

**CITY OF NORTHWOOD  
WOOD COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2016**

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





# Dave Yost • Auditor of State

Honorable Mayor and Members of City Council  
City of Northwood  
6000 Wales Road  
Northwood, Ohio 43619-1480

We have reviewed the *Independent Auditor's Report* of the City of Northwood, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2016 through December 31, 2016. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

## **Finding for Recovery:**

The City of Northwood owns multiple buildings available for rent to citizens for holding various types of events. Former City Clerk Julie Jagodzinski was responsible for having the citizen complete a rental hall agreement and collecting the rental fees. A receipt was to be completed by Ms. Jagodzinski with a copy of the receipt issued to the citizen. The date of rental would be documented on a calendar with a copy of the calendar submitted to the Maintenance Department. Ms. Jagodzinski would then submit the revenue to City Finance Director Ken Yant for depositing.

In July of 2016, Ms. Jagodzinski was terminated from employment with the City for performance reasons. It was subsequently noted all records related to the rental of City buildings were missing. Ms. Jagodzinski was contacted in an attempt to recover the missing records. Ms. Jagodzinski returned several binders of rental records; however, after reviewing the contents it was noted 2014 through 2016 were still missing.

As a result of an investigation completed by the Wood County Prosecutor's Office it was determined \$650 in rental fee revenue was collected by Ms. Jagodzinski and not deposited in the City's bank account. On December 4, 2017, Ms. Jagodzinski plead guilty to one count of theft in office and was ordered to pay restitution in the amount of \$650.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies converted or misappropriated totaling \$650 is hereby issued against Julie Jagodzinski and in favor of the City of Northwood's general fund.

Honorable Mayor and Members of City Council  
City of Northwood  
Page 2

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost  
Auditor of State

January 8, 2018

**CITY OF NORTHWOOD  
WOOD COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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

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Ohio Society of Certified Public Accountants

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

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio, (the City) as of and for the year ended December 31, 2016, 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 1, 2017.

***Internal Control Over Financial Reporting***

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

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

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

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

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



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

June 1, 2017



**CITY OF NORTHWOOD, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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The prior audit report, as of December 31, 2015, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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# CITY OF NORTHWOOD, OHIO

*Wood County, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2016



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2016

Issued by:  
Department of Finance  
Ken Yant  
Director



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WOOD COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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# City of Northwood, Ohio

6000 Wales Road

Northwood, Ohio 43619

Phone (419) 693-9328

Fax (419) 693-6705

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June 1, 2017

## Introduction

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

I am pleased to present the nineteenth Comprehensive Annual Financial Report for the City of Northwood, Ohio for the fiscal year ended December 31, 2016. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Auditing Standards (GAAS) by James G Zupka, CPA, Inc. GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## The Report

*State law*, along with *Administrative Rules* of the Auditor of State, requires all city governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the CAFR of the City of Northwood, Ohio, for the fiscal year ended December 31, 2016.

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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The City's financial statements have been audited by the audit staff of James G Zupka, CPA, Inc. The Auditor issued an unmodified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2016. 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, 2016***

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

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

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

**City Services**

Police:

The Northwood Police Department is a full-time department with an authorized strength of 19 sworn full-time positions. Current staffing includes the Chief, a Captain, 4 sergeants, 13 patrol officers, and a seasonal crossing guard. The City received partial grant funding for the Bulletproof Vest Partnership Program, Operating a Vehicle while Intoxicated Enforcement and negotiated a 50% reimbursement of salary costs for a School Resource Officer with Northwood Local Schools beginning in 2017.

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 and Bike Patrol.

Fire:

The City of Northwood Fire Department operates out of two stations. An ambulance is staffed on a 24 hour basis by two trained personnel to ensure rapid response to emergencies in the city. The fire department is led by a part-time Fire Chief and is supported by 34 part-paid firefighters. The department provides a full range of fire, EMS and rescue services to its residents. Their equipment includes; 3 ambulances, 3 class A pumpers, 1 102' aerial ladder, 1 mini pumper and other support units. Northwood has a Class 4 ISO rating. The department ordered a 2017 Pierce Fire Engine that will be placed in service in March, 2017.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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Parks and Recreation:

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

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

Public Works:

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

Water and Wastewater:

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

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

**Economic Outlook**

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



***Letter of Transmittal  
For the Year Ended December 31, 2016***

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

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

The number of permits for commercial, industrial and residential totaled 156 in 2016. The Planning and Zoning Department will continue to work on economic development issues and plan for the future of the city through promotion of the Comprehensive Plan and continue to support and encourage the necessary enforcement of our Zoning Code to promote the livability and desirability of Northwood.

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

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

In 2015, Buckeye CableSystem announced their interest in moving four of their facilities into an existing facility in the City of Northwood with a total acquisition and property improvement cost of \$10 million.. Job grants were negotiated for the creation of 400-500 jobs that were phased in beginning with 130 jobs in January and ending with 479 jobs in December, 2016.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**Unemployment Rates**

According to the Ohio Bureau of Employment Services, the 2016 annual average unemployment rate for Wood County was 4.8% which was lower than the state rate of 5.9% and also lower than the national rate of 5.1%.

**Employee Relations**

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

The City negotiated in 2015 with A.F.S.C.M.E. for a 3-year term ending on March 31, 2018. The contract with O.P.B.A. was negotiated in 2014 for a 3-year term ending December 31, 2017. The City reached agreement with FOP/OLC in 2016 for a 3-year term ending June 30, 2019.

**Major City Initiatives**

During 2016, 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 2016, the City received the following Police related grants; Bulletproof Vest and D.U.I. Task Force. The City also received grants from Wood County Recycling, Landfill Sponsorship along with other training and equipment grants for the Fire Department.

During 2016, the City completed seven Street Resurfacing Improvement projects.

**Continuing and Future Projects**

Major projects completed in 2016 included a storm water pump replacement at ParcDuLanglade subdivision and extension of a roadway named Commercial Drive. 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 plans are in place for removal of the former Elder Beerman and Andersons stores in 2017.

The City will continue making infrastructure improvements throughout the City in 2016, including resurfacing projects on Maryland Place, Eisenhower Dr Ryan Place, West Pointe Dr., MacArthur Dr., and Oram Rd. A drainage project on Ritter Ave. along with completion of Mason St. are scheduled. A railroad crossing alert signalization project is underway and will be completed in 2017 along with a new administration building roof.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**AWARDS AND ACKNOWLEDGEMENTS**

**Awards**

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

**Public Disclosure**

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

**Acknowledgements**

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

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

Respectfully,



Kenneth A. Yant  
Finance & Revenue Director

**CITY OF NORTHWOOD, OHIO**

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***List of Principal Officials  
For the Year Ended December 31, 2016***

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**Elected Officials**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Edward Schimmel	Mayor	12/31/19
James D. Barton	City Council, President	12/31/19
Louis Fahrback	City Council	12/31/17
Connie S. Hughes	City Council	12/31/17
Randy Kozina	City Council	12/31/17
Keith Dempsey	City Council	12/31/17
Dean Edwards	City Council	12/31/19
Dan Mikolajczyk	City Council	12/31/19

**Administrative Personnel**

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

**Applies to All Elected Officials**

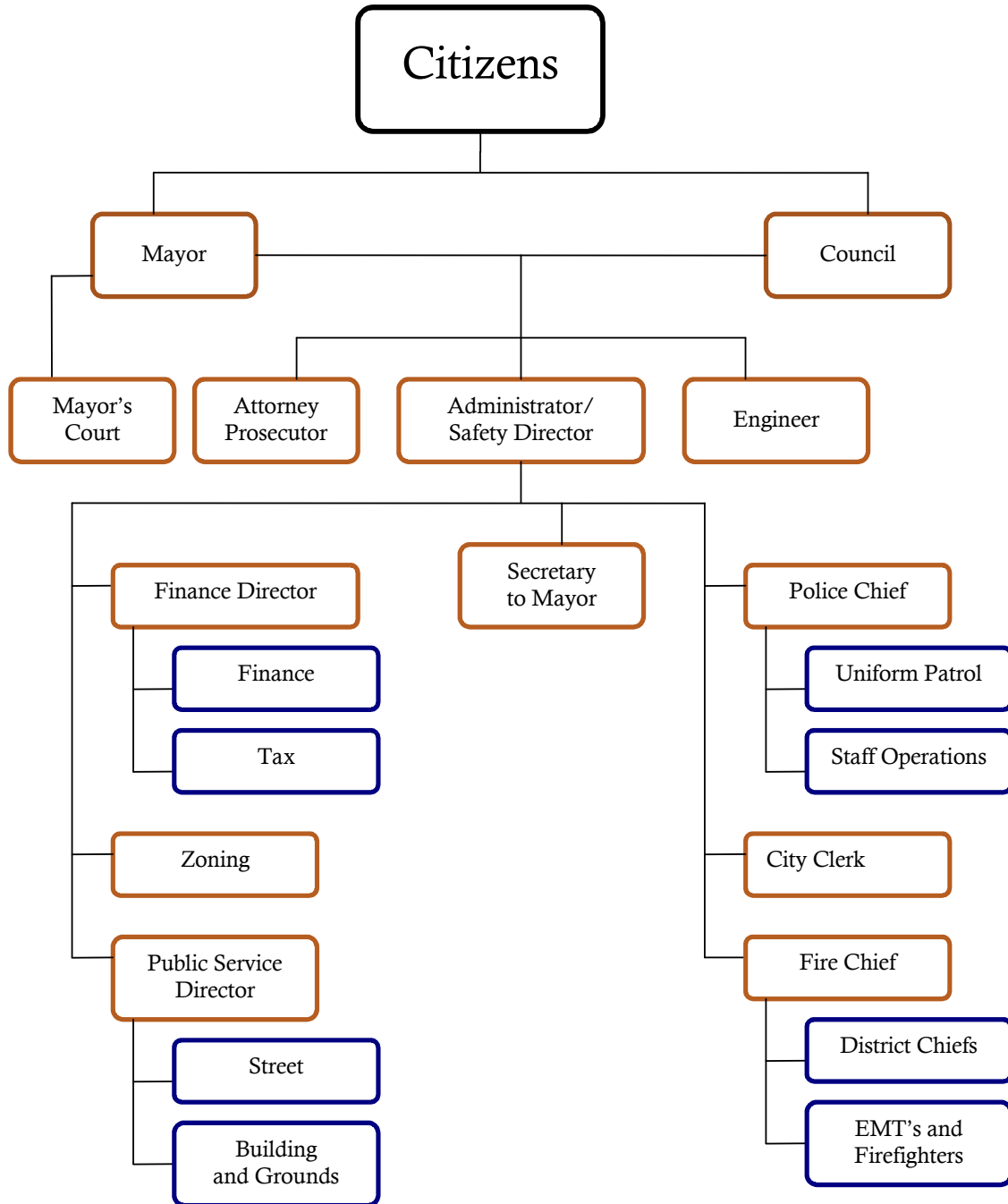
Public officials \$5 million/occurrence, \$7 million aggregate general liability.  
Term July 9, 2016 to July 9, 2017

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, 2016*

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Government Finance Officers Association

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

Presented to

**City of Northwood  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**



Executive Director/CEO

## *FINANCIAL SECTION*

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

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

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Wood County, Ohio, as of December 31, 2016, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2017, on our consideration of the City of Northwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northwood's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James G. Zupka, CPA, Inc.".

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

June 1, 2017



***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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The discussion and analysis of the City of Northwood's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2016. 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 2016 are as follows:**

- ❑ In total, net position increased \$1,584,708, which represents a 8.9% increase from 2015.
- ❑ General revenues accounted for \$6.9 million in revenue or 84% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 16% of total revenues of \$8.1 million.
- ❑ The City had \$6.6 million in expenses related to governmental activities; only \$1.3 million of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$5.4 million in revenues and \$4.6 million in expenditures. The general fund's fund balance increased \$875,497 to \$4,808,701.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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

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

The following table provides a comparison of the City's net position between 2016 and 2015:

	Governmental Activities	
	2016	2015
Current and other assets	\$14,097,002	\$13,638,154
Capital assets, Net	12,144,705	10,461,587
Total assets	<u>26,241,707</u>	<u>24,099,741</u>
Deferred outflows of resources	1,371,990	539,829
Net pension liability	4,790,099	3,739,941
Other long-term liabilities	3,078,438	2,575,067
Other liabilities	115,792	313,560
Total liabilities	<u>7,984,329</u>	<u>6,628,568</u>
Deferred inflows of resources	410,627	376,969
Net position (deficit):		
Net investment in capital assets	11,630,689	10,422,136
Restricted	948,082	1,745,010
Unrestricted	6,639,970	5,466,887
Total net deficit	<u>\$19,218,741</u>	<u>\$17,634,033</u>

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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

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

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

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



***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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

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

At fiscal year-end for governmental activities, capital assets represented 46% of total assets. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, and vehicles. Net investment in capital assets, at December 31, 2016 was \$11,630,689. These capital assets are used to provide services to the public and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$948,082, represents resources that are subject to external restriction on how they may be used. Excluding the effect of implementing GASB 68, the City has approximately \$10 million in unrestricted net position which may be used to meet the City's ongoing obligations to the public and creditors.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

Changes in Net position – The following table shows the changes in net position for the fiscal year 2016 and 2015:

	Governmental Activities	
	2016	Restated 2015
Revenues		
Program revenues:		
Charges for Services and Sales	\$815,930	\$840,226
Operating Grants and Contributions	377,950	376,079
Capital Grants and Contributions	87,500	166,530
General revenues:		
Property Taxes	219,744	212,332
Municipal Income Taxes	5,915,300	5,507,757
Other Local Taxes	46,557	51,560
Payments in Lieu of Taxes	191,104	176,740
Grants and Entitlements not Restricted to Specific Programs	263,749	149,712
Investment Earnings	148,769	89,788
Miscellaneous	81,790	137,346
Total revenues	<u>8,148,393</u>	<u>7,708,070</u>
Program Expenses		
Security of Persons and Property	3,254,558	3,029,803
Public Health and Welfare Services	5,966	6,429
Leisure Time Activities	68,280	72,887
Community Environment	427,103	138,973
Basic Utility Services	361,862	473,215
Transportation	782,986	684,805
General Government	1,576,359	1,504,412
Interest and Fiscal Charges	86,571	74,639
Total expenses	<u>6,563,685</u>	<u>5,985,163</u>
Total Change in Net Position	1,584,708	1,722,907
Beginning Net Position	<u>17,634,033</u>	<u>15,911,126</u>
Ending Net Position	<u>\$19,218,741</u>	<u>\$17,634,033</u>

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

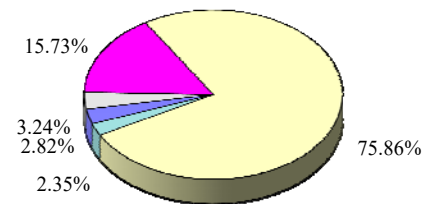
***Governmental Activities***

Net position of the City's governmental activities increased by \$1,584,708. This was due primarily to the fact that both revenues and expenditures stayed relatively stable from 2015 to 2016.

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

Property taxes and income taxes made up 3% and 73% respectively of revenues for governmental activities for the City in fiscal year 2016. The City's reliance upon tax revenues is demonstrated by the following graph indicating 76% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
General Shared Revenues	\$263,749	3.24%
Program Revenues	1,281,380	15.73%
General Tax Revenues	6,181,601	75.86%
Payments in Lieu of Taxes	191,104	2.35%
General Other	230,559	2.82%
<b>Total Revenue</b>	<b>\$8,148,393</b>	<b>100.00%</b>



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

The City's governmental funds reported a combined fund balance of \$13,032,158, which is an increase from last year's balance of \$12,217,260. The schedule below indicates the fund balance and the total change in fund balance by major and nonmajor fund as of December 31, 2016 and 2015:

	Fund Balance December 31, 2016	Fund Balance December 31, 2015	Increase (Decrease)
General	\$4,808,701	\$3,933,204	\$875,497
Capital Improvement	4,690,462	4,529,821	160,641
Capital Replacement	1,532,654	1,384,894	147,760
Other Governmental	2,000,341	2,369,341	(369,000)
<b>Total</b>	<b>\$13,032,158</b>	<b>\$12,217,260</b>	<b>\$814,898</b>

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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

	2016	2015	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Property Taxes	\$217,531	\$212,187	\$5,344
Municipal Income Tax	4,173,097	3,832,498	340,599
Other Local Taxes	29,849	33,670	(3,821)
Intergovernmental Revenue	313,960	299,131	14,829
Charges for Services	126,303	125,720	583
Licenses and Permits	93,493	103,152	(9,659)
Investment Earnings	138,072	79,087	58,985
Special Assessments	78,109	67,992	10,117
Fines & Forfeitures	161,552	130,719	30,833
Donations	91	785	(694)
All Other Revenue	<u>111,041</u>	<u>109,963</u>	<u>1,078</u>
Total	<u><u>\$5,443,098</u></u>	<u><u>\$4,994,904</u></u>	<u><u>\$448,194</u></u>

General Fund revenues in 2016 increased 9% compared to revenues in fiscal year 2015. The most significant factor contributing to this increase was an increase of \$340,599 in municipal income tax during 2016 due to increased business withholding tax collections.

	2016	2015	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$2,850,385	\$2,776,630	\$73,755
Public Health and Welfare Services	5,966	6,429	(463)
Leisure Time Activities	41,339	47,092	(5,753)
Community Environment	142,826	125,292	17,534
Transportation	128,302	119,606	8,696
General Government	<u>1,395,609</u>	<u>1,425,962</u>	<u>(30,353)</u>
Total	<u><u>\$4,564,427</u></u>	<u><u>\$4,501,011</u></u>	<u><u>\$63,416</u></u>

General Fund expenditures increased by \$63,416 or 1.4% from the prior year mostly due to increases in Security of Persons and Property.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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The Capital Improvement Fund balance increased by \$160,641 in 2016. This increase was due to an increase in income tax revenues during 2016.

The Capital Replacement Fund balance increased by \$147,760 in 2016. This increase was due to an increase in capital related expenditures during 2016.

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 \$5.6 million changed over the original budget estimates of \$4.7 million. This increase was primarily due to an increase in income tax collections over the original estimated amount. There were no significant variances between the final budget and actual results for the General Fund. The General Fund had an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2016 the City had \$12,144,705 net of accumulated depreciation invested in land, improvements, infrastructure, buildings and machinery and equipment. The following table shows fiscal year 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$426,051	\$426,051	\$0
Land Improvements	33,100	33,100	0
Buildings and Improvements	4,119,414	4,038,276	81,138
Machinery and Equipment	1,526,776	1,348,689	178,087
Vehicles	3,802,551	3,045,116	757,435
Infrastructure	8,462,541	7,290,526	1,172,015
Less: Accumulated Depreciation	(6,225,728)	(5,720,171)	(505,557)
Totals	<u>\$12,144,705</u>	<u>\$10,461,587</u>	<u>\$1,683,118</u>

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

As of December 31, 2016, the City had contractual commitments of \$2,267,579. This is related to the demolition of the Woodville Mall, a new concession stand at Brentwood Park and improvements to the intersection of Wales & Tracy Roads. Additional information on the City's capital assets can be found in Note 9.

**Debt**

The following table summarizes the City's debt outstanding as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Governmental Activities:		
General Obligation Bonds	\$2,055,000	\$2,090,000
Ohio Public Works Commission	23,465	32,855
Compensated Absences	509,422	445,616
Capital Leases Payable	490,551	6,596
Net Pension Liability	4,790,099	3,739,941
Totals	<u>\$7,868,537</u>	<u>\$6,315,008</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, 2016, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

**ECONOMIC FACTORS**

The City's original budget for 2016 utilized conservative revenue estimates with limited increases in base operating costs. Original General Fund revenues were projected to be 1.3% higher than budgeted receipts for 2015. This difference was due to a conservative estimated increase in municipal income tax.

General Fund expenditures were originally budgeted at 1.2% more than 2015 actual expenditures. Department requests were reduced from original submissions and in general, departments closely monitored spending.

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

**REQUESTS FOR INFORMATION**

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



**CITY OF NORTHWOOD, OHIO**

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**Statement of Net Position  
December 31, 2016**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 5,451,885
Investments	6,709,399
Receivables:	
Taxes	1,023,348
Accounts	420,112
Intergovernmental	291,821
Interest	18,036
Special Assessments	74,697
Inventory of Supplies at Cost	47,335
Prepaid Items	60,369
Capital Assets:	
Capital Assets Not Being Depreciated	426,051
Capital Assets Being Depreciated, Net	11,718,654
<b>Total Assets</b>	<b>26,241,707</b>
<b>Deferred Outflows of Resources:</b>	
Pension	1,371,990
<b>Liabilities:</b>	
Accounts Payable	9,772
Accrued Wages and Benefits	91,308
Accrued Interest Payable	14,712
Long-Term Liabilities:	
Due Within One Year	320,285
Net Pension Liability	4,790,099
Due in More Than One Year	2,758,153
<b>Total Liabilities</b>	<b>7,984,329</b>
<b>Deferred Inflows of Resources:</b>	
Property Tax Levy for Next Fiscal Year	294,905
Pension	115,722
<b>Total Deferred Inflows of Resources</b>	<b>410,627</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	11,630,689
Restricted For:	
Capital Projects	183,829
Debt Service	13,135
Street Construction, Maintenance and Repair	506,525
Other Purposes	244,593
Unrestricted	6,639,970
<b>Total Net Position</b>	<b>\$ 19,218,741</b>

See accompanying notes to the basic financial statements



**CITY OF NORTHWOOD, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2016**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Governmental Activities:</b>					
Security of Persons and Property	\$ 3,254,558	\$ 238,337	\$ 31,988	\$ 0	\$ (2,984,233)
Public Health and Welfare Services	5,966	0	0	0	(5,966)
Leisure Time Activities	68,280	6,378	0	0	(61,902)
Community Environment	427,103	13,176	5,265	2,500	(406,162)
Basic Utility Services	361,862	274,449	0	85,000	(2,413)
Transportation	782,986	3,300	340,697	0	(438,989)
General Government	1,576,359	280,290	0	0	(1,296,069)
Interest and Fiscal Charges	86,571	0	0	0	(86,571)
<b>Total Governmental Activities</b>	<b>\$ 6,563,685</b>	<b>\$ 815,930</b>	<b>\$ 377,950</b>	<b>\$ 87,500</b>	<b>(5,282,305)</b>
<b>General Revenues</b>					
Property Taxes					219,744
Municipal Income Taxes					5,915,300
Other Local Taxes					46,557
Payments in Lieu of Taxes					191,104
Grants and Entitlements not Restricted to Specific Programs					263,749
Investment Earnings					148,769
Miscellaneous					81,790
Total General Revenues					<u>6,867,013</u>
Change in Net Position					1,584,708
Net Position Beginning of Year					<u>17,634,033</u>
Net Position End of Year					<u>\$ 19,218,741</u>

See accompanying notes to the basic financial statements

**CITY OF NORTHWOOD, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2016**

	General	Capital Improvement	Capital Replacement	Other Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,495,982	\$ 1,595,205	\$ 516,058	\$ 1,844,640
Investments	2,792,679	2,959,353	957,367	0
Receivables:				
Taxes	717,178	143,480	71,739	90,951
Accounts	333,458	0	0	86,654
Intergovernmental	139,139	0	0	152,682
Interest	18,036	0	0	0
Special Assessments	74,697	0	0	0
Inventory of Supplies, at Cost	17,823	0	0	29,512
Prepaid Items	48,534	10,925	0	910
<b>Total Assets</b>	<b>\$ 5,637,526</b>	<b>\$ 4,708,963</b>	<b>\$ 1,545,164</b>	<b>\$ 2,205,349</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 4,650	\$ 1,176	\$ 3,848	\$ 98
Accrued Wages and Benefits Payable	82,573	0	0	8,735
<b>Total Liabilities</b>	<b>87,223</b>	<b>1,176</b>	<b>3,848</b>	<b>8,833</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	536,391	17,325	8,662	106,481
Property Tax for Next Fiscal Year	205,211	0	0	89,694
<b>Total Deferred Inflows of Resources</b>	<b>741,602</b>	<b>17,325</b>	<b>8,662</b>	<b>196,175</b>
<b>Fund Balances:</b>				
Nonspendable	66,357	10,925	0	30,422
Restricted	0	0	0	829,693
Committed	0	4,679,537	1,532,654	1,140,226
Assigned	23,186	0	0	0
Unassigned	4,719,158	0	0	0
<b>Total Fund Balances</b>	<b>4,808,701</b>	<b>4,690,462</b>	<b>1,532,654</b>	<b>2,000,341</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,637,526</b>	<b>\$ 4,708,963</b>	<b>\$ 1,545,164</b>	<b>\$ 2,205,349</b>

See accompanying notes to the basic financial statements

**CITY OF NORTHWOOD, OHIO**

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Total Governmental Funds	
\$	5,451,885
	6,709,399
	1,023,348
	420,112
	291,821
	18,036
	74,697
	47,335
	60,369
\$	<u>14,097,002</u>
\$	9,772
	91,308
	<u>101,080</u>
	668,859
	<u>294,905</u>
	<u>963,764</u>
	107,704
	829,693
	7,352,417
	23,186
	4,719,158
	<u>13,032,158</u>
\$	<u>14,097,002</u>



**CITY OF NORTHWOOD, OHIO**

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***Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2016***

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**Total Governmental Fund Balances** \$ 13,032,158

***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. 12,144,705

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Municipal Income Taxes	86,624	
Property Taxes	6,783	
Charges for Services	292,656	
Interest Revenues	9,192	
Special Assessments	74,697	
Intergovernmental	<u>198,907</u>	668,859

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

Deferred Outflows - Pension	1,371,990	
Deferred Inflows - Pension	(115,722)	
Net Pension Liability	<u>(4,790,099)</u>	(3,533,831)

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. (14,712)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds Payable	(2,055,000)	
Ohio Public Works Commission Loan Payable	(23,465)	
Capital Lease Payable	(490,551)	
Compensated Absences Payable	<u>(509,422)</u>	<u>(3,078,438)</u>

***Net Position of Governmental Activities*** \$ 19,218,741

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, 2016**

	General	Capital Improvement	Capital Replacement	Other Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 217,531	\$ 0	\$ 0	\$ 0
Municipal Income Tax	4,173,097	1,192,314	596,156	0
Other Local Taxes	29,849	0	0	16,708
Intergovernmental Revenues	313,960	85,000	0	340,818
Payments in Lieu of Taxes	0	0	0	191,104
Charges for Services	126,303	0	0	263,977
Licenses and Permits	93,493	0	0	1,572
Investment Earnings	138,072	0	0	10,859
Special Assessments	78,109	3,300	0	0
Fines and Forfeitures	161,552	0	0	18,039
Donations	91	67,004	0	0
All Other Revenue	111,041	7,959	0	20
<b>Total Revenue</b>	<b>5,443,098</b>	<b>1,355,577</b>	<b>596,156</b>	<b>843,097</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,850,385	0	0	134
Public Health and Welfare Services	5,966	0	0	0
Leisure Time Activities	41,339	0	0	0
Community Environment	142,826	0	0	279,248
Basic Utility Services	0	0	0	364,284
Transportation	128,302	0	0	404,126
General Government	1,395,609	0	0	11,662
Capital Outlay	0	1,044,796	1,058,271	7,450
Debt Service:				
Principal Retirement	0	0	0	165,765
Interest & Fiscal Charges	0	0	0	85,831
<b>Total Expenditures</b>	<b>4,564,427</b>	<b>1,044,796</b>	<b>1,058,271</b>	<b>1,318,500</b>
Excess (Deficiency) of Revenues Over Expenditures	878,671	310,781	(462,115)	(475,403)

(Continued)

**CITY OF NORTHWOOD, OHIO**

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Total  
Governmental  
Funds

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\$ 217,531  
5,961,567  
46,557  
739,778  
191,104  
390,280  
95,065  
148,931  
81,409  
179,591  
67,095  

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119,020  

---

8,237,928

2,850,519  
5,966  
41,339  
422,074  
364,284  
532,428  
1,407,271  
2,110,517

165,765  
85,831  

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7,985,994

251,934

**CITY OF NORTHWOOD, OHIO**

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**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2016**

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	General	Capital Improvement	Capital Replacement	Other Governmental Funds
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	3,000	0
Inception of Capital Lease	0	0	606,875	0
Transfers In	0	0	0	890,316
Transfers Out	0	(150,140)	0	(740,176)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(150,140)</b>	<b>609,875</b>	<b>150,140</b>
Net Change in Fund Balances	878,671	160,641	147,760	(325,263)
<b>Fund Balances at Beginning of Year</b>	<b>3,933,204</b>	<b>4,529,821</b>	<b>1,384,894</b>	<b>2,369,341</b>
Decrease in Inventory Reserve	(3,174)	0	0	(43,737)
<b>Fund Balances End of Year</b>	<b>\$ 4,808,701</b>	<b>\$ 4,690,462</b>	<b>\$ 1,532,654</b>	<b>\$ 2,000,341</b>

See accompanying notes to the basic financial statements



***CITY OF NORTHWOOD, OHIO***

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Total Governmental Funds
3,000
606,875
890,316
<u>(890,316)</u>
<u>609,875</u>
861,809
12,217,260
<u>(46,911)</u>
<u>\$ 13,032,158</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, 2016***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 861,809

***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	2,307,125	
Depreciation	<u>(617,211)</u>	1,689,914

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (6,796)

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

Municipal Income Taxes	(46,267)	
Property Taxes	2,213	
Charges for Services	(14,550)	
Interest Revenues	(162)	
Special Assessments	(23,190)	
Intergovernmental	<u>(10,579)</u>	(92,535)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 363,502

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (680,164)

(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.

Inception of Capital Lease	(606,875)	
General Obligation Bonds Principal	35,000	
OPWC Loan Principal	9,390	
Capital Lease Principal	<u>122,920</u>	(439,565)

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		(740)
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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	(46,911)	
Increase in Compensated Absences Payable	<u>(63,806)</u>	<u>(110,717)</u>

***Change in Net Position of Governmental Activities*** \$ 1,584,708

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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 216,556	\$ 217,756	\$ 217,531	\$ (225)
Municipal Income Tax	3,635,000	4,377,500	4,365,251	(12,249)
Other Local Taxes	20,000	30,100	30,019	(81)
Intergovernmental Revenue	287,600	317,900	314,023	(3,877)
Charges for Services	110,000	128,560	127,267	(1,293)
Licenses and Permits	96,800	108,100	103,250	(4,850)
Special Assessments	78,050	78,490	78,109	(381)
Investment Earnings	50,000	97,800	97,722	(78)
Fines and Forfeitures	134,700	161,700	161,552	(148)
Donations	1,000	500	91	(409)
All Other Revenues	68,250	111,250	110,861	(389)
<b>Total Revenues</b>	<b>4,697,956</b>	<b>5,629,656</b>	<b>5,605,676</b>	<b>(23,980)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,962,075	2,991,145	2,850,501	140,644
Public Health and Welfare Services	6,500	6,500	5,966	534
Leisure Time Activities	55,700	49,300	41,339	7,961
Community Environment	141,080	149,480	141,749	7,731
Transportation	156,450	150,950	127,005	23,945
General Government	1,431,295	1,487,065	1,401,418	85,647
<b>Total Expenditures</b>	<b>4,753,100</b>	<b>4,834,440</b>	<b>4,567,978</b>	<b>266,462</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,144)	795,216	1,037,698	242,482
Fund Balance at Beginning of Year	3,231,505	3,231,505	3,231,505	0
Prior Year Encumbrances	670	670	670	0
<b>Fund Balance at End of Year</b>	<b>\$ 3,177,031</b>	<b>\$ 4,027,391</b>	<b>\$ 4,269,873</b>	<b>\$ 242,482</b>

See accompanying notes to the basic financial statements

***Statement of Assets and Liabilities  
Fiduciary Fund  
December 31, 2016***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ <u>62</u>
<b>Total Assets</b>	<u>\$ 62</u>
<b>Liabilities:</b>	
Due to Others	\$ <u>62</u>
<b>Total Liabilities</b>	<u>\$ 62</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

The accompanying basic financial statements of the City present the financial position of the various fund types and the results of operations of the various fund types. The financial statements are presented as of December 31, 2016 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, 2016***

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

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

***Governmental Funds***

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

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

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

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

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

***Fiduciary Funds***

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**D. Basis of Accounting**

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

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

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

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2016, but which are not intended to finance 2016 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources as further described in Note 5.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**E. Budgetary Process**

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

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

**1. Tax Budget**

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

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the first and final amended official certificate of estimated resources issued during 2016.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**E. Budgetary Process (Continued)**

**3. Appropriations**

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

**4. Encumbrances**

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

**5. Lapsing of Appropriations**

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

**6. Budgetary Basis of Accounting**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

**E. Budgetary Process (Continued)**

**6. Budgetary Basis of Accounting (Continued)**

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

	<u>Net Change In Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$878,671
Increase (Decrease):	
Accrued Revenues at December 31, 2016 received during 2017	(540,906)
Accrued Revenues at December 31, 2015 received during 2016	741,020
Accrued Expenditures at December 31, 2016 paid during 2017	87,223
Accrued Expenditures at December 31, 2015 paid during 2016	(82,974)
2015 Prepays for 2016	42,122
2016 Prepays for 2017	(48,534)
2015 Mark to Market	(20,136)
2016 Mark to Market	(17,400)
Outstanding Encumbrances	(1,388)
Budget Basis	<u>\$1,037,698</u>

**F. Cash and Cash Equivalents**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and local ordinances. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$138,072, which includes \$86,955 assigned from other City funds. In accordance with GASB Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Pooled Cash, Cash Equivalents and Investments."

**H. Inventory**

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

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2016, 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, 2016**

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

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

2. Depreciation

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

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

**K. Long-Term Obligations**

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

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

**L. Compensated Absences**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**L. Compensated Absences** (Continued)

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

**M. Net position**

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

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

**N. Fund Balances**

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

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**N. Fund Balances (Continued)**

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

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

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

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

**O. Pensions**

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

**P. Interfund Activity**

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

**Q. Estimates**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2016.

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

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

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

**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; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2016, the City has implemented GASB Statement No. 72, “Fair Value Measurement and Application”, GASB Statement No. 73 “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”, GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”, GASB Statement No. 77 “Tax Abatement Disclosures” and GASB Statement No. 79, “Certain External Investment Pools and Pool Participants”.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the City.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the City.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 3 – 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	Capital Improvement Fund	Capital Replacement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$17,823	\$0	\$0	\$29,512	\$47,335
Prepaid Items	48,534	10,925	0	910	60,369
Total Nonspendable	<u>66,357</u>	<u>10,925</u>	<u>0</u>	<u>30,422</u>	<u>107,704</u>
Restricted:					
General Obligation Debt Service Payments	0	0	0	13,767	13,767
Street Construction and Maintenance	0	0	0	421,053	421,053
Motor Vehicle License Tax	0	0	0	28,929	28,929
State Highway Improvements	0	0	0	104,784	104,784
Drug Fines	0	0	0	713	713
Law Enforcement	0	0	0	6,490	6,490
Enforcement and Education	0	0	0	940	940
Computerized Research	0	0	0	14,969	14,969
Recreation Parks	0	0	0	157,842	157,842
Keep Northwood Beautiful	0	0	0	80,206	80,206
Total Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>829,693</u>	<u>829,693</u>
Committed:					
Capital Improvements	0	4,679,537	0	0	4,679,537
Capital Replacement	0	0	1,532,654	0	1,532,654
Storm Water Management	0	0	0	578,897	578,897
Northwood Environment	0	0	0	601	601
Economic Development	0	0	0	560,728	560,728
Total Committed	<u>0</u>	<u>4,679,537</u>	<u>1,532,654</u>	<u>1,140,226</u>	<u>7,352,417</u>
Assigned:					
Fiscal Year 2016 Appropriations	23,186	0	0	0	23,186
Unassigned	4,719,158	0	0	0	4,719,158
Total Fund Balances	<u>\$4,808,701</u>	<u>\$4,690,462</u>	<u>\$1,532,654</u>	<u>\$2,000,341</u>	<u>\$13,032,158</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 4 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**A. Deposits**

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

At year end the carrying amount of the City's deposits was \$5,451,247 and the bank balance was \$5,207,915. In addition, the City had \$700 petty cash on hand. Federal depository insurance covered \$250,000 of the bank balance and \$4,957,915 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$4,957,915</u>
Total Balance	<u><u>\$4,957,915</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

**B. Investments**

The City's investments at December 31, 2016 are summarized below:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
FHLM	\$493,108	AAA <sup>1</sup> / Aaa <sup>2</sup>	Level 2	\$0	\$247,338	\$245,770
Negotiable CD's	6,216,291	N/A	N/A	1,472,801	3,261,884	1,481,606
Total Investments	<u>\$6,709,399</u>			<u>\$1,472,801</u>	<u>\$3,509,222</u>	<u>\$1,727,376</u>

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

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

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

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

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee. The City's investments in FHLM and negotiable certificates of deposit were insured by Federal Depository Insurance in the amount of \$6,709,399.

*Concentration of Credit Risk* – The City places no limit on the amount the City may invest in one issuer. The City's investments in FHLM and negotiable certificates of deposit represent 7.3% and 92.7%, respectively of the City's total investments.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 5 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 5 – 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, 2016 was \$1.60 per \$1,000 of assessed value. The assessed value upon which the 2016 tax receipts were based was \$133,989,530. This amount constitutes \$130,123,960 in real property assessed value and \$3,865,570 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 6 – TAX ABATEMENT DISCLOSURES**

As of December 31, 2016, 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, 2016.

<u>Property Tax Abatement</u>	<u>Total Amount of Taxes Abated (Incentives Abated For the Year 2016 In Actual Dollars)</u>
<i>TTE Realty LLC (2007 - 2016)</i>	
- Gross Dollar amount of taxes abated during 2016	\$171,880
<i>Adient US LLC (2013 - 2027)</i>	
- Gross Dollar amount of taxes abated during 2016	106,204
<i>Fed Ex/KW Toledo LLC (2014 - 2023)</i>	
- Gross Dollar amount of taxes abated during 2016	219,986
<i>ALCOA (1996 - 2025)</i>	
- Gross Dollar amount of taxes abated during 2016	80,995
<i>All Others</i>	
- Gross Dollar amount of taxes abated during 2016	312,626
Total	<u>\$891,691</u>

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2016 consisted of taxes, special assessments, interest receivable, accounts receivable and intergovernmental receivables.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2016:

	<u>Transfers In:</u>
	Other Governmental Funds
<u>Transfers Out:</u>	<u>Funds</u>
Capital Improvement Fund	\$150,140
Other Governmental Funds	740,176
	<u>\$890,316</u>

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

The transfer from the Capital Improvement Fund to the Other Governmental Funds is related to a debt service payment on a capital lease.

The transfer from the Other Governmental Funds to Other Governmental Funds was a court order transfer of excess debt retirement funds associated with a TIF agreement and placed into a new Economic Development Fund in order to enhance economic development within the City.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 9 – CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by *category* of changes in governmental activities capital assets at December 31, 2016:

**Historical Cost:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$426,051	\$0	\$0	\$426,051
<b>Capital assets being depreciated:</b>				
Land Improvements	33,100	0	0	33,100
Buildings and Improvements	4,038,276	81,138	0	4,119,414
Machinery and Equipment	1,348,689	213,087	(35,000)	1,526,776
Vehicles	3,045,116	840,885	(83,450)	3,802,551
Infrastructure	7,290,526	1,172,015	0	8,462,541
	15,755,707	2,307,125	(118,450)	17,944,382
Total Cost	\$16,181,758	\$2,307,125	(\$118,450)	\$18,370,433

**Accumulated Depreciation:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Land Improvements	(\$33,100)	\$0	\$0	(\$33,100)
Buildings and Improvements	(1,818,186)	(84,944)	0	(1,903,130)
Machinery and Equipment	(804,623)	(83,487)	35,000	(853,110)
Vehicles	(1,875,948)	(217,558)	76,654	(2,016,852)
Infrastructure	(1,188,314)	(231,222)	0	(1,419,536)
Total Depreciation	(\$5,720,171)	(\$617,211) *	\$111,654	(\$6,225,728)
<b>Net Value:</b>	\$10,461,587			\$12,144,705

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

Security of Persons and Property	\$201,319
Leisure Time Activities	26,028
Community Environment	1,450
Basic Utility Services	33,696
Transportation	258,411
General Government	96,307
Total Depreciation Expense	\$617,211

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

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

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

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

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

	<u>State and Local</u>
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$132,948 for 2016. Of this amount, \$13,766 is reported as an accrued wages and benefits.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
<b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$230,554 for 2016. Of this amount, \$19,176 is reported as an accrued wages and benefits.

***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, 2015, 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, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$1,472,180	\$3,317,919	\$4,790,099
Proportionate Share of Net Pension Liability - 2016	0.008499%	0.051576%	
Proportionate Share of Net Pension Liability - 2015	<u>0.008050%</u>	<u>0.053452%</u>	
Percentage Change	<u>0.000449%</u>	<u>-0.001876%</u>	
Pension Expense	\$241,182	\$438,982	\$680,164

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$468,458	\$544,218	\$1,012,676
Change in Proportionate Share	0	(4,188)	(4,188)
City contributions subsequent to the measurement date	132,948	230,554	363,502
Total Deferred Outflows of Resources	<u>\$601,406</u>	<u>\$770,584</u>	<u>\$1,371,990</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$27,494	\$87,277	\$114,771
Change in Proportionate Share	951	0	951
Total Deferred Inflows of Resources	<u>\$28,445</u>	<u>\$87,277</u>	<u>\$115,722</u>

\$363,502 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2017	\$111,129	\$125,389	\$236,518
2018	118,048	125,389	243,437
2019	112,912	125,389	238,301
2020	97,924	96,600	194,524
2021	0	(16,816)	(16,816)
2022	0	(3,198)	(3,198)
Total	<u>\$440,013</u>	<u>\$452,753</u>	<u>\$892,766</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, 2016***

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**NOTE 10 – 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, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 – 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 2015 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	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$2,345,543	\$1,472,180	\$735,527

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

***Actuarial Assumptions – OPF***

OPF’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2015 are summarized below:

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

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

\* levered 2x

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$4,375,891	\$3,317,919	\$2,421,713

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – POST-EMPLOYMENT BENEFITS**

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

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, 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. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – POST-EMPLOYMENT BENEFITS (Continued)**

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

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$22,158, \$24,199 and \$22,186, respectively, which were equal to the required contributions for each year.

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

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

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

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

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – POST-EMPLOYMENT BENEFITS (Continued)**

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ended December 31, 2016, 2015, and 2014 were \$6,067, \$5,881 and \$5,802 for police, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 12 - COMPENSATED ABSENCES**

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

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

At December 31, 2016, the City's accumulated, unpaid compensated absences amounted to \$509,422, which has been recorded as a liability of the Governmental Activities.

**NOTE 13 - CAPITAL LEASES**

The City leases equipment and a fire truck under two capital leases. The original cost of the equipment was \$8,259 and the original cost of the fire truck was \$606,875. 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 leases together with the present value of the net minimum lease payments as of December 31, 2016:

<u>Year Ending December 31,</u>	<u>Capital Lease</u>
2017	\$134,736
2018	131,702
2019	128,337
2020	<u>133,651</u>
Minimum Lease Payments	528,426
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(37,875)</u>
Present value of minimum lease payments	<u><u>\$490,551</u></u>

**CITY OF NORTHWOOD, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 14 - LONG-TERM DEBT**

Long-term debt of the City at December 31, 2016 is as follows:

	Issue Date	Original Issue Amount	Balance December 31, 2015	Issued	(Retired)	Balance December 31, 2016	Amounts Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
8.00% TIF Improvement	2007	\$2,200,000	\$2,090,000	\$0	(\$35,000)	\$2,055,000	\$35,000
Ohio Public Works Commission Loan:							
0.00% Wales Road Pavement & Storm Drainage	1999	187,790	32,855	0	(9,390)	23,465	9,390
Compensated Absences			445,616	509,422	(445,616)	509,422	152,986
Capital Leases			6,596	606,875	(122,920)	490,551	122,909
Net Pension Liability			3,739,941	1,147,327	(97,169)	4,790,099	0
Total Governmental Activities							
Long-Term Debt			\$6,315,008	\$2,263,624	(\$710,095)	\$7,868,537	\$320,285

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

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2016, follow:

Years	General Obligation Bonds		OPWC Loan	
	Principal	Interest	Principal	Interest
2017	\$35,000	\$164,400	\$9,390	\$0
2018	40,000	161,600	9,390	0
2019	45,000	158,400	4,685	0
2020	45,000	155,224	0	0
2021	50,000	151,200	0	0
2022-2026	325,000	688,378	0	0
2027-2031	470,000	538,115	0	0
2032-2036	685,000	317,943	0	0
2037-2038	360,000	37,600	0	0
Totals	\$2,055,000	\$2,372,860	\$23,465	\$0

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 15 - CONSTRUCTION COMMITMENTS**

As of December 31, 2016 the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Mason Street Drainage Improvement	\$44,479	2017
Wales/East Broadway Intersection Improvements	71,750	2017
Brentwood Park Concession Stand	120,000	2017
Brentwood Park Disc Golf Trees and Soccer Goals	9,181	2017
2016 Road Resurfacing Program	22,169	2017
Demolition of Woodville Mall Buildings	2,000,000	2017
Total	<u>\$2,267,579</u>	

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 16 - RISK MANAGEMENT**

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

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

The City obtained insurance coverage from the Pool from July, 2016 through July, 2017 for various insurance coverages, as follows:

Type of Coverage	Limits
Property	\$8,922,890
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	\$567,939
Fire Vehicles	\$1,575,734
Bonds	\$50,000
Crime	\$25,000
EDP	\$50,000
Employee Benefit Liability	\$5,000,000/ \$7,000,000

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

Changes in the claims liability amount in fiscal 2015 and 2016 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Year End</u>
2015	\$2,056	\$33,102	(\$35,158)	\$0
2016	0	33,015	(33,015)	0

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

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

**NOTE 17 - CONTINGENCIES**

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

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

**NOTE 18 – SIGNIFICANT COMMITMENTS**

There were significant encumbrances outstanding at year-end in the Capital Improvement Fund (capital projects fund) in the amount of \$30,794. This amount is reported as part of the committed fund balance.

*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF NORTHWOOD, OHIO**

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

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**Ohio Public Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.008050%	0.008050%	0.008499%
City's proportionate share of the net pension liability (asset)	\$948,990	\$970,920	\$1,472,180
City's covered-employee payroll	\$1,208,238	\$1,006,617	\$1,209,892
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee 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	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.0534517%	0.0534517%	0.051576%
City's proportionate share of the net pension liability (asset)	\$2,603,265	\$2,769,021	\$3,317,919
City's covered-employee payroll	\$1,279,754	\$1,082,878	\$1,112,464
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee 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 2013 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.



**CITY OF NORTHWOOD, OHIO**

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***Schedule of City Contributions  
Last Four Years***

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**Ohio Public Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$157,071	\$120,794	\$145,187	\$132,948
Contributions in relation to the contractually required contribution	<u>157,071</u>	<u>120,794</u>	<u>145,187</u>	<u>132,948</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,208,238	\$1,006,617	\$1,209,892	\$1,107,900
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

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

**Ohio Police and Fire Pension Fund**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$218,582	\$220,474	\$223,494	\$230,554
Contributions in relation to the contractually required contribution	<u>218,582</u>	<u>220,474</u>	<u>223,494</u>	<u>230,554</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,279,754	\$1,082,878	\$1,112,464	\$1,147,606
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.09%	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.



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Construction, Maintenance and Repair Fund**

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

**Motor Vehicle License Tax Fund**

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

**State Highway Improvement Fund**

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

**Northwood Waste/Environmental Fund**

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

**Drug Fine Fund**

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

**Special Law Enforcement Fund**

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

**Enforcement and Education Fund**

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

**Computerized Research Fund**

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

(Continued)

***Special Revenue Funds***

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**Storm Water Fund**

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

**Keep Northwood Beautiful Fund**

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

**Northwood Civic Events Fund**

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

***Debt Service Fund***

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The Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

**General Obligation Debt Retirement Fund**

This fund is used to account for the accumulation of resources for and the payment of, principal and interest on general obligation debt.

***Capital Projects Funds***

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

**Recreation Parks Combined Fund**

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

**Economic Development Acquisition Fund**

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

**CITY OF NORTHWOOD, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,112,303	\$ 13,767	\$ 718,570	\$ 1,844,640
Receivables:				
Taxes	1,257	89,694	0	90,951
Accounts	86,654	0	0	86,654
Intergovernmental	138,603	14,079	0	152,682
Inventory of Supplies, at Cost	29,512	0	0	29,512
Prepaid Items	910	0	0	910
<b>Total Assets</b>	<b>\$ 1,369,239</b>	<b>\$ 117,540</b>	<b>\$ 718,570</b>	<b>\$ 2,205,349</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 98	\$ 0	\$ 0	\$ 98
Accrued Wages and Benefits Payable	8,735	0	0	8,735
<b>Total Liabilities</b>	<b>8,833</b>	<b>0</b>	<b>0</b>	<b>8,833</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	92,402	14,079	0	106,481
Property Tax for Next Fiscal Year	0	89,694	0	89,694
<b>Total Deferred Inflows of Resources</b>	<b>92,402</b>	<b>103,773</b>	<b>0</b>	<b>196,175</b>
<b>Fund Balances:</b>				
Nonspendable	30,422	0	0	30,422
Restricted	658,084	13,767	157,842	829,693
Committed	579,498	0	560,728	1,140,226
<b>Total Fund Balances</b>	<b>1,268,004</b>	<b>13,767</b>	<b>718,570</b>	<b>2,000,341</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,369,239</b>	<b>\$ 117,540</b>	<b>\$ 718,570</b>	<b>\$ 2,205,349</b>

**CITY OF NORTHWOOD, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Other Local Taxes	\$ 15,308	\$ 0	\$ 1,400	\$ 16,708
Intergovernmental Revenues	333,622	4,696	2,500	340,818
Payments in Lieu of Taxes	0	110,109	80,995	191,104
Charges for Services	263,977	0	0	263,977
Licenses and Permits	1,572	0	0	1,572
Investment Earnings	10,859	0	0	10,859
Fines and Forfeitures	18,039	0	0	18,039
All Other Revenue	20	0	0	20
<b>Total Revenue</b>	<b>643,397</b>	<b>114,805</b>	<b>84,895</b>	<b>843,097</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	134	0	0	134
Community Environment	18,805	0	260,443	279,248
Basic Utility Services	364,284	0	0	364,284
Transportation	404,126	0	0	404,126
General Government	11,662	0	0	11,662
Capital Outlay	0	0	7,450	7,450
Debt Service:				
Principal Retirement	0	165,765	0	165,765
Interest & Fiscal Charges	0	85,831	0	85,831
<b>Total Expenditures</b>	<b>799,011</b>	<b>251,596</b>	<b>267,893</b>	<b>1,318,500</b>
Excess (Deficiency) of Revenues Over Expenditures	(155,614)	(136,791)	(182,998)	(475,403)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	150,140	740,176	890,316
Transfers Out	0	(740,176)	0	(740,176)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(590,036)</b>	<b>740,176</b>	<b>150,140</b>
Net Change In Fund Balance	(155,614)	(726,827)	557,178	(325,263)
<b>Fund Balances at Beginning of Year</b>	<b>1,467,355</b>	<b>740,594</b>	<b>161,392</b>	<b>2,369,341</b>
Decrease in Inventory Reserve	(43,737)	0	0	(43,737)
<b>Fund Balances End of Year</b>	<b>\$ 1,268,004</b>	<b>\$ 13,767</b>	<b>\$ 718,570</b>	<b>\$ 2,000,341</b>

**CITY OF NORTHWOOD, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste/ Environmental
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 386,940	\$ 27,672	\$ 101,431	\$ 584
Receivables:				
Taxes	0	1,257	0	0
Accounts	0	0	0	17
Intergovernmental	128,208	0	10,395	0
Inventory of Supplies, at Cost	29,512	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 544,660</b>	<b>\$ 28,929</b>	<b>\$ 111,826</b>	<b>\$ 601</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	8,623	0	112	0
<b>Total Liabilities</b>	<b>8,623</b>	<b>0</b>	<b>112</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	85,472	0	6,930	0
<b>Total Deferred Inflows of Resources</b>	<b>85,472</b>	<b>0</b>	<b>6,930</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	29,512	0	0	0
Restricted	421,053	28,929	104,784	0
Committed	0	0	0	601
<b>Total Fund Balances</b>	<b>450,565</b>	<b>28,929</b>	<b>104,784</b>	<b>601</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 544,660</b>	<b>\$ 28,929</b>	<b>\$ 111,826</b>	<b>\$ 601</b>



**CITY OF NORTHWOOD, OHIO**

Drug Fine	Special Law Enforcement	Enforcement and Education	Computerized Research	Storm Water Management	Keep Northwood Beautiful	Total Nonmajor Special Revenue Funds
\$ 713	\$ 6,490	\$ 940	\$ 15,067	\$ 492,260	\$ 80,206	\$ 1,112,303
0	0	0	0	0	0	1,257
0	0	0	0	86,637	0	86,654
0	0	0	0	0	0	138,603
0	0	0	0	0	0	29,512
910	0	0	0	0	0	910
<u>\$ 1,623</u>	<u>\$ 6,490</u>	<u>\$ 940</u>	<u>\$ 15,067</u>	<u>\$ 578,897</u>	<u>\$ 80,206</u>	<u>\$ 1,369,239</u>
\$ 0	\$ 0	\$ 0	\$ 98	\$ 0	\$ 0	\$ 98
0	0	0	0	0	0	8,735
0	0	0	98	0	0	8,833
0	0	0	0	0	0	92,402
0	0	0	0	0	0	92,402
910	0	0	0	0	0	30,422
713	6,490	940	14,969	0	80,206	658,084
0	0	0	0	578,897	0	579,498
<u>1,623</u>	<u>6,490</u>	<u>940</u>	<u>14,969</u>	<u>578,897</u>	<u>80,206</u>	<u>1,268,004</u>
<u>\$ 1,623</u>	<u>\$ 6,490</u>	<u>\$ 940</u>	<u>\$ 15,067</u>	<u>\$ 578,897</u>	<u>\$ 80,206</u>	<u>\$ 1,369,239</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, 2016**

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste/ Environmental
<b>Revenues:</b>				
Other Local Taxes	\$ 0	\$ 15,308	\$ 0	\$ 0
Intergovernmental Revenues	303,732	0	24,625	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	1,572
Investment Earnings	6,515	1,086	1,086	1,086
Fines and Forfeitures	0	0	0	0
All Other Revenue	20	0	0	0
<b>Total Revenue</b>	<u>310,267</u>	<u>16,394</u>	<u>25,711</u>	<u>2,658</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Community Environment	0	0	0	4,159
Basic Utility Services	0	0	0	0
Transportation	373,274	18,261	12,591	0
General Government	0	0	0	0
<b>Total Expenditures</b>	<u>373,274</u>	<u>18,261</u>	<u>12,591</u>	<u>4,159</u>
Excess (Deficiency) of Revenues Over Expenditures	(63,007)	(1,867)	13,120	(1,501)
<b>Fund Balances at Beginning of Year</b>	557,309	30,796	91,664	2,102
Decrease in Inventory Reserve	(43,737)	0	0	0
<b>Fund Balances End of Year</b>	<u>\$ 450,565</u>	<u>\$ 28,929</u>	<u>\$ 104,784</u>	<u>\$ 601</u>

**CITY OF NORTHWOOD, OHIO**

Drug Fine	Special Law Enforcement	Enforcement and Education	Computerized Research	Storm Water Management	Keep Northwood Beautiful	Northwood Civic Events	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,308
0	0	0	0	0	5,265	0	333,622
0	0	0	0	263,977	0	0	263,977
0	0	0	0	0	0	0	1,572
0	1,086	0	0	0	0	0	10,859
1,244	0	905	15,890	0	0	0	18,039
0	0	0	0	0	0	0	20
<u>1,244</u>	<u>1,086</u>	<u>905</u>	<u>15,890</u>	<u>263,977</u>	<u>5,265</u>	<u>0</u>	<u>643,397</u>
134	0	0	0	0	0	0	134
0	0	0	0	0	9,633	5,013	18,805
0	0	0	0	364,284	0	0	364,284
0	0	0	0	0	0	0	404,126
0	0	381	11,281	0	0	0	11,662
<u>134</u>	<u>0</u>	<u>381</u>	<u>11,281</u>	<u>364,284</u>	<u>9,633</u>	<u>5,013</u>	<u>799,011</u>
1,110	1,086	524	4,609	(100,307)	(4,368)	(5,013)	(155,614)
513	5,404	416	10,360	679,204	84,574	5,013	1,467,355
0	0	0	0	0	0	0	(43,737)
<u>\$ 1,623</u>	<u>\$ 6,490</u>	<u>\$ 940</u>	<u>\$ 14,969</u>	<u>\$ 578,897</u>	<u>\$ 80,206</u>	<u>\$ 0</u>	<u>\$ 1,268,004</u>

**CITY OF NORTHWOOD, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2016**

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	<u>Recreation Parks Combined</u>	<u>Economic Development Acquisition</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 157,842	\$ 560,728	\$ 718,570
<b>Total Assets</b>	<u>\$ 157,842</u>	<u>\$ 560,728</u>	<u>\$ 718,570</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>			
Restricted	157,842	0	157,842
Committed	<u>0</u>	<u>560,728</u>	<u>560,728</u>
<b>Total Fund Balances</b>	<u>157,842</u>	<u>560,728</u>	<u>718,570</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 157,842</u>	<u>\$ 560,728</u>	<u>\$ 718,570</u>

**CITY OF NORTHWOOD, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016**

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	Recreation Parks Combined	Economic Development Acquisition	Total Nonmajor Capital Project Funds
<b>Revenues:</b>			
Other Local Taxes	\$ 1,400	\$ 0	\$ 1,400
Intergovernmental Revenues	2,500	0	2,500
Payments in Lieu of Taxes	0	80,995	80,995
<b>Total Revenue</b>	<u>3,900</u>	<u>80,995</u>	<u>84,895</u>
<b>Expenditures:</b>			
Community Environment	0	260,443	260,443
Capital Outlay	7,450	0	7,450
<b>Total Expenditures</b>	<u>7,450</u>	<u>260,443</u>	<u>267,893</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,550)	(179,448)	(182,998)
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	740,176	740,176
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>740,176</u>	<u>740,176</u>
Net Change In Fund Balances	(3,550)	560,728	557,178
<b>Fund Balances at Beginning of Year</b>	<u>161,392</u>	<u>0</u>	<u>161,392</u>
<b>Fund Balances End of Year</b>	<u>\$ 157,842</u>	<u>\$ 560,728</u>	<u>\$ 718,570</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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 216,556	\$ 217,756	\$ 217,531	\$ (225)
Municipal Income Taxes	3,635,000	4,377,500	4,365,251	(12,249)
Other Local Taxes	20,000	30,100	30,019	(81)
Intergovernmental Revenues	287,600	317,900	314,023	(3,877)
Charges for Services	110,000	128,560	127,267	(1,293)
Licenses and Permits	96,800	108,100	103,250	(4,850)
Investment Earnings	50,000	97,800	97,722	(78)
Special Assessments	78,050	78,490	78,109	(381)
Fines and Forfeitures	134,700	161,700	161,552	(148)
Donations	1,000	500	91	(409)
All Other Revenues	68,250	111,250	110,861	(389)
Total Revenues	4,697,956	5,629,656	5,605,676	(23,980)
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	1,781,560	1,813,930	1,738,647	75,283
Materials and Supplies	94,050	74,050	68,592	5,458
Contractual Services	47,200	56,200	51,121	5,079
Other Expenditures	4,000	4,000	1,128	2,872
Total Police Department	1,926,810	1,948,180	1,859,488	88,692
Fire Department:				
Personal Services	497,565	477,565	458,327	19,238
Materials and Supplies	117,165	117,165	103,391	13,774
Contractual Services	40,935	40,935	32,929	8,006
Total Fire Department	655,665	635,665	594,647	41,018
Civil Defense:				
Contractual Services	3,000	6,200	6,166	34
Police and Fire Communications:				
Personal Services	365,000	389,500	382,502	6,998
Materials and Supplies	4,700	4,700	4,356	344
Contractual Services	6,900	6,900	3,342	3,558
Total Police and Fire Communications	376,600	401,100	390,200	10,900
Total Security of Persons and Property	2,962,075	2,991,145	2,850,501	140,644

(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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
County Board of Health:				
Contractual Services	6,500	6,500	5,966	534
Total Public Health and Welfare Services	6,500	6,500	5,966	534
Leisure Time Activities:				
Parks and Playgrounds:				
Materials and Supplies	2,000	2,000	1,649	351
Contractual Services	19,000	12,500	11,520	980
Capital Outlay	5,000	5,000	4,368	632
Total Parks and Playgrounds	26,000	19,500	17,537	1,963
Recreation:				
Contractual Services	2,000	2,000	2,000	0
Baseball Programs:				
Materials and Supplies	10,400	10,400	10,377	23
Contractual Services	17,200	17,200	11,290	5,910
Other Expenditures	100	200	135	65
Total Baseball Programs	27,700	27,800	21,802	5,998
Total Leisure Time Activities	55,700	49,300	41,339	7,961
Community Environment:				
Planning and Zoning:				
Personal Services	81,505	81,505	78,157	3,348
Materials and Supplies	2,275	2,675	2,061	614
Contractual Services	300	300	171	129
Total Planning and Zoning	84,080	84,480	80,389	4,091
Weed Control and Tree Care:				
Personal Services	20,000	26,000	25,174	826
Materials and Supplies	1,000	1,000	953	47
Contractual Services	7,000	7,000	4,377	2,623
Capital Outlay	1,000	1,000	997	3
Total Weed Control and Tree Care	29,000	35,000	31,501	3,499

(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, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Materials and Supplies	10,000	12,000	11,859	141
Contractual Services	18,000	18,000	18,000	0
Total Economic Development	28,000	30,000	29,859	141
Total Community Environment	141,080	149,480	141,749	7,731
Transportation:				
Street Maintenance and Repair:				
Personal Services	122,250	122,250	102,764	19,486
Materials and Supplies	33,000	27,500	23,104	4,396
Contractual Services	1,200	1,200	1,137	63
Total Transportation	156,450	150,950	127,005	23,945
General Government:				
Mayor:				
Personal Services	35,885	36,185	36,118	67
Materials and Supplies	1,600	2,100	1,395	705
Contractual Services	400	400	131	269
Total Mayor	37,885	38,685	37,644	1,041
Finance Director:				
Personal Services	288,400	288,400	282,288	6,112
Materials and Supplies	6,500	8,200	7,640	560
Contractual Services	19,600	20,270	19,949	321
Total Finance Director	314,500	316,870	309,877	6,993
City Administrator:				
Personal Services	103,145	103,145	100,935	2,210
Materials and Supplies	1,500	1,500	1,279	221
Contractual Services	300	300	171	129
Total City Administrator	104,945	104,945	102,385	2,560
Legal Administration:				
Personal Services	81,300	81,300	65,376	15,924
Materials and Supplies	3,000	5,000	4,275	725
Contractual Services	12,700	12,700	12,509	191
Total Legal Administration	97,000	99,000	82,160	16,840

(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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Council:				
Personal Services	56,110	56,110	54,396	1,714
Materials and Supplies	700	700	337	363
Total City Council	56,810	56,810	54,733	2,077
City Clerk:				
Personal Services	68,870	48,870	43,068	5,802
Materials and Supplies	3,000	3,000	2,217	783
Contractual Services	8,800	8,800	7,361	1,439
Total City Clerk	80,670	60,670	52,646	8,024
Mayor's Court:				
Personal Services	110,825	110,825	109,958	867
Materials and Supplies	5,300	5,300	3,409	1,891
Contractual Services	12,800	12,800	11,713	1,087
Total Mayor's Court	128,925	128,925	125,080	3,845
Civil Service Commission:				
Materials and Supplies	100	100	0	100
Contractual Services	6,000	6,000	1,636	4,364
Total Civil Service Commission	6,100	6,100	1,636	4,464
Buildings and Grounds:				
Personal Services	72,790	80,590	78,793	1,797
Materials and Supplies	7,000	7,000	5,243	1,757
Contractual Services	23,150	23,150	19,978	3,172
Other Expenditures	11,520	26,520	26,348	172
Total Buildings and Grounds	114,460	137,260	130,362	6,898
General Miscellaneous:				
Contractual Services	19,500	19,500	14,956	4,544
Special Assessments:				
Contractual Services	70,000	76,600	72,872	3,728
Total Special Assessments	70,000	76,600	72,872	3,728

(Continued)

**CITY OF NORTHWOOD, OHIO**

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***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, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Administrative:				
Personal Services	0	3,200	2,520	680
Materials and Supplies	8,500	12,000	10,674	1,326
Contractual Services	265,000	277,000	257,159	19,841
Other Expenditures	127,000	149,500	146,714	2,786
Total General Administrative	<u>400,500</u>	<u>441,700</u>	<u>417,067</u>	<u>24,633</u>
Total General Government	<u>1,431,295</u>	<u>1,487,065</u>	<u>1,401,418</u>	<u>85,647</u>
Total Expenditures	<u>4,753,100</u>	<u>4,834,440</u>	<u>4,567,978</u>	<u>266,462</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,144)	795,216	1,037,698	242,482
Fund Balance at Beginning of Year	3,231,505	3,231,505	3,231,505	0
Prior Year Encumbrances	670	670	670	0
Fund Balance at End of Year	<u>\$ 3,177,031</u>	<u>\$ 4,027,391</u>	<u>\$ 4,269,873</u>	<u>\$ 242,482</u>

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Capital Projects Fund  
For the Year Ended December 31, 2016**

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Municipal Income Taxes	\$ 1,045,500	\$ 1,265,500	\$ 1,247,215	\$ (18,285)
Intergovernmental Revenues	0	85,000	85,000	0
Special Assessments	0	3,300	3,300	0
Fines and Forfeitures	500	500	145	(355)
Donations	500	67,500	67,004	(496)
All Other Revenues	0	8,000	7,959	(41)
Total Revenues	<u>1,046,500</u>	<u>1,429,800</u>	<u>1,410,623</u>	<u>(19,177)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Security of Persons and Property	41,700	41,700	24,935	16,765
Transportation	724,438	904,610	810,401	94,209
General Government	726,385	733,465	419,568	313,897
Total Expenditures	<u>1,492,523</u>	<u>1,679,775</u>	<u>1,254,904</u>	<u>424,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(446,023)	(249,975)	155,719	405,694
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(150,140)	(150,140)	(150,140)	0
Total Other Financing Sources (Uses)	<u>(150,140)</u>	<u>(150,140)</u>	<u>(150,140)</u>	<u>0</u>
Net Change In Fund Balance	(596,163)	(400,115)	5,579	405,694
Fund Balance at Beginning of Year	4,330,933	4,330,933	4,330,933	0
Prior Year Encumbrances	187,252	187,252	187,252	0
Fund Balance at End of Year	<u>\$ 3,922,022</u>	<u>\$ 4,118,070</u>	<u>\$ 4,523,764</u>	<u>\$ 405,694</u>

**CITY OF NORTHWOOD, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Capital Projects Fund  
For the Year Ended December 31, 2016**

<b>CAPITAL REPLACEMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 522,750	\$ 632,750	\$ 623,607	\$ (9,143)
Intergovernmental Revenues	0	605,375	0	(605,375)
Total Revenues	<u>522,750</u>	<u>1,238,125</u>	<u>623,607</u>	<u>(614,518)</u>
<b>Expenditures:</b>				
Capital Outlay	552,610	1,202,873	1,098,147	104,726
Total Expenditures	<u>552,610</u>	<u>1,202,873</u>	<u>1,098,147</u>	<u>104,726</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,860)	35,252	(474,540)	(509,792)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	1,535	3,035	3,000	(35)
Total Other Financing Sources (Uses)	<u>1,535</u>	<u>3,035</u>	<u>3,000</u>	<u>(35)</u>
Net Change in Fund Balance	(28,325)	38,287	(471,540)	(509,827)
Fund Balance at Beginning of Year	1,269,255	1,269,255	1,269,255	0
Prior Year Encumbrances	43,038	43,038	43,038	0
Fund Balance at End of Year	<u>\$ 1,283,968</u>	<u>\$ 1,350,580</u>	<u>\$ 840,753</u>	<u>\$ (509,827)</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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 299,000	\$ 302,850	\$ 302,788	\$ (62)
Investment Earnings	1,000	6,600	6,515	(85)
All Other Revenues	0	50	20	(30)
Total Revenues	<u>300,000</u>	<u>309,500</u>	<u>309,323</u>	<u>(177)</u>
<b>Expenditures:</b>				
Transportation:				
Street Maintenance and Repair:				
Personal Services	250,000	250,000	248,066	1,934
Materials and Supplies	10,000	10,000	9,394	606
Total Street Maintenance and Repair	<u>260,000</u>	<u>260,000</u>	<u>257,460</u>	<u>2,540</u>
Snow and Ice Removal:				
Personal Services	25,000	25,000	7,040	17,960
Materials and Supplies	90,000	68,000	59,253	8,747
Contractual Services	12,000	34,000	32,559	1,441
Total Snow and Ice Removal	<u>127,000</u>	<u>127,000</u>	<u>98,852</u>	<u>28,148</u>
Traffic Signals and Signs:				
Personal Services	10,000	10,000	8,958	1,042
Materials and Supplies	4,000	10,530	8,911	1,619
Contractual Services	25,500	28,501	8,667	19,834
Total Traffic Signals and Signs	<u>39,500</u>	<u>49,031</u>	<u>26,536</u>	<u>22,495</u>
Total Expenditures	<u>426,500</u>	<u>436,031</u>	<u>382,848</u>	<u>53,183</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,500)	(126,531)	(73,525)	53,006
Fund Balance at Beginning of Year	450,934	450,934	450,934	0
Prior Year Encumbrances	9,531	9,531	9,531	0
Fund Balance at End of Year	<u>\$ 333,965</u>	<u>\$ 333,934</u>	<u>\$ 386,940</u>	<u>\$ 53,006</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Other Local Taxes	\$ 16,000	\$ 16,900	\$ 16,554	\$ (346)
Investment Earnings	500	1,100	1,086	(14)
Total Revenues	<u>16,500</u>	<u>18,000</u>	<u>17,640</u>	<u>(360)</u>
<b>Expenditures:</b>				
Transportation:				
Contractual Services	<u>20,000</u>	<u>20,000</u>	<u>18,261</u>	<u>1,739</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>18,261</u>	<u>1,739</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,500)	(2,000)	(621)	1,379
Fund Balance at Beginning of Year	<u>28,293</u>	<u>28,293</u>	<u>28,293</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,793</u>	<u>\$ 26,293</u>	<u>\$ 27,672</u>	<u>\$ 1,379</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, 2016**

STATE HIGHWAY IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 24,000	\$ 24,650	\$ 24,550	\$ (100)
Investment Earnings	500	1,100	1,086	(14)
Total Revenues	<u>24,500</u>	<u>25,750</u>	<u>25,636</u>	<u>(114)</u>
<b>Expenditures:</b>				
Transportation:				
Street Maintenance and Repair:				
Personal Services	12,200	12,200	12,051	149
Snow and Ice Removal:				
Materials and Supplies	11,500	11,500	0	11,500
Traffic Signals and Signs:				
Contractual Services	1,000	1,000	546	454
Total Expenditures	<u>24,700</u>	<u>24,700</u>	<u>12,597</u>	<u>12,103</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200)	1,050	13,039	11,989
Fund Balance at Beginning of Year	88,392	88,392	88,392	0
Fund Balance at End of Year	<u>\$ 88,192</u>	<u>\$ 89,442</u>	<u>\$ 101,431</u>	<u>\$ 11,989</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and Permits	\$ 5,500	\$ 4,500	\$ 2,011	\$ (2,489)
Investment Earnings	500	1,500	1,086	(414)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>3,097</u>	<u>(2,903)</u>
<b>Expenditures:</b>				
Community Environment:				
Personal Services	<u>4,560</u>	<u>4,560</u>	<u>4,219</u>	<u>341</u>
Total Expenditures	<u>4,560</u>	<u>4,560</u>	<u>4,219</u>	<u>341</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,440	1,440	(1,122)	(2,562)
Fund Balance at Beginning of Year	<u>1,706</u>	<u>1,706</u>	<u>1,706</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,146</u>	<u>\$ 3,146</u>	<u>\$ 584</u>	<u>\$ (2,562)</u>



**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,300	\$ 1,244	\$ (56)
Total Revenues	<u>1,000</u>	<u>1,300</u>	<u>1,244</u>	<u>(56)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Capital Outlay	<u>1,800</u>	<u>1,800</u>	<u>1,044</u>	<u>756</u>
Total Expenditures	<u>1,800</u>	<u>1,800</u>	<u>1,044</u>	<u>756</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800)	(500)	200	700
Fund Balance at Beginning of Year	<u>513</u>	<u>513</u>	<u>513</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (287)</u>	<u>\$ 13</u>	<u>\$ 713</u>	<u>\$ 700</u>

**CITY OF NORTHWOOD, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 1,500	\$ 1,086	\$ (414)
Fines and Forfeitures	3,500	2,500	0	(2,500)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>1,086</u>	<u>(2,914)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	1,000	1,000	0	1,000
Capital Outlay	3,600	3,600	0	3,600
Total Expenditures	<u>4,600</u>	<u>4,600</u>	<u>0</u>	<u>4,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	(600)	1,086	1,686
Fund Balance at Beginning of Year	<u>5,404</u>	<u>5,404</u>	<u>5,404</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,804</u>	<u>\$ 4,804</u>	<u>\$ 6,490</u>	<u>\$ 1,686</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 905	\$ (95)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>905</u>	<u>(95)</u>
<b>Expenditures:</b>				
General Government:				
Materials and Supplies	500	500	381	119
Total Expenditures	<u>500</u>	<u>500</u>	<u>381</u>	<u>119</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	500	524	24
Fund Balance at Beginning of Year	416	416	416	0
Fund Balance at End of Year	<u>\$ 916</u>	<u>\$ 916</u>	<u>\$ 940</u>	<u>\$ 24</u>

**CITY OF NORTHWOOD, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 14,000	\$ 16,000	\$ 15,890	\$ (110)
Total Revenues	<u>14,000</u>	<u>16,000</u>	<u>15,890</u>	<u>(110)</u>
<b>Expenditures:</b>				
General Government:				
Capital Outlay	<u>12,000</u>	<u>12,000</u>	<u>11,272</u>	<u>728</u>
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>11,272</u>	<u>728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	4,000	4,618	618
Fund Balance at Beginning of Year	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,360</u>	<u>\$ 14,360</u>	<u>\$ 14,978</u>	<u>\$ 618</u>

**CITY OF NORTHWOOD, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 275,000	\$ 275,000	\$ 268,561	\$ (6,439)
Total Revenues	<u>275,000</u>	<u>275,000</u>	<u>268,561</u>	<u>(6,439)</u>
<b>Expenditures:</b>				
Basic Utility Services:				
Personal Services	24,800	24,800	20,148	4,652
Contractual Services	13,300	13,000	6,488	6,512
Capital Outlay	<u>331,464</u>	<u>347,080</u>	<u>337,788</u>	<u>9,292</u>
Total Expenditures	<u>369,564</u>	<u>384,880</u>	<u>364,424</u>	<u>20,456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94,564)	(109,880)	(95,863)	14,017
Fund Balance at Beginning of Year	<u>588,123</u>	<u>588,123</u>	<u>588,123</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 493,559</u>	<u>\$ 478,243</u>	<u>\$ 492,260</u>	<u>\$ 14,017</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 5,500	\$ 5,500	\$ 5,265	\$ (235)
Total Revenues	<u>5,500</u>	<u>5,500</u>	<u>5,265</u>	<u>(235)</u>
<b>Expenditures:</b>				
Community Environment:				
Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>9,633</u>	<u>10,367</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>9,633</u>	<u>10,367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,500)	(14,500)	(4,368)	10,132
Fund Balance at Beginning of Year	<u>84,574</u>	<u>84,574</u>	<u>84,574</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 70,074</u>	<u>\$ 70,074</u>	<u>\$ 80,206</u>	<u>\$ 10,132</u>

**CITY OF NORTHWOOD, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Community Environment:				
Materials and Supplies	3,000	5,013	5,013	0
Total Expenditures	3,000	5,013	5,013	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	(5,013)	(5,013)	0
Fund Balance at Beginning of Year	5,013	5,013	5,013	0
Fund Balance at End of Year	\$ 2,013	\$ 0	\$ 0	\$ 0

**CITY OF NORTHWOOD, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Fund  
For the Year Ended December 31, 2016***

**GENERAL OBLIGATION DEBT RETIREMENