000	0
Total Other Financing Sources (Uses)	0	125,000	125,000	0
Net Change In Fund Balance	(185,300)	(88,253)	(27,325)	60,928
Fund Balance at Beginning of Year	263,859	263,859	263,859	0
Prior Year Encumbrances	5,153	5,153	5,153	0
Fund Balance at End of Year	<u>\$ 83,712</u>	<u>\$ 180,759</u>	<u>\$ 241,687</u>	<u>\$ 60,928</u>

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

***Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021***

	Custodial Fund
Assets:	
Cash and Cash Equivalents	\$ 3,357
Total Assets	<u>\$ 3,357</u>
Liabilities:	
Intergovernmental Payable	\$ 3,357
Total Liabilities	<u>\$ 3,357</u>

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

***Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2021***

	<u>Custodial Fund</u>
Additions:	
Fines, Licenses and Permits for Distribution	<u>\$ 66,125</u>
Total Additions	<u>66,125</u>
Deductions:	
Distributions to Other Governments	<u>66,125</u>
Total Deductions	<u>66,125</u>
Net Change in Fiduciary Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021 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, 2021***

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.

Street Construction Maintenance and Repair Fund - This fund is used to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of dedicated streets.

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.

Enclave Construction Fund - This fund is used to account for funds used for the construction of The Enclave.

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.

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) for grants and other resources whose use is restricted or committed to a particular purpose.

Fiduciary Funds

These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's only fiduciary fund is a custodial fund. This fund is used to account for the collection and distribution of mayor's court fines and forfeitures, except those due to the City of Northwood.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021***

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, 2021, but which are not intended to finance 2021 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources as further described in Note 4.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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 custodial 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 2021.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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 and Street Construction, Maintenance and Repair 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, 2021

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 and the Street Construction, Maintenance and Repair Fund:

	Net Change In Fund Balance	
	General Fund	Street Construction, Maintenance and Repair Fund
GAAP Basis (as reported)	\$384,602	(\$17,487)
Increase (Decrease):		
Accrued Revenues at December 31, 2021 received during 2022	(476,114)	(66,153)
Accrued Revenues at December 31, 2020 received during 2021	590,195	59,613
Accrued Expenditures at December 31, 2021 paid during 2022	153,513	25,065
Accrued Expenditures at December 31, 2020 paid during 2021	(151,376)	(28,363)
2020 Prepays for 2021	52,764	0
2021 Prepays for 2022	(59,039)	0
2020 Mark to Market	259,683	0
2021 Mark to Market	(101,687)	0
Outstanding Encumbrances	(19,816)	0
Budget Basis	<u>\$632,725</u>	<u>(\$27,325)</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 3, "Pooled Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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. 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 3, "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, 2021, 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, 2021***

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
Capital Leases	General Bond Retirement Fund
Compensated Absences	General Fund
Pension/OPEB Liabilities	General Fund
	Street Construction, Maintenance and Repair Fund
	State Highway Improvement Fund
	Northwood Waste/Environmental Fund
	Storm Water Management 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, 2021***

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, 2021***

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. Pension/OPEB

The provision for pension/OPEB cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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/OPEB 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, 2021***

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 2021.

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/OPEB are explained in notes 9 and 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, charges for services, interest 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/OPEB are reported on the government-wide statement of net position. (See Note 9 and 10)

T. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

CITY OF NORTHWOOD, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 2 – 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	Street Construction, Maintenance and Repair Fund	General Obligation Debt Retirement Fund	Enclave Construction Fund	Capital Improvement Fund	Capital Replacement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Supplies Inventory	\$27,930	\$44,647	\$0	\$0	\$0	\$0	\$0	\$72,577
Prepaid Items	59,039	0	0	0	9,655	0	0	68,694
Total Nonspendable	86,969	44,647	0	0	9,655	0	0	141,271
Restricted:								
General Obligation Debt Service Payments	0	0	726,444	0	0	0	0	726,444
Street Construction and Maintenance	0	282,775	0	0	0	0	0	282,775
Motor Vehicle License Tax	0	0	0	0	0	0	8,671	8,671
State Highway Improvements	0	0	0	0	0	0	167,150	167,150
Drug Fines	0	0	0	0	0	0	3,946	3,946
Law Enforcement	0	0	0	0	0	0	8,772	8,772
Enforcement and Education	0	0	0	0	0	0	897	897
Computerized Research	0	0	0	0	0	0	12,574	12,574
Economic Development	0	0	0	0	0	0	141,331	141,331
Recreation Parks	0	0	0	0	0	0	66,025	66,025
The Enclave Construction	0	0	0	2,437,502	0	0	0	2,437,502
Keep Northwood Beautiful	0	0	0	0	0	0	92,914	92,914
Total Restricted	0	282,775	726,444	2,437,502	0	0	502,280	3,949,001
Committed:								
Capital Improvements	0	0	0	0	4,124,323	0	0	4,124,323
Capital Replacement	0	0	0	0	0	2,568,850	0	2,568,850
Fire Station Addition	0	0	0	0	0	0	9,524	9,524
Storm Water Management	0	0	0	0	0	0	534,999	534,999
Northwood Environment	0	0	0	0	0	0	10,508	10,508
Total Committed	0	0	0	0	4,124,323	2,568,850	555,031	7,248,204
Assigned:								
Purchase Orders for Materials and Supplies	9,490	0	0	0	0	0	0	9,490
Fiscal Year 2022 Appropriations	104,872	0	0	0	0	0	0	104,872
Unassigned	8,563,607	0	0	0	0	0	0	8,563,607
Total Fund Balances	\$8,764,938	\$327,422	\$726,444	\$2,437,502	\$4,133,978	\$2,568,850	\$1,057,311	\$20,016,445

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 3 - 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 fair 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, 2021***

NOTE 3 - 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.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

All of the City's financial institutions have enrolled in OPCS as of December 31, 2021. One of the City's financial institutions (Huntington National Bank) was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

At year end the carrying amount of the City's deposits was \$12,264,709, which includes \$700 of petty cash on hand, and the bank balance was \$12,261,582. Federal depository insurance covered \$250,000 of the bank balance and \$12,011,582 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name and securities held in the Ohio Pooled Collateral System.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 3 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**B. Investments**

The City's investments at December 31, 2021 are summarized below:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
FFCB	\$248,058	AAA ¹ / Aaa ²	Level 2	\$248,058	\$0	\$0
FHLB	243,275	AAA ¹ / Aaa ²	Level 2	0	0	243,275
FHLMC	248,535	AAA ¹ / Aaa ²	Level 2	248,535	0	0
FNMA	244,638	AAA ¹ / Aaa ²	Level 2	0	0	244,638
Negotiable CD's	6,851,181	N/A	N/A	2,361,182	3,552,096	937,903
Total Investments	<u>\$7,835,687</u>			<u>\$2,857,775</u>	<u>\$3,552,096</u>	<u>\$1,425,816</u>

¹ Standard & Poor's

² 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 FFCB, FHLB, FHLMC, FNMA and negotiable certificates of deposit were not insured by Federal Depository Insurance.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. The City's investments in FFCB, FHLB, FHLMC, FNMA and negotiable certificates of deposit represent 3.2%, 3.1%, 3.2%, 3.1% and 87.4%, respectively of the City's total investments.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 4 - 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 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, 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 2017. 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, 2021***

NOTE 4 – 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, 2021 was \$1.60 per \$1,000 of assessed value. The assessed value upon which the 2021 tax receipts were based was \$151,370,980. This amount constitutes \$145,547,120 in real property assessed value and \$5,823,860 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.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 5 – TAX ABATEMENT DISCLOSURES

As of December 31, 2021, the City provides tax incentives under The Community Reinvestment Area (CRA) and a TIF with Alcoa.

Real Estate Tax Abatement

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area. The City authorizes incentives through passage of public ordinances, based upon each businesses investment criteria and through a contractual application process with each business. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located within the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements in specified areas.

The City has offered the CRA abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth.

Below is the information relevant to the disclosure of those programs for the year ending December 31, 2021.

<u>Property Tax Abatement</u>	<u>Total Amount of Taxes Abated (Incentives Abated For the Year 2021 In Actual Dollars)</u>
<i>Adient US LLC (2013 - 2027)</i>	
- Gross Dollar amount of taxes abated during 2021	\$110,067
<i>Fed Ex/KW Toledo LLC (2014 - 2023)</i>	
- Gross Dollar amount of taxes abated during 2021	224,776
<i>All Others</i>	
- Gross Dollar amount of taxes abated during 2021	<u>387,371</u>
Total	<u><u>\$722,214</u></u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2021 consisted of taxes, special assessments, interest receivable, accounts receivable and intergovernmental receivables.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2021:

	Transfers In:		Transfers In:	
	Street Construction, Maintenance and Repair Fund	Enclave Construction Fund	Other Governmental Funds	Total
<u>Transfers Out:</u>				
General Fund	\$125,000	\$100,000	\$25,000	\$250,000

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, 2021**

NOTE 8 – CAPITAL ASSETS

Summary by *category* of changes in governmental activities capital assets at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Capital assets not being depreciated:				
Land	\$2,248,673	\$0	\$0	\$2,248,673
Construction in Progress	0	1,909,975	0	1,909,975
	<u>2,248,673</u>	<u>1,909,975</u>	<u>0</u>	<u>4,158,648</u>
Capital assets being depreciated:				
Land Improvements	113,168	0	0	113,168
Buildings and Improvements	4,686,770	49,821	0	4,736,591
Machinery and Equipment	2,013,917	117,452	0	2,131,369
Vehicles	4,200,125	83,508	(134,083)	4,149,550
Infrastructure	11,920,281	982,214	0	12,902,495
	<u>22,934,261</u>	<u>1,232,995</u>	<u>(134,083)</u>	<u>24,033,173</u>
Total Cost	<u>\$25,182,934</u>	<u>\$3,142,970</u>	<u>(\$134,083)</u>	<u>\$28,191,821</u>

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Land Improvements	(\$22,023)	(\$3,172)	\$0	(\$25,195)
Buildings and Improvements	(2,278,437)	(103,661)	0	(2,382,098)
Machinery and Equipment	(1,168,046)	(120,752)	0	(1,288,798)
Vehicles	(2,570,753)	(287,082)	134,083	(2,723,752)
Infrastructure	(2,599,199)	(373,300)	0	(2,972,499)
Total Depreciation	<u>(\$8,638,458)</u>	<u>(\$887,967) *</u>	<u>\$134,083</u>	<u>(\$9,392,342)</u>

Net Value:

	<u>\$16,544,476</u>	<u>\$18,799,479</u>
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* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$266,210
Leisure Time Activities	8,106
Basic Utility Services	51,613
Transportation	421,557
General Government	140,481
Total Depreciation Expense	<u>\$887,967</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – 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, 2021**

NOTE 9 – 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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 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, 2021***

NOTE 9 – 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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 3.00% 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 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>	<u>Law Enforcement</u>
2021 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
2021 Actual Contribution Rates		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$178,825 for 2021.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – 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 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 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. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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 participating in the DROP program have separate eligibility requirements related to COLA.

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 3.00% 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 3.00% of their base pension or disability benefit.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – 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>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$233,720 for 2021.

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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$1,362,024	\$3,283,426	\$4,645,450
Proportion of the Net Pension Liability-2021	0.009198%	0.048165%	
Proportion of the Net Pension Liability-2020	0.008639%	0.048371%	
Percentage Change	<u>0.0005590%</u>	<u>(0.00021%)</u>	
Pension Expense	\$56,242	\$207,069	\$263,311

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$55,065	\$55,065
Differences between expected and actual experience	0	137,259	137,259
Change in proportionate share	76,974	9,019	85,993
City contributions subsequent to the measurement date	178,825	233,720	412,545
Total Deferred Outflows of Resources	<u>\$255,799</u>	<u>\$435,063</u>	<u>\$690,862</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$530,879	\$159,263	\$690,142
Differences between expected and actual experience	56,973	127,914	184,887
Change in proportionate share	16,844	98,319	115,163
Total Deferred Inflows of Resources	<u>\$604,696</u>	<u>\$385,496</u>	<u>\$990,192</u>

\$412,545 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, 2022. 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:	OPERS	OP&F	Total
2022	(\$189,897)	(\$48,579)	(\$238,476)
2023	(49,021)	31,899	(17,122)
2024	(216,403)	(152,780)	(369,183)
2025	(72,401)	(19,366)	(91,767)
2026	0	4,673	4,673
Total	<u>(\$527,722)</u>	<u>(\$184,153)</u>	<u>(\$711,875)</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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2020
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 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 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$2,598,067	\$1,362,024	\$334,255

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, compared with January 1, 2019, are presented below.

	January 1, 2020	January 1, 2019
Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2020 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2020 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

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, 2020 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 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

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 1.25 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, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 was 8.00 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 8.00 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 8.00 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 (7.00 percent), or one percentage point higher (9.00 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	\$4,570,947	\$3,283,426	\$2,205,897

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) 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 these estimates 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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment 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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board 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 0 percent during calendar year 2021. The OPERS 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 into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also 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 contractually required contribution to OP&F was \$6,151 for 2021.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$170,674)	\$510,311	\$339,637
Proportion of the Net OPEB Liability (Asset)-2021	0.009580%	0.048165%	
Proportion of the Net OPEB Liability-2020	0.009023%	0.048371%	
Percentage Change	0.0005570%	(0.00021%)	
OPEB Expense	(\$1,015,439)	\$30,682	(\$984,757)

CITY OF NORTHWOOD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$83,909	\$281,920	\$365,829
Change in proportionate share	47,141	10,193	57,334
City contributions subsequent to the measurement date	0	6,151	6,151
Total Deferred Outflows of Resources	<u>\$131,050</u>	<u>\$298,264</u>	<u>\$429,314</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$90,904	\$18,963	\$109,867
Differences between expected and actual experience	154,034	84,175	238,209
Changes in assumptions	276,545	81,352	357,897
Change in proportionate share	10,307	78,906	89,213
Total Deferred Inflows of Resources	<u>\$531,790</u>	<u>\$263,396</u>	<u>\$795,186</u>

\$6,151 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2022	(\$209,857)	\$3,073	(\$206,784)
2023	(140,671)	7,562	(133,109)
2024	(39,502)	484	(39,018)
2025	(10,710)	2,685	(8,025)
2026	0	7,013	7,013
2027	0	6,068	6,068
2028	0	1,832	1,832
Total	<u>(\$400,740)</u>	<u>\$28,717</u>	<u>(\$372,023)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Prior Measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The long-term expected rate of return on health care 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.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$42,439)	(\$170,674)	(\$276,096)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$174,835)	(\$170,674)	(\$166,021)

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.96 percent	3.56 percent
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB 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 expected. 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 OP&F's target asset allocation as of December 31, 2020, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F'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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$636,330	\$510,311	\$406,362

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 11 - COMPENSATED ABSENCES

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

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

At December 31, 2021, the City's accumulated, unpaid compensated absences amounted to \$556,025, which has been recorded as a liability of the Governmental Activities.

NOTE 12 - CAPITAL LEASES

The City leases an ambulance under a capital lease. The original cost of the ambulance was \$227,976. The related liabilities are 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, 2021:

<u>Year Ending December 31,</u>	Capital Lease
2022	\$58,689
2023	58,689
2024	<u>58,690</u>
Minimum Lease Payments	176,068
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(6,781)</u>
Present value of minimum lease payments	<u><u>\$169,287</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 13 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2021 is as follows:

	Issue Date	Original Issue Amount	Restated Balance December 31, 2020	Issued	(Retired)	Balance December 31, 2021	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
8.00% TIF Improvement	2007	\$2,200,000	\$1,890,000	\$0	(\$50,000)	\$1,840,000	\$55,000
Long-Term Note:							
1.00% Public Infrastructure	2021	4,600,000	0	4,600,000	0	4,600,000	4,600,000
Direct Borrowing:							
Ohio Water Development Authority (OWDA) Loan:							
2.43% Woodville Mall Brownfield - 7555	2017	778,188	1,138,360	0	(75,084)	1,063,276	152,915
Compensated Absences			574,115	556,025	(574,115)	556,025	180,365
Capital Leases			227,976	0	(58,689)	169,287	55,321
Net Pension Liability			4,966,116	0	(320,666)	4,645,450	0
Net OPEB Liability			1,724,109	0	(1,213,798)	510,311	0
Total Governmental Activities							
Long-Term Debt			\$10,520,676	\$5,156,025	(\$2,292,352)	\$13,384,349	\$5,043,601

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.

During 2017, the City entered into an OWDA loan agreement (#7555) for the improvements made at the Woodville Mall Brownfield property, which was purchased by the City and is being improved for future development. The loan has an interest rate of 2.43% and matures in 2028.

OWDA Loan Payable - The OWDA loan from direct borrowings represents the amount borrowed from the Ohio Water Development Authority for construction of water and sewer system improvements. The intention is to repay the loan with income tax revenues of the Capital Improvement fund. Annual principal and interest payments on the loan are expected to require less than 100 percent of these revenues. In the event of default on the loan, (1) the amount of the default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

CITY OF NORTHWOOD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 13 - LONG-TERM DEBT (Continued)

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2021, follow:

Years	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2022	\$55,000	\$147,200	\$152,915	\$23,056
2023	60,000	142,800	158,557	19,273
2024	65,000	138,378	162,433	15,396
2025	70,000	132,800	166,404	11,425
2026	75,000	127,200	170,472	7,357
2027-2031	470,000	538,115	252,495	3,189
2032-2036	685,000	316,943	0	0
2037-2038	360,000	43,600	0	0
Totals	<u>\$1,840,000</u>	<u>\$1,587,036</u>	<u>\$1,063,276</u>	<u>\$79,696</u>

NOTE 14 - CONSTRUCTION COMMITMENTS

As of December 31, 2021 the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
The Enclave Infrastructure Phase I	\$2,779,995	2022
The Enclave Infrastructure Phase II	1,300,000	2022
Fishing Dock at Ranger Park	50,000	2022
Recreation Community Center	5,300,000	2022
Total	<u>\$9,429,995</u>	

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 15 - 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, 2021 through July, 2022 for various insurance coverages, as follows:

Type of Coverage	Limits
Property	\$10,351,580
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	\$965,628
Fire Vehicles	\$2,548,795
Bonds	\$50,000
Crime	\$25,000
EDP	\$50,000
Employee Benefit Liability	\$5,000,000/ \$7,000,000

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 2020 and 2021 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Year End
2020	\$0	\$31,679	(\$31,679)	\$0
2021	0	43,646	(43,646)	0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 15 - RISK MANAGEMENT (Continued)

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 16 - CONTINGENCIES

The City is not a party to any legal proceeding, which seeks damages or injunctive relief generally incidental to its operations and pending projects.

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 17 – SIGNIFICANT COMMITMENTS

There were significant encumbrances outstanding at year-end in the Enclave Construction Fund (capital projects fund) in the amount of \$2,780,438.

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." and GASB Statement No. 98 "The Annual Comprehensive Financial Report."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

GASB Statement No. 98 establishes the term *annual comprehensive financial* report and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial* report and its acronym in generally accepted accounting principles for state and local governments. The implementation of this statement had no effect on beginning of year net position/fund balance.

NOTE 19 - SUBSEQUENT EVENT

On April 18, 2022 the City issued \$5,645,000 in general obligation bonds to pay for the costs of construction and improvement of public infrastructure within the City's proposed Enclave development project. The bonds, which mature on December 1, 2042, have an interest rate of 5.00%.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTHWOOD, OHIO

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

Ohio Public Employees Retirement System

Fiscal Year	2014	2015	2016
City's proportion of the net pension liability	0.008050%	0.008050%	0.008499%
City's proportionate share of the net pension liability	\$948,990	\$970,920	\$1,472,180
City's covered payroll	\$1,208,238	\$1,006,617	\$1,209,892
City's proportionate share of the net pension liability as a percentage of its covered payroll	78.54%	96.45%	121.68%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

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

Ohio Police and Fire Pension Fund

Fiscal Year	2014	2015	2016
City's proportion of the net pension liability	0.0534517%	0.0534517%	0.051576%
City's proportionate share of the net pension liability	\$2,603,265	\$2,769,021	\$3,317,919
City's covered payroll	\$1,279,754	\$1,082,878	\$1,112,464
City's proportionate share of the net pension liability as a percentage of its covered payroll	203.42%	255.71%	298.25%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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 2014 is not available.

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

The schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information

CITY OF NORTHWOOD, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.008571%	0.008794%	0.008997%	0.008639%	0.009198%
\$1,946,217	\$1,379,543	\$2,464,097	\$1,707,558	\$1,362,024
\$1,107,900	\$1,162,100	\$1,213,564	\$1,220,379	\$1,294,564
175.67%	118.71%	203.05%	139.92%	105.21%
77.25%	84.66%	74.70%	82.17%	86.88%
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.050793%	0.051232%	0.048625%	0.048371%	0.048165%
\$3,217,191	\$3,144,316	\$3,969,087	\$3,258,558	\$3,283,426
\$1,147,606	\$1,175,933	\$1,155,416	\$1,207,143	\$1,169,047
280.34%	267.39%	343.52%	269.94%	280.86%
68.36%	70.91%	63.07%	69.89%	70.65%

CITY OF NORTHWOOD, OHIO

***Schedule of City's Pension Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Fiscal Year	2013	2014	2015
Contractually required contribution	\$157,071	\$120,794	\$145,187
Contributions in relation to the contractually required contribution	157,071	120,794	145,187
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$1,208,238	\$1,006,617	\$1,209,892
Contributions as a percentage of covered 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	2013	2014	2015
Contractually required contribution	\$218,582	\$220,474	\$223,494
Contributions in relation to the contractually required contribution	218,582	220,474	223,494
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$1,279,754	\$1,082,878	\$1,112,464
Contributions as a percentage of covered 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.

The schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information

CITY OF NORTHWOOD, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$132,948	\$151,072	\$169,899	\$170,853	\$181,239	\$178,825
<u>132,948</u>	<u>151,072</u>	<u>169,899</u>	<u>170,853</u>	<u>181,239</u>	<u>178,825</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,107,900	\$1,162,100	\$1,213,564	\$1,220,379	\$1,294,564	\$1,277,321
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$230,554	\$236,245	\$232,123	\$242,515	\$249,007	\$233,720
<u>230,554</u>	<u>236,245</u>	<u>232,123</u>	<u>242,515</u>	<u>249,007</u>	<u>233,720</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,147,606	\$1,175,933	\$1,155,416	\$1,207,143	\$1,169,047	\$1,097,277
20.09%	20.09%	20.09%	20.09%	21.30%	21.30%

CITY OF NORTHWOOD, OHIO

***Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Five Years***

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.009041%	0.009202%	0.009357%
City's proportionate share of the net OPEB liability (asset)	\$913,185	\$999,249	\$1,219,932
City's covered payroll	\$1,107,900	\$1,162,100	\$1,213,564
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	82.42%	85.99%	100.52%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	54.04%	54.14%	46.33%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability	0.050793%	0.051232%	0.048625%
City's proportionate share of the net OPEB liability	\$2,411,039	\$2,902,711	\$442,805
City's covered payroll	\$1,147,606	\$1,175,933	\$1,155,416
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	210.09%	246.84%	38.32%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability.

See accompanying notes to required supplementary information

CITY OF NORTHWOOD, OHIO

<u>2020</u>	<u>2021</u>
-------------	-------------

0.009023%	0.009580%
-----------	-----------

\$1,246,310	(\$170,674)
-------------	-------------

\$1,220,379	\$1,294,564
-------------	-------------

102.12%	(13.18%)
---------	----------

47.80%	115.57%
--------	---------

<u>2020</u>	<u>2021</u>
-------------	-------------

0.048371%	0.048165%
-----------	-----------

\$477,799	\$510,311
-----------	-----------

\$1,207,143	\$1,169,047
-------------	-------------

39.58%	43.65%
--------	--------

47.08%	45.42%
--------	--------

CITY OF NORTHWOOD, OHIO

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$12,082	\$20,132	\$24,198
Contributions in relation to the contractually required contribution	12,082	20,132	24,198
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$1,208,238	\$1,006,617	\$1,209,892
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$6,399	\$5,414	\$5,562
Contributions in relation to the contractually required contribution	6,399	5,414	5,562
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$1,279,754	\$1,082,878	\$1,112,464
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available.

See accompanying notes to required supplementary information

CITY OF NORTHWOOD, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$22,158	\$11,621	\$0	\$0	\$0	\$0
<u>22,158</u>	<u>11,621</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,107,900	\$1,162,100	\$1,213,564	\$1,220,379	\$1,294,564	\$1,277,321
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$5,738	\$6,217	\$6,109	\$6,382	\$6,553	\$6,151
<u>5,738</u>	<u>6,217</u>	<u>6,109</u>	<u>6,382</u>	<u>6,553</u>	<u>6,151</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,147,606	\$1,175,933	\$1,155,416	\$1,207,143	\$1,169,047	\$1,097,277
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.



*C*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDULES

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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.

Storm Water Management 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.

(Continued)

Special Revenue Funds

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

American Recovery Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there are no revenues or expenditures to report for the fiscal year.

Capital Projects Funds

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

Recreation Parks Combined Fund

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

Economic Development Acquisition Fund

To account for funds used for various Economic Development programs and initiatives.

Fire Station Addition Fund

To account for funds used for the construction of an addition to the fire station.

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 1,121,278	\$ 216,880	\$ 1,338,158
Receivables:			
Taxes	1,294	0	1,294
Accounts	34,265	0	34,265
Intergovernmental	16,092	0	16,092
Total Assets	<u>\$ 1,172,929</u>	<u>\$ 216,880</u>	<u>\$ 1,389,809</u>
Liabilities:			
Accounts Payable	1,567	0	1,567
Accrued Wages and Benefits Payable	1,329	0	1,329
Unearned Revenue	284,609	0	284,609
Total Liabilities	<u>287,505</u>	<u>0</u>	<u>287,505</u>
Deferred Inflows of Resources:			
Unavailable Amounts	44,993	0	44,993
Total Deferred Inflows of Resources	<u>44,993</u>	<u>0</u>	<u>44,993</u>
Fund Balances:			
Restricted	294,924	207,356	502,280
Committed	545,507	9,524	555,031
Total Fund Balances	<u>840,431</u>	<u>216,880</u>	<u>1,057,311</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,172,929</u>	<u>\$ 216,880</u>	<u>\$ 1,389,809</u>

CITY OF NORTHWOOD, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Other Local Taxes	\$ 17,260	\$ 0	\$ 17,260
Intergovernmental Revenues	34,591	2,067	36,658
Payments in Lieu of Taxes	0	91,184	91,184
Charges for Services	265,716	0	265,716
Licenses and Permits	0	600	600
Investment Earnings	5,948	0	5,948
Fines and Forfeitures	11,550	0	11,550
Donations	0	25	25
Total Revenue	335,065	93,876	428,941
Expenditures:			
Current:			
Security of Persons and Property	15,890	0	15,890
Leisure Time Activities	50	0	50
Community Environment	16,942	0	16,942
Basic Utility Services	203,287	0	203,287
Transportation	49,343	0	49,343
General Government	45,312	0	45,312
Capital Outlay	0	57,204	57,204
Total Expenditures	330,824	57,204	388,028
Excess (Deficiency) of Revenues Over Expenditures	4,241	36,672	40,913
Other Financing Sources (Uses):			
Transfers In	25,000	0	25,000
Total Other Financing Sources (Uses)	25,000	0	25,000
Net Change In Fund Balance	29,241	36,672	65,913
Fund Balances at Beginning of Year	811,190	180,208	991,398
Fund Balances End of Year	\$ 840,431	\$ 216,880	\$ 1,057,311

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste/ Environmental	Drug Fine
Assets:				
Equity in Pooled Cash and Investments	\$ 7,377	\$ 161,919	\$ 11,050	\$ 3,946
Receivables:				
Taxes	1,294	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	16,092	0	0
Total Assets	<u>\$ 8,671</u>	<u>\$ 178,011</u>	<u>\$ 11,050</u>	<u>\$ 3,946</u>
Liabilities:				
Accounts Payable	0	0	0	0
Accrued Wages and Benefits Payable	0	133	542	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>133</u>	<u>542</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	10,728	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>10,728</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Restricted	8,671	167,150	0	3,946
Committed	0	0	10,508	0
Total Fund Balances	<u>8,671</u>	<u>167,150</u>	<u>10,508</u>	<u>3,946</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,671</u>	<u>\$ 178,011</u>	<u>\$ 11,050</u>	<u>\$ 3,946</u>

CITY OF NORTHWOOD, OHIO

Special Law Enforcement	Enforcement and Education	Computerized Research	Storm Water Management	Keep Northwood Beautiful	American Recovery Plan	Total Nonmajor Special Revenue Funds
\$ 10,339	\$ 897	\$ 12,574	\$ 535,653	\$ 92,914	\$ 284,609	\$ 1,121,278
0	0	0	0	0	0	1,294
0	0	0	34,265	0	0	34,265
0	0	0	0	0	0	16,092
<u>\$ 10,339</u>	<u>\$ 897</u>	<u>\$ 12,574</u>	<u>\$ 569,918</u>	<u>\$ 92,914</u>	<u>\$ 284,609</u>	<u>\$ 1,172,929</u>
1,567	0	0	0	0	0	1,567
0	0	0	654	0	0	1,329
0	0	0	0	0	284,609	284,609
<u>1,567</u>	<u>0</u>	<u>0</u>	<u>654</u>	<u>0</u>	<u>284,609</u>	<u>287,505</u>
0	0	0	34,265	0	0	44,993
<u>0</u>	<u>0</u>	<u>0</u>	<u>34,265</u>	<u>0</u>	<u>0</u>	<u>44,993</u>
8,772	897	12,574	0	92,914	0	294,924
0	0	0	534,999	0	0	545,507
<u>8,772</u>	<u>897</u>	<u>12,574</u>	<u>534,999</u>	<u>92,914</u>	<u>0</u>	<u>840,431</u>
<u>\$ 10,339</u>	<u>\$ 897</u>	<u>\$ 12,574</u>	<u>\$ 569,918</u>	<u>\$ 92,914</u>	<u>\$ 284,609</u>	<u>\$ 1,172,929</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, 2021**

	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste/ Environmental	Drug Fine
Revenues:				
Other Local Taxes	\$ 17,260	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	34,591	0	0
Charges for Services	0	0	0	0
Investment Earnings	1,487	1,487	1,487	0
Fines and Forfeitures	0	0	0	1,596
Total Revenue	<u>18,747</u>	<u>36,078</u>	<u>1,487</u>	<u>1,596</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	1,000
Leisure Time Activities	0	0	0	0
Community Environment	0	0	16,878	0
Basic Utility Services	0	0	0	0
Transportation	24,477	24,320	0	0
General Government	0	0	0	0
Total Expenditures	<u>24,477</u>	<u>24,320</u>	<u>16,878</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,730)	11,758	(15,391)	596
Other Financing Sources (Uses):				
Transfers In	0	0	25,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>0</u>
Net Change In Fund Balances	(5,730)	11,758	9,609	596
Fund Balances at Beginning of Year	<u>14,401</u>	<u>155,392</u>	<u>899</u>	<u>3,350</u>
Fund Balances End of Year	<u>\$ 8,671</u>	<u>\$ 167,150</u>	<u>\$ 10,508</u>	<u>\$ 3,946</u>

CITY OF NORTHWOOD, OHIO

Special Law Enforcement	Enforcement and Education	Computerized Research	Storm Water Management	Keep Northwood Beautiful	Coronavirus Relief	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,260
0	0	0	0	0	0	34,591
0	0	0	265,716	0	0	265,716
1,487	0	0	0	0	0	5,948
0	747	9,207	0	0	0	11,550
1,487	747	9,207	265,716	0	0	335,065
5,532	0	0	0	0	9,358	15,890
0	0	0	0	0	50	50
0	0	0	0	0	64	16,942
0	0	0	203,287	0	0	203,287
0	0	0	0	0	546	49,343
0	69	14,549	0	0	30,694	45,312
5,532	69	14,549	203,287	0	40,712	330,824
(4,045)	678	(5,342)	62,429	0	(40,712)	4,241
0	0	0	0	0	0	25,000
0	0	0	0	0	0	25,000
(4,045)	678	(5,342)	62,429	0	(40,712)	29,241
12,817	219	17,916	472,570	92,914	40,712	811,190
\$ 8,772	\$ 897	\$ 12,574	\$ 534,999	\$ 92,914	\$ 0	\$ 840,431

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021**

	Recreation Parks Combined	Economic Development Acquisition	Fire Station Addition	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 66,025	\$ 141,331	\$ 9,524	\$ 216,880
Total Assets	<u>\$ 66,025</u>	<u>\$ 141,331</u>	<u>\$ 9,524</u>	<u>\$ 216,880</u>
Liabilities:				
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Restricted	66,025	141,331	0	207,356
Committed	<u>0</u>	<u>0</u>	<u>9,524</u>	<u>9,524</u>
Total Fund Balances	<u>66,025</u>	<u>141,331</u>	<u>9,524</u>	<u>216,880</u>
Total Liabilities and Fund Balances	<u>\$ 66,025</u>	<u>\$ 141,331</u>	<u>\$ 9,524</u>	<u>\$ 216,880</u>

CITY OF NORTHWOOD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

	Recreation Parks Combined	Economic Development Acquisition	Fire Station Addition	Total Nonmajor Capital Project Funds
Revenues:				
Intergovernmental Revenues	\$ 2,067	\$ 0	\$ 0	\$ 2,067
Payments in Lieu of Taxes	0	91,184	0	91,184
Licenses and Permits	0	600	0	600
Donations	0	0	25	25
Total Revenue	<u>2,067</u>	<u>91,784</u>	<u>25</u>	<u>93,876</u>
Expenditures:				
Capital Outlay	<u>1,239</u>	<u>55,965</u>	<u>0</u>	<u>57,204</u>
Total Expenditures	<u>1,239</u>	<u>55,965</u>	<u>0</u>	<u>57,204</u>
Excess (Deficiency) of Revenues Over Expenditures	828	35,819	25	36,672
Fund Balances at Beginning of Year	<u>65,197</u>	<u>105,512</u>	<u>9,499</u>	<u>180,208</u>
Fund Balances End of Year	<u>\$ 66,025</u>	<u>\$ 141,331</u>	<u>\$ 9,524</u>	<u>\$ 216,880</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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 232,725	\$ 232,725	\$ 240,842	\$ 8,117
Municipal Income Taxes	4,120,000	4,450,000	4,601,482	151,482
Other Local Taxes	40,000	20,000	22,410	2,410
Intergovernmental Revenues	305,410	343,909	349,548	5,639
Charges for Services	110,000	165,000	178,176	13,176
Licenses and Permits	96,800	111,800	97,017	(14,783)
Investment Earnings	126,700	126,700	133,871	7,171
Special Assessments	89,000	111,000	90,281	(20,719)
Fines and Forfeitures	141,700	151,700	123,973	(27,727)
Donations	1,000	1,000	525	(475)
All Other Revenues	63,960	148,960	175,321	26,361
Total Revenues	5,327,295	5,862,794	6,013,446	150,652
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	2,046,320	2,055,170	1,908,574	146,596
Materials and Supplies	99,050	108,631	106,036	2,595
Contractual Services	81,000	91,350	91,119	231
Other Expenditures	5,000	5,000	5,000	0
Total Police Department	2,231,370	2,260,151	2,110,729	149,422
Fire Department:				
Personal Services	515,080	557,792	551,244	6,548
Materials and Supplies	140,150	151,571	110,318	41,253
Contractual Services	77,025	79,400	76,485	2,915
Total Fire Department	732,255	788,763	738,047	50,716
Civil Defense:				
Contractual Services	2,900	7,225	7,206	19
Total Civil Defense	2,900	7,225	7,206	19
Police and Fire Communications:				
Personal Services	439,560	442,785	409,768	33,017
Materials and Supplies	3,500	3,500	3,456	44
Contractual Services	7,200	7,200	7,190	10
Total Police and Fire Communications	450,260	453,485	420,414	33,071
Total Security of Persons and Property	3,416,785	3,509,624	3,276,396	233,228

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
County Board of Health:				
Contractual Services	6,200	6,200	6,187	13
Total Public Health and Welfare Services	6,200	6,200	6,187	13
Leisure Time Activities:				
Parks and Play grounds:				
Materials and Supplies	2,300	3,500	2,636	864
Contractual Services	19,000	25,100	24,207	893
Capital Outlay	4,000	1,700	1,452	248
Total Parks and Play grounds	25,300	30,300	28,295	2,005
Recreation:				
Personal Services	15,000	22,175	21,267	908
Materials and Supplies	14,500	10,625	4,865	5,760
Contractual Services	6,000	9,000	8,771	229
Total Recreation	35,500	41,800	34,903	6,897
Baseball Programs:				
Materials and Supplies	9,100	8,980	8,406	574
Contractual Services	10,450	10,450	6,508	3,942
Other Expenditures	200	320	320	0
Total Baseball Programs	19,750	19,750	15,234	4,516
Total Leisure Time Activities	80,550	91,850	78,432	13,418
Community Environment:				
Planning and Zoning:				
Personal Services	70,370	85,370	71,368	14,002
Materials and Supplies	1,500	1,750	1,434	316
Contractual Services	60,300	60,600	46,245	14,355
Total Planning and Zoning	132,170	147,720	119,047	28,673
Weed Control and Tree Care:				
Personal Services	41,940	43,421	34,672	8,749
Materials and Supplies	1,000	1,100	1,100	0
Contractual Services	59,500	63,194	17,934	45,260
Total Weed Control and Tree Care	102,440	107,715	53,706	54,009

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Materials and Supplies	14,000	14,000	12,601	1,399
Contractual Services	40,000	40,000	40,000	0
Total Economic Development	54,000	54,000	52,601	1,399
Total Community Environment	288,610	309,435	225,354	84,081
General Government:				
Mayor:				
Personal Services	40,750	43,150	42,954	196
Materials and Supplies	400	175	96	79
Contractual Services	600	825	823	2
Total Mayor	41,750	44,150	43,873	277
Finance Director:				
Personal Services	343,075	341,675	340,868	807
Materials and Supplies	7,000	6,309	6,224	85
Contractual Services	12,150	15,631	15,496	135
Total Finance Director	362,225	363,615	362,588	1,027
City Administrator:				
Personal Services	120,000	119,625	119,474	151
Materials and Supplies	650	600	579	21
Contractual Services	300	725	701	24
Total City Administrator	120,950	120,950	120,754	196
Legal Administration:				
Personal Services	83,783	96,083	95,533	550
Materials and Supplies	2,500	2,500	2,459	41
Contractual Services	8,500	5,700	5,672	28
Total Legal Administration	94,783	104,283	103,664	619
City Council:				
Personal Services	58,155	58,795	58,782	13
Materials and Supplies	300	260	15	245
Total City Council	58,455	59,055	58,797	258

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Clerk:				
Personal Services	73,995	82,995	79,725	3,270
Materials and Supplies	1,175	1,175	563	612
Contractual Services	4,750	4,750	4,048	702
Total City Clerk	79,920	88,920	84,336	4,584
Mayor's Court:				
Personal Services	136,430	135,230	129,422	5,808
Materials and Supplies	11,500	10,775	5,674	5,101
Contractual Services	16,650	18,575	18,464	111
Total Mayor's Court	164,580	164,580	153,560	11,020
Civil Service Commission:				
Personal Services	2,075	2,435	2,421	14
Materials and Supplies	80	80	0	80
Contractual Services	4,750	6,211	6,103	108
Total Civil Service Commission	6,905	8,726	8,524	202
Buildings and Grounds:				
Personal Services	88,455	90,005	89,654	351
Materials and Supplies	6,800	7,035	6,327	708
Contractual Services	34,160	33,168	25,082	8,086
Other Expenditures	48,000	69,875	69,852	23
Total Buildings and Grounds	177,415	200,083	190,915	9,168
General Miscellaneous:				
Contractual Services	14,230	14,591	10,310	4,281
Special Assessments:				
Contractual Services	63,700	68,100	67,651	449

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Administrative:				
Personal Services	1,700	2,200	2,156	44
Materials and Supplies	12,200	12,920	12,263	657
Contractual Services	289,950	291,050	290,500	550
Other Expenditures	128,000	125,700	34,461	91,239
Total General Administrative	431,850	431,870	339,380	92,490
Total General Government	1,616,763	1,668,923	1,544,352	124,571
Total Expenditures	5,408,908	5,586,032	5,130,721	455,311
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(81,613)	276,762	882,725	605,963
Other Financing Sources (Uses):				
Transfers Out	(155,000)	(255,000)	(250,000)	5,000
Total Other Financing Sources (Uses)	(155,000)	(255,000)	(250,000)	5,000
Net Change In Fund Balance	(236,613)	21,762	632,725	610,963
Fund Balance at Beginning of Year	7,588,516	7,588,516	7,588,516	0
Prior Year Encumbrances	12,624	12,624	12,624	0
Fund Balance at End of Year	<u>\$ 7,364,527</u>	<u>\$ 7,622,902</u>	<u>\$ 8,233,865</u>	<u>\$ 610,963</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Special Revenue Fund
For the Year Ended December 31, 2021***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 440,000	\$ 449,000	\$ 452,749	\$ 3,749
Investment Earnings	1,000	11,000	8,925	(2,075)
All Other Revenues	0	0	75	75
Total Revenues	441,000	460,000	461,749	1,749
Expenditures:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	441,700	464,000	462,783	1,217
Materials and Supplies	42,500	44,500	41,148	3,352
Contractual Services	1,400	1,400	1,338	62
Total Street Maintenance and Repair	485,600	509,900	505,269	4,631
Snow and Ice Removal:				
Personal Services	20,000	20,000	10,010	9,990
Materials and Supplies	70,000	70,715	35,975	34,740
Contractual Services	12,000	28,938	27,846	1,092
Total Snow and Ice Removal	102,000	119,653	73,831	45,822
Traffic Signals and Signs:				
Personal Services	10,000	15,000	13,903	1,097
Materials and Supplies	3,500	3,500	2,927	573
Contractual Services	25,200	25,200	18,144	7,056
Total Traffic Signals and Signs	38,700	43,700	34,974	8,726
Total Expenditures	626,300	673,253	614,074	59,179
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,300)	(213,253)	(152,325)	60,928
Other Financing Sources (Uses):				
Transfers In	0	125,000	125,000	0
Total Other Financing Sources (Uses)	0	125,000	125,000	0
Net Change In Fund Balance	(185,300)	(88,253)	(27,325)	60,928
Fund Balance at Beginning of Year	263,859	263,859	263,859	0
Prior Year Encumbrances	5,153	5,153	5,153	0
Fund Balance at End of Year	\$ 83,712	\$ 180,759	\$ 241,687	\$ 60,928

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, 2021***

GENERAL OBLIGATION DEBT RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 201,600	\$ 204,200	\$ 132,747	\$ (71,453)
Total Revenues	<u>201,600</u>	<u>204,200</u>	<u>132,747</u>	<u>(71,453)</u>
Expenditures:				
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	<u>151,200</u>	<u>151,200</u>	<u>79,800</u>	<u>71,400</u>
Total Expenditures	<u>201,200</u>	<u>201,200</u>	<u>129,800</u>	<u>71,400</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	400	3,000	2,947	(53)
Fund Balance at Beginning of Year	<u>723,497</u>	<u>723,497</u>	<u>723,497</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 723,897</u></u>	<u><u>\$ 726,497</u></u>	<u><u>\$ 726,444</u></u>	<u><u>\$ (53)</u></u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Year Ended December 31, 2021***

	THE ENCLAVE CONSTRUCTION FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	5,023,750	5,023,750	4,690,411	333,339
Total Expenditures	5,023,750	5,023,750	4,690,411	333,339
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,023,750)	(5,023,750)	(4,690,411)	333,339
Other Financing Sources (Uses):				
General Obligation Notes Issued	5,000,000	5,000,000	4,600,000	(400,000)
Transfers In	100,000	100,000	100,000	0
Total Other Financing Sources (Uses)	5,100,000	5,100,000	4,700,000	(400,000)
Net Change in Fund Balance	76,250	76,250	9,589	(66,661)
Fund Balance at Beginning of Year	5,561	5,561	5,561	0
Fund Balance at End of Year	\$ 81,811	\$ 81,811	\$ 15,150	\$ (66,661)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Year Ended December 31, 2021***

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 1,285,700	\$ 1,201,000	\$ 1,314,709	\$ 113,709
Intergovernmental Revenues	75,000	75,000	128,500	53,500
Special Assessments	10,000	10,000	7,197	(2,803)
Donations	1,000	1,000	0	(1,000)
All Other Revenues	2,300	2,300	14,839	12,539
Total Revenues	1,374,000	1,289,300	1,465,245	175,945
Expenditures:				
Capital Outlay:				
Security of Persons and Property	11,810	9,809	9,809	0
Leisure Time Activities	0	3,700	3,609	91
Transportation	984,950	1,207,874	1,016,848	191,026
General Government	168,750	242,050	144,103	97,947
Debt Service:				
Principal Retirement	355,184	355,184	133,773	221,411
Interest and Fiscal Charges	254,341	254,341	13,831	240,510
Total Expenditures	1,775,035	2,072,958	1,321,973	750,985
Excess (Deficiency) of Revenues Over (Under) Expenditures	(401,035)	(783,658)	143,272	926,930
Fund Balance at Beginning of Year	3,693,236	3,693,236	3,693,236	0
Prior Year Encumbrances	132,949	132,949	132,949	0
Fund Balance at End of Year	\$ 3,425,150	\$ 3,042,527	\$ 3,969,457	\$ 926,930

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Year Ended December 31, 2021***

	CAPITAL REPLACEMENT FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 637,000	\$ 632,650	\$ 657,355	\$ 24,705
Total Revenues	637,000	632,650	657,355	24,705
Expenditures:				
Capital Outlay	852,068	879,780	745,154	134,626
Total Expenditures	852,068	879,780	745,154	134,626
Excess (Deficiency) of Revenues Over (Under) Expenditures	(215,068)	(247,130)	(87,799)	159,331
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	12,000	11,850	(150)
Total Other Financing Sources (Uses)	1,000	12,000	11,850	(150)
Net Change in Fund Balance	(214,068)	(235,130)	(75,949)	159,181
Fund Balance at Beginning of Year	2,388,678	2,388,678	2,388,678	0
Prior Year Encumbrances	27,712	27,712	27,712	0
Fund Balance at End of Year	<u>\$ 2,202,322</u>	<u>\$ 2,181,260</u>	<u>\$ 2,340,441</u>	<u>\$ 159,181</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, 2021***

MOTOR VEHICLE LICENSE TAX FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 16,000	\$ 17,600	\$ 17,415	\$ (185)
Investment Earnings	1,000	1,400	1,487	87
Total Revenues	17,000	19,000	18,902	(98)
Expenditures:				
Transportation:				
Contractual Services	20,000	29,950	24,477	5,473
Total Expenditures	20,000	29,950	24,477	5,473
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	(10,950)	(5,575)	5,375
Fund Balance at Beginning of Year	12,952	12,952	12,952	0
Fund Balance at End of Year	\$ 9,952	\$ 2,002	\$ 7,377	\$ 5,375

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, 2021***

	STATE HIGHWAY IMPROVEMENT FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 24,000	\$ 34,500	\$ 34,061	\$ (439)
Investment Earnings	1,000	1,000	1,487	487
Total Revenues	25,000	35,500	35,548	48
Expenditures:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	11,975	11,975	11,955	20
Snow and Ice Removal:				
Materials and Supplies	10,000	10,000	6,859	3,141
Traffic Signals and Signs:				
Contractual Services	750	5,750	5,496	254
Total Expenditures	22,725	27,725	24,310	3,415
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,275	7,775	11,238	3,463
Fund Balance at Beginning of Year	150,681	150,681	150,681	0
Fund Balance at End of Year	\$ 152,956	\$ 158,456	\$ 161,919	\$ 3,463

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, 2021***

NORTHWOOD WASTE/ENVIRONMENTAL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses and Permits	\$ 5,500	\$ 5,500	\$ 0	\$ (5,500)
Investment Earnings	500	500	1,487	987
Total Revenues	6,000	6,000	1,487	(4,513)
Expenditures:				
Community Environment:				
Personal Services	28,500	28,500	16,400	12,100
Total Expenditures	28,500	28,500	16,400	12,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,500)	(22,500)	(14,913)	7,587
Other Financing Sources (Uses):				
Transfers In	25,000	25,000	25,000	0
Total Other Financing Sources (Uses)	25,000	25,000	25,000	0
Net Change in Fund Balance	2,500	2,500	10,087	7,587
Fund Balance at Beginning of Year	963	963	963	0
Fund Balance at End of Year	\$ 3,463	\$ 3,463	\$ 11,050	\$ 7,587

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, 2021***

	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 1,596	\$ 596
Total Revenues	1,000	1,000	1,596	596
Expenditures:				
Security of Persons and Property:				
Capital Outlay	2,000	2,000	2,000	0
Total Expenditures	2,000	2,000	2,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,000)	(404)	596
Fund Balance at Beginning of Year	3,350	3,350	3,350	0
Fund Balance at End of Year	\$ 2,350	\$ 2,350	\$ 2,946	\$ 596

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, 2021***

	SPECIAL LAW ENFORCEMENT FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 500	\$ 500	\$ 1,487	\$ 987
Fines and Forfeitures	3,500	3,500	0	(3,500)
Total Revenues	4,000	4,000	1,487	(2,513)
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	1,000	0	0	0
Capital Outlay	4,700	5,700	5,532	168
Total Expenditures	5,700	5,700	5,532	168
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,700)	(1,700)	(4,045)	(2,345)
Fund Balance at Beginning of Year	12,817	12,817	12,817	0
Fund Balance at End of Year	\$ 11,117	\$ 11,117	\$ 8,772	\$ (2,345)

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, 2021***

ENFORCEMENT AND EDUCATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 747	\$ (253)
Total Revenues	1,000	1,000	747	(253)
Expenditures:				
General Government:				
Materials and Supplies	150	150	69	81
Total Expenditures	150	150	69	81
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	850	850	678	(172)
Fund Balance at Beginning of Year	219	219	219	0
Fund Balance at End of Year	\$ 1,069	\$ 1,069	\$ 897	\$ (172)

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, 2021***

	COMPUTERIZED RESEARCH FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 14,000	\$ 14,000	\$ 9,207	\$ (4,793)
Total Revenues	14,000	14,000	9,207	(4,793)
Expenditures:				
General Government:				
Capital Outlay	15,000	15,000	14,549	451
Total Expenditures	15,000	15,000	14,549	451
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,000)	(1,000)	(5,342)	(4,342)
Fund Balance at Beginning of Year	17,916	17,916	17,916	0
Fund Balance at End of Year	\$ 16,916	\$ 16,916	\$ 12,574	\$ (4,342)

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, 2021***

	STORM WATER MANAGEMENT FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 275,000	\$ 275,000	\$ 265,716	\$ (9,284)
Total Revenues	275,000	275,000	265,716	(9,284)
Expenditures:				
Basic Utility Services:				
Personal Services	24,400	24,385	17,641	6,744
Contractual Services	15,100	16,850	9,676	7,174
Capital Outlay	681,900	680,150	175,378	504,772
Total Expenditures	721,400	721,385	202,695	518,690
Fund Balance at Beginning of Year	472,632	472,632	472,632	0
Fund Balance at End of Year	\$ 26,232	\$ 26,247	\$ 535,653	\$ 509,406

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, 2021***

	KEEP NORTHWOOD BEAUTIFUL FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 5,500	\$ 5,500	\$ 0	\$ (5,500)
Total Revenues	5,500	5,500	0	(5,500)
Expenditures:				
Community Environment:				
Capital Outlay	20,000	20,000	0	20,000
Total Expenditures	20,000	20,000	0	20,000
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(14,500)	(14,500)	0	14,500
Fund Balance at Beginning of Year	92,914	92,914	92,914	0
Fund Balance at End of Year	\$ 78,414	\$ 78,414	\$ 92,914	\$ 14,500

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, 2021***

CORONAVIRUS RELIEF FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Community Environment:				
Personal Services	0	46,819	46,819	0
Total Expenditures	0	46,819	46,819	0
Fund Balance at Beginning of Year	10,336	10,336	10,336	0
Prior Year Encumbrances	36,483	36,483	36,483	0
Fund Balance at End of Year	\$ 46,819	\$ 0	\$ 0	\$ 0

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, 2021***

	AMERICAN RECOVERY FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 285,000	\$ 284,609	\$ (391)
Total Revenues	0	285,000	284,609	(391)
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	285,000	284,609	(391)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 285,000	\$ 284,609	\$ (391)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

	RECREATION PARKS COMBINED FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 2,000	\$ 2,000	\$ 0	\$ (2,000)
Intergovernmental Revenues	2,500	1,002,500	2,067	(1,000,433)
Total Revenues	4,500	1,004,500	2,067	(1,002,433)
Expenditures:				
Capital Outlay	77,250	1,002,250	1,239	1,001,011
Total Expenditures	77,250	1,002,250	1,239	1,001,011
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,750)	2,250	828	(1,422)
Fund Balance at Beginning of Year	65,197	65,197	65,197	0
Fund Balance at End of Year	\$ (7,553)	\$ 67,447	\$ 66,025	\$ (1,422)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

	ECONOMIC DEVELOPMENT ACQUISITION FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 91,000	\$ 78,450	\$ 91,184	\$ 12,734
Licenses and Permits	0	800	600	(200)
Total Revenues	91,000	79,250	91,784	12,534
Expenditures:				
Community Environment:				
Capital Outlay	118,000	118,000	55,965	62,035
Total Expenditures	118,000	118,000	55,965	62,035
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(27,000)	(38,750)	35,819	74,569
Fund Balance at Beginning of Year	105,512	105,512	105,512	0
Fund Balance at End of Year	\$ 78,512	\$ 66,762	\$ 141,331	\$ 74,569

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

	FIRE STATION ADDITION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
Revenues:					
Donations	\$ 10,000	\$ 10,000	\$ 25	\$	(9,975)
Total Revenues	10,000	10,000	25		(9,975)
Expenditures:					
Total Expenditures	0	0	0		0
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	10,000	10,000	25		(9,975)
Fund Balance at Beginning of Year	9,499	9,499	9,499		0
Fund Balance at End of Year	\$ 19,499	\$ 19,499	\$ 9,524	\$	(9,975)



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 11
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
Revenue Capacity	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.	
Debt Capacity	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.	
Economic and Demographic Information	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.	
Operating Information	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.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	

City of Northwood, Ohio

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:				
Net Investment in Capital Assets	\$9,368,500	\$9,457,531	\$9,561,074	\$10,422,136
Restricted	5,056,816	878,115	1,743,885	1,745,010
Unrestricted	867,561	6,936,669	7,817,154	5,466,887
Total Governmental Activities Net Position	<u>\$15,292,877</u>	<u>\$17,272,315</u>	<u>\$19,122,113</u>	<u>\$17,634,033</u>

Source: Finance Director's Office

City of Northwood, Ohio

<u>2016</u>	<u>Restated 2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$11,630,689	\$12,016,505	\$13,830,638	\$14,287,903	\$15,178,140	\$15,298,857
948,082	1,763,568	1,831,781	1,513,566	1,716,577	4,036,841
6,639,970	4,249,643	2,843,917	5,796,020	6,572,887	7,274,928
<u>\$19,218,741</u>	<u>\$18,029,716</u>	<u>\$18,506,336</u>	<u>\$21,597,489</u>	<u>\$23,467,604</u>	<u>\$26,610,626</u>

City of Northwood, Ohio

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

	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Security of Persons and Property	\$2,708,090	\$2,925,711	\$2,921,387	\$3,029,803
Public Health and Welfare Services	6,695	6,432	6,465	6,429
Leisure Time Activities	80,200	76,125	81,679	72,887
Community Environment	102,235	122,419	120,352	138,973
Basic Utility Services	86,753	143,644	376,044	473,215
Transportation	972,133	910,073	803,229	684,805
General Government	1,518,514	1,369,674	1,464,739	1,504,412
Interest and Fiscal Charges	81,286	84,282	78,332	74,639
<i>Total Primary Government Expenses</i>	<u>\$5,555,906</u>	<u>\$5,638,360</u>	<u>\$5,852,227</u>	<u>\$5,985,163</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$213,543	\$202,644	\$114,034	\$261,118
Leisure Time Activities	5,975	6,830	4,340	1,055
Community Environment	26,956	27,456	34,467	18,145
Basic Utility Services	273,409	206,799	302,114	313,457
Transportation	6,172	12,734	5,225	3,421
General Government	382,898	321,591	253,728	243,030
Operating Grants and Contributions	376,964	352,982	378,141	376,079
Capital Grants and Contributions	2,500	556,325	134,119	166,530
<i>Total Governmental Activities Program Revenues</i>	<u>1,288,417</u>	<u>1,687,361</u>	<u>1,226,168</u>	<u>1,382,835</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
Property Taxes	413,241	202,903	210,189	212,332
Municipal Income Taxes	4,720,735	5,127,797	5,617,863	5,507,757
Other Local Taxes	37,077	34,032	58,624	51,560
Payments In Lieu of Taxes	0	128,661	175,840	176,740
Grants and Entitlements not				
Restricted to Specific Programs	239,456	359,087	223,942	149,712
Investment Earnings	20,512	19,383	8,656	89,788
Miscellaneous	86,992	58,574	180,743	137,346
<i>Total Primary Government</i>	<u>5,518,013</u>	<u>5,930,437</u>	<u>6,475,857</u>	<u>6,325,235</u>
Change in Net Position	<u>\$1,250,524</u>	<u>\$1,979,438</u>	<u>\$1,849,798</u>	<u>\$1,722,907</u>

Source: Finance Director's Office

City of Northwood, Ohio

2016	2017	2018	2019	2020	2021
\$3,254,558	\$3,364,327	\$3,727,631	\$1,582,863	\$3,461,050	\$3,283,930
5,966	5,633	5,559	5,482	6,187	6,187
68,280	81,012	94,455	86,084	50,518	69,372
427,103	216,140	242,517	289,304	280,147	168,914
361,862	413,573	514,907	155,791	424,085	243,336
782,986	822,308	1,422,291	1,709,587	934,440	1,674,024
1,576,359	1,587,855	2,047,897	1,880,025	2,234,052	1,207,837
86,571	86,642	127,142	117,608	137,291	129,839
<u>\$6,563,685</u>	<u>\$6,577,490</u>	<u>\$8,182,399</u>	<u>\$5,826,744</u>	<u>\$7,527,770</u>	<u>\$6,783,439</u>
\$238,337	\$189,275	\$316,107	\$119,383	\$233,865	\$264,375
6,378	2,343	4,540	3,260	3,953	0
13,176	26,988	25,696	50,440	44,866	39,542
274,449	391,099	253,636	260,856	280,827	294,928
3,300	5,107	3,502	0	0	0
280,290	291,419	290,718	180,991	233,755	244,982
377,950	423,121	507,725	525,000	1,174,090	541,449
87,500	63,172	21,351	124,822	86,575	1,093,979
<u>1,281,380</u>	<u>1,392,524</u>	<u>1,423,275</u>	<u>1,264,752</u>	<u>2,057,931</u>	<u>2,479,255</u>
219,744	213,155	246,897	225,121	201,501	239,992
5,915,300	6,276,340	6,256,790	6,275,194	6,195,530	6,429,133
46,557	143,734	47,198	54,216	37,466	32,597
191,104	200,448	203,140	207,051	219,098	223,931
263,749	230,824	272,015	268,353	264,824	385,638
148,769	77,361	116,145	429,898	292,188	(9,963)
81,790	160,465	93,559	193,312	129,347	145,878
<u>6,867,013</u>	<u>7,302,327</u>	<u>7,235,744</u>	<u>7,653,145</u>	<u>7,339,954</u>	<u>7,447,206</u>
<u>\$1,584,708</u>	<u>\$2,117,361</u>	<u>\$476,620</u>	<u>\$3,091,153</u>	<u>\$1,870,115</u>	<u>\$3,143,022</u>

City of Northwood, Ohio

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

	2012	2013	2014	2015
General Fund				
Nonspendable	\$38,134	\$53,228	\$62,257	\$63,119
Assigned	215	195,512	205,376	69,123
Unassigned	1,947,762	2,376,653	3,167,093	3,800,962
<i>Total General Fund</i>	<u>1,986,111</u>	<u>2,625,393</u>	<u>3,434,726</u>	<u>3,933,204</u>
All Other Governmental Funds				
Nonspendable	62,996	43,981	48,585	83,856
Restricted	1,392,447	1,588,320	1,595,584	1,609,773
Committed	4,298,751	5,342,796	6,395,020	6,590,427
Total All Other Governmental Funds	<u>5,754,194</u>	<u>6,975,097</u>	<u>8,039,189</u>	<u>8,284,056</u>
<i>Total Governmental Funds</i>	<u><u>\$7,740,305</u></u>	<u><u>\$9,600,490</u></u>	<u><u>\$11,473,915</u></u>	<u><u>\$12,217,260</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, Ohio

2016	2017	2018	2019	2020	2021
\$66,357	\$62,214	\$66,124	\$69,815	\$80,204	\$86,969
23,186	71,934	16,190	44,230	290,164	114,362
4,719,158	5,600,341	6,317,471	7,368,815	8,009,478	8,563,607
4,808,701	5,734,489	6,399,785	7,482,860	8,379,846	8,764,938
41,347	50,119	79,595	96,517	111,922	54,302
829,693	1,749,051	1,778,257	1,451,257	1,532,189	3,949,001
7,352,417	7,694,183	6,076,461	6,561,851	6,838,191	7,248,204
8,223,457	9,493,353	7,934,313	8,109,625	8,482,302	11,251,507
\$13,032,158	\$15,227,842	\$14,334,098	\$15,592,485	\$16,862,148	\$20,016,445

City of Northwood, Ohio

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

	2012	2013	2014	2015
Revenues:				
Taxes	\$5,172,313	\$5,367,181	\$5,912,768	\$5,739,176
Intergovernmental Revenues	695,338	1,229,605	774,666	703,799
Payments in Lieu of Taxes	0	128,661	175,840	176,740
Charges for Services	338,083	357,881	499,966	464,564
Licenses, Permits and Fees	129,223	135,789	121,665	108,725
Investment Earnings	21,412	15,867	4,850	87,756
Special Assessments	91,510	87,052	88,456	71,413
Fines and Forfeitures	264,656	205,353	166,747	146,021
Donations	950	5,480	515	820
All Other Revenue	72,380	68,023	106,390	118,544
Total Revenue	6,785,865	7,600,892	7,851,863	7,617,558
Expenditures:				
Current:				
Security of Persons and Property	2,496,622	2,506,113	2,631,091	2,784,465
Public Health and Welfare Services	6,695	6,432	6,465	6,429
Leisure Time Activities	52,933	50,829	45,030	47,092
Community Environment	100,996	120,352	117,622	141,078
Basic Utility Services	84,886	123,671	356,071	450,694
Transportation	447,831	437,074	501,402	518,746
General Government	1,423,482	1,267,953	1,381,368	1,446,164
Capital Outlay	1,782,475	996,573	743,592	1,420,925
Debt Service:				
Principal Retirement	124,390	124,390	134,390	39,390
Interest and Fiscal Charges	81,767	84,764	78,865	74,800
Total Expenditures	6,602,077	5,718,151	5,995,896	6,929,783
Excess (Deficiency) of Revenues Over Expenditures	183,788	1,882,741	1,855,967	687,775

City of Northwood, Ohio

2016	2017	2018	2019	2020	2021
\$6,225,655	\$6,636,853	\$6,520,611	\$6,523,223	\$6,446,468	\$6,694,232
739,778	708,201	794,576	861,462	1,470,031	1,014,256
191,104	200,448	203,140	207,051	219,098	223,931
390,280	498,514	411,102	396,942	405,531	441,581
95,065	99,384	95,498	91,661	99,468	104,608
148,931	78,605	104,400	425,812	297,957	(9,440)
81,409	120,931	108,206	112,816	107,851	97,478
179,591	203,188	157,720	164,517	129,588	135,523
67,095	3,765	1,463	39,940	2,110	550
119,020	189,288	151,298	166,441	161,641	182,183
8,237,928	8,739,177	8,548,014	8,989,865	9,339,743	8,884,902
2,850,519	2,999,531	3,005,545	3,102,685	3,011,936	3,275,256
5,966	5,633	5,559	5,482	6,187	6,187
41,339	54,813	67,573	61,660	43,318	76,840
422,074	191,186	232,032	243,409	261,736	241,604
364,284	386,449	377,888	104,544	372,245	203,287
532,428	502,994	622,495	626,184	615,599	660,119
1,407,271	1,385,438	1,442,648	1,489,483	1,992,711	1,585,074
2,110,517	1,569,071	4,036,556	1,732,388	1,564,822	3,959,545
165,765	165,765	350,031	276,267	313,848	183,773
85,831	87,129	127,535	118,125	138,006	93,631
7,985,994	7,348,009	10,267,862	7,760,227	8,320,408	10,285,316
251,934	1,391,168	(1,719,848)	1,229,638	1,019,335	(1,400,414)

(Continued)

City of Northwood, Ohio

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

	2012	2013	2014	2015
Other Financing Sources (Uses):				
Sale of Capital Assets	19,056	0	1,602	16,001
Inception of Capital Lease	0	0	8,259	0
Ohio Water Development Authority Loan Issued	0	0	0	0
General Obligation Notes Issued	0	0	0	0
Transfers In	105,000	100,000	100,000	4,700
Transfers Out	(105,000)	(100,000)	(100,000)	(4,700)
Total Other Financing Sources (Uses)	<u>19,056</u>	<u>0</u>	<u>9,861</u>	<u>16,001</u>
Net Change in Fund Balance	<u>\$202,844</u>	<u>\$1,882,741</u>	<u>\$1,865,828</u>	<u>\$703,776</u>
Debt Service as a Percentage of Noncapital Expenditures	4.01%	3.95%	3.85%	2.07%

Source: Finance Director's Office

City of Northwood, Ohio

2016	2017	2018	2019	2020	2021
3,000	16,684	0	12,350	0	11,850
606,875	0	0	0	227,976	0
0	778,188	792,118	0	0	0
0	0	0	0	0	4,600,000
890,316	1,229,600	684,076	92,500	225,000	250,000
(890,316)	(1,229,600)	(684,076)	(92,500)	(225,000)	(250,000)
609,875	794,872	792,118	12,350	227,976	4,611,850
\$861,809	\$2,186,040	(\$927,730)	\$1,241,988	\$1,247,311	\$3,211,436
4.43%	4.49%	6.60%	5.85%	6.80%	3.88%

City of Northwood, Ohio

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

Tax year	2012	2013	2014	2015
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Total Tax Collected	\$4,507,859	\$5,218,070	\$5,552,109	\$5,247,534
Income Tax Receipts				
Withholding Accounts	3,716,861	3,781,888	4,246,028	4,169,700
Percentage	82.5%	72.5%	76.5%	79.5%
Business Accounts	512,721	1,145,616	977,774	726,525
Percentage	11.4%	22.0%	17.6%	13.8%
Residential Accounts	278,277	290,566	328,307	351,309
Percentage	6.1%	5.5%	5.9%	6.7%

Source: City Income Tax Department

City of Northwood, Ohio

2016	2017	2018	2019	2020	2021
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$6,261,413	\$6,282,057	\$6,262,675	\$6,339,146	\$6,044,652	\$6,573,545
4,879,365	4,794,247	5,348,873	5,126,808	4,755,702	5,151,877
77.9%	76.3%	85.4%	80.9%	78.7%	78.4%
1,049,048	1,100,110	555,318	808,202	880,772	966,574
16.8%	17.5%	8.9%	12.7%	14.6%	14.7%
333,000	387,700	358,484	404,136	408,178	455,094
5.3%	6.2%	5.7%	6.4%	6.7%	6.9%



City of Northwood, Ohio

Income Tax Collections Current Year and Nine Years Ago

	Calendar Year 2021			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
Top Ten	10	0.38%	\$175,568,525	40.06%
All Others	2,600	99.62%	262,667,808	59.94%
Total	2,610	100.00%	\$438,236,333	100.00%

	Calendar Year 2012			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
Top Ten	10	0.53%	\$4,331,353	4.52%
All Others	1,870	99.47%	91,512,674	95.48%
Total	1,880	100.00%	\$95,844,027	100.00%

Source: City Income Tax Department

City of Northwood, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2012	2013	2014	2015
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$185,000	\$95,000	\$0	\$0
General Obligation Bonds Payable (TIF Supported)	2,175,000	2,150,000	2,120,000	2,090,000
General Obligation Notes Payable	0	0	0	0
OPWC Loan Payable	61,025	51,635	42,245	32,855
OWDA Loans Payable	0	0	0	0
Capital Leases	0	0	8,030	6,596
Total Primary Government	<u>\$2,421,025</u>	<u>\$2,296,635</u>	<u>\$2,170,275</u>	<u>\$2,129,451</u>
Population ⁽²⁾				
City of Northwood	5,304	5,344	5,335	5,341
Outstanding Debt Per Capita	\$456	\$430	\$407	\$399
Income ⁽³⁾				
Personal (in thousands)	197,256	142,359	207,734	218,906
Percentage of Personal Income	1.23%	1.61%	1.04%	0.97%

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, Ohio

2016	2017	2018	2019	2020	2021
\$0	\$0	\$0	\$0	\$0	\$0
2,055,000	2,020,000	1,980,000	1,935,000	1,890,000	1,840,000
0	0	0	0	0	4,600,000
23,465	14,075	4,685	0	0	0
0	778,188	1,391,040	1,285,833	1,138,360	1,063,276
490,551	367,512	244,473	121,375	227,976	169,287
<u>\$2,569,016</u>	<u>\$3,179,775</u>	<u>\$3,620,198</u>	<u>\$3,342,208</u>	<u>\$3,256,336</u>	<u>\$7,672,563</u>
5,350	5,350	5,394	5,420	5,434	5,160
\$480	\$594	\$671	\$617	\$599	\$1,487
228,327	235,555	233,803	249,201	173,241	182,478
1.13%	1.35%	1.55%	1.34%	1.88%	4.20%

City of Northwood, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2012	2013	2014	2015
Population ⁽¹⁾	5,304	5,344	5,335	5,341
Assessed Value ⁽²⁾	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$2,360,000	\$2,245,000	\$2,120,000	\$2,090,000
Resources Available to Pay Principal ⁽⁴⁾	\$577,167	\$601,369	\$668,649	\$740,594
Net General Bonded Debt	\$1,782,833	\$1,643,631	\$1,451,351	\$1,349,406
Ratio of Net Bonded Debt to Assessed Value	1.33%	1.22%	1.26%	1.01%
Net Bonded Debt per Capita	\$336.13	\$307.57	\$272.04	\$252.65

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, Ohio

2016	2017	2018	2019	2020	2021
5,350	5,350	5,394	5,420	5,434	5,160
\$133,992,030	\$139,299,370	\$141,215,080	\$141,557,180	\$151,370,980	\$153,031,500
\$2,055,000	\$2,020,000	\$1,980,000	\$1,935,000	\$1,890,000	\$6,440,000
\$13,767	\$997,923	\$997,930	\$723,536	\$723,497	\$677,636
\$2,041,233	\$1,022,077	\$982,070	\$1,211,464	\$1,166,503	\$5,762,364
1.52%	0.73%	0.70%	0.86%	0.77%	3.77%
\$381.54	\$191.04	\$182.07	\$223.52	\$214.67	\$1,116.74



City of Northwood, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2021*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Northwood	Amount Applicable to the City of Northwood
Direct:			
City of Northwood	\$7,672,563	100.00%	\$7,672,563
Overlapping:			
Wood County	5,209,285	3.80%	197,953
		Subtotal	197,953
		Total	\$7,870,516

Source: Wood County

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

City of Northwood, Ohio

Debt Limitations Last Ten Years

Collection Year	2012	2013	2014	2015
Total Debt				
Net Assessed Valuation	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	14,118,805	14,196,678	12,101,630	14,068,901
City Debt Outstanding	2,360,000	2,245,000	2,120,000	2,090,000
Less: Applicable Debt Service Fund Amounts (2)	(577,167)	(601,369)	(668,649)	(740,594)
Net Indebtedness Subject to Limitation	1,782,833	1,643,631	1,451,351	1,349,406
Overall Legal Debt Margin	<u>\$12,335,972</u>	<u>\$12,553,047</u>	<u>\$10,650,279</u>	<u>\$12,719,495</u>
Unvoted Debt				
Net Assessed Valuation	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	7,395,565	7,436,355	6,338,949	7,369,424
City Debt Outstanding	2,360,000	2,245,000	2,120,000	2,090,000
Less: Applicable Debt Service Fund Amounts (2)	(577,167)	(601,369)	(668,649)	(740,594)
Net Indebtedness Subject to Limitation	1,782,833	1,643,631	1,451,351	1,349,406
Overall Legal Debt Margin	<u>\$5,612,732</u>	<u>\$5,792,724</u>	<u>\$4,887,598</u>	<u>\$6,020,018</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, Ohio

2016	2017	2018	2019	2020	2021
\$133,992,030	\$139,299,370	\$141,215,080	\$141,557,180	\$151,370,980	\$153,031,500
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
14,069,163	14,626,434	14,827,583	14,863,504	15,893,953	16,068,308
2,055,000	2,020,000	1,980,000	1,935,000	1,890,000	6,440,000
(13,767)	(997,923)	(997,930)	(723,536)	(723,497)	(677,636)
2,041,233	1,022,077	982,070	1,211,464	1,166,503	5,762,364
<u>\$12,027,930</u>	<u>\$13,604,357</u>	<u>\$13,845,513</u>	<u>\$13,652,040</u>	<u>\$14,727,450</u>	<u>\$10,305,944</u>
\$133,992,030	\$139,299,370	\$141,215,080	\$141,557,180	\$151,370,980	\$153,031,500
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
7,369,562	7,661,465	7,766,829	7,785,645	8,325,404	8,416,733
2,055,000	2,020,000	1,980,000	1,935,000	1,890,000	6,440,000
(13,767)	(997,923)	(997,930)	(723,536)	(723,497)	(677,636)
2,041,233	1,022,077	982,070	1,211,464	1,166,503	5,762,364
<u>\$5,328,329</u>	<u>\$6,639,388</u>	<u>\$6,784,759</u>	<u>\$6,574,181</u>	<u>\$7,158,901</u>	<u>\$2,654,369</u>

City of Northwood, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2012	2013	2014	2015	2016
Population ⁽¹⁾					
City of Northwood	5,304	5,344	5,335	5,341	5,350
Wood County	128,200	129,264	129,590	129,730	130,219
Income ⁽²⁾					
Total Personal (in thousands)	197,256	142,359	207,734	218,906	228,327
Per Capita	37,190	26,639	38,938	40,986	42,678
Unemployment Rate ⁽³⁾					
Federal	7.9%	7.1%	5.5%	5.2%	5.1%
State	6.9%	6.9%	5.1%	4.9%	5.0%
Wood County	6.5%	6.5%	4.2%	4.1%	4.8%
Civilian Work Force Estimates ⁽³⁾					
State	5,695,000	5,520,049	5,725,800	5,694,000	5,687,000
Wood County	65,100	65,763	68,800	69,104	64,249

Sources:

- (1) Ohio Department of Job and Family Services - Estimate
- (2) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics

City of Northwood, Ohio

2017	2018	2019	2020	2021
5,350	5,394	5,420	5,434	5,160
130,219	130,492	130,696	131,193	132,248
235,555	233,803	249,201	173,241	182,478
44,029	43,345	45,978	31,881	35,364
4.1%	4.0%	3.5%	6.5%	3.7%
4.7%	4.6%	4.1%	5.2%	3.4%
4.2%	4.3%	4.0%	4.2%	2.8%
5,782,017	5,802,000	5,818,000	5,763,310	5,743,600
67,900	70,200	70,600	67,342	65,400



City of Northwood, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2021		
		Number of Employees	Rank	Percentage of Total Employment
Norplas Industries	Automotive Parts	1,137	1	0.21
Cardinal Onsite Staffing	Staffing Agency	823	2	0.15
Buckeye Broadband	Cable/Internet Provider	768	3	0.14
Express Services	Staffing Agency	705	4	0.13
Adient/Johnson Controls	Automotive Parts	613	5	0.11
North American Science Association	Medical Equipment Testing	404	6	0.08
Fedex Freight	Logistics	299	7	0.06
Fedex Express	Package Delivery	246	8	0.05
Kokosing Construction	Construction Contractor	219	9	0.04
Northwood Board of Education	Education	169	10	0.03
Total		5,383		
Employer	Nature of Business	2012		
		Number of Employees	Rank	Percentage of Total Employment
Norplas Industries	Automotive Parts	913	1	0.42
Interstate Brands	Bakery Distribution Center	195	2	0.09
Hoover Universal	Automotive Parts	175	3	0.08
North American Science Association	Medical Equipment Testing	164	4	0.08
Pilkington	Glass Manufacturing	135	5	0.06
TNS Custom Research	Research	128	6	0.06
Federal Express	Package Delivery	125	7	0.06
Treu House of Munch	Beverage Distributor	112	8	0.05
Thyssenkrupp Logistics	Trucking	108	9	0.05
Northwood Board of Education	Education	107	10	0.05
Total		2,162		

Source: City Income Tax Department

City of Northwood, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2012	2013	2014	2015	2016	2017
Governmental Activities						
General Government						
Finance	4.00	4.00	4.00	4.00	4.00	4.00
Legal/Court	2.00	2.00	2.00	2.00	1.50	1.50
Administration	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	1.50	1.50	1.00	1.00	1.00	1.00
Security of Persons and Property						
Police	18.00	18.00	18.00	18.00	18.00	18.00
Dispatch	5.50	5.00	5.00	6.00	6.00	6.00
Fire	9.00	9.00	9.00	9.00	9.00	9.00
Fire - Volunteers	35.00	35.00	34.00	34.00	35.00	35.00
Transportation						
Street	5.00	5.00	6.00	6.00	6.00	6.00
Leisure Time Activities						
Recreation/Seniors	0.50	0.50	0.50	0.50	0.50	1.50
Community Environment						
Service	1.00	1.00	1.00	1.00	1.50	1.50
<i>Total Employees</i>	<u>82.50</u>	<u>82.00</u>	<u>81.50</u>	<u>82.50</u>	<u>83.50</u>	<u>84.50</u>

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

Source: Finance Director's Office

City of Northwood, Ohio

2018	2019	2020	2021
4.00	4.00	4.00	4.00
1.50	1.50	1.50	1.50
1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00
18.00	18.00	18.00	17.00
6.00	5.50	5.50	4.50
9.00	9.00	9.00	9.00
35.00	30.00	32.00	32.00
6.00	6.00	6.00	6.00
1.50	1.50	1.50	1.50
1.50	2.00	2.00	2.00
84.50	79.50	81.50	79.50

City of Northwood, Ohio

Operating Indicators by Function Last Ten Years

	2012	2013	2014	2015	2016	2017
Governmental Activities						
General Government						
Court						
Number of Criminal Cases	186	226	169	224	314	270
Number of Traffic Cases	1,283	1,606	1,603	1,795	1,913	1,965
Number of Open Cases	138	168	174	288	260	195
Permits						
Residential Zoning Permits	135	151	141	168	123	167
Commercial Zoning Permits	14	18	13	6	6	43
Industrial Zoning Permits	4	5	19	10	11	10
Central Business District	40	26	27	10	16	27
Security of Persons and Property						
Police						
Criminal/Juvenile Arrests	353	312	436	292	371	317
Traffic Citations Issued	1,394	1,613	1,627	1,712	1,816	1,970
Parking Tickets Written	42	97	134	125	119	73
Number of Calls Answered	8,598	11,199	11,218	13,059	13,779	16,466
Fire						
Number of Calls Answered	701	791	896	982	967	951
Number of Inspections	212	207	202	293	240	218

Source: Finance Director's Office

City of Northwood, Ohio

2018	2019	2020	2021
391	264	203	212
1,218	1,343	1,010	1,041
138	183	100	124
143	130	193	208
17	7	18	12
3	14	22	24
4	9	27	59
392	342	324	303
1,266	1,381	1,129	1,099
40	41	9	17
14,570	15,933	14,615	13,921
967	1,085	1,012	1,088
197	219	32	82

City of Northwood, Ohio

Capital Asset Statistics by Function Last Ten Years

	2012	2013	2014	2015	2016
Governmental Activities					
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	12	12	12	12
Fire					
Stations	2	2	2	2	2
Vehicles	15	15	15	15	15
Transportation					
Streets					
Streets (lane miles)	47	47	47	47	47
Intersections with Traffic Signals	16	16	16	16	16
Vehicles	11	11	11	11	11
Leisure Time Activities					
Recreation					
Park Areas (acres)	83	83	83	83	83
Shelter Houses	2	2	2	2	2
Parks	4	4	4	4	4
Playgrounds	2	2	2	2	2
Tennis Courts	4	4	4	4	2
Baseball/Softball Diamonds	4	4	4	4	4
Soccer Fields	2	2	2	2	2

Source: Finance Director's Office

City of Northwood, Ohio

2017	2018	2019	2020	2021
220	240	240	240	214
6	6	6	7	7
1	1	1	1	1
12	13	13	13	13
2	2	2	2	2
15	15	15	15	15
47	47	47	47	47
16	16	16	16	16
11	11	11	11	11
83	86	86	86	86
2	2	2	2	2
4	4	4	4	4
2	2	2	2	2
2	1	1	1	1
4	4	4	4	4
2	2	2	2	2



OHIO AUDITOR OF STATE KEITH FABER



CITY OF NORTHWOOD

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/19/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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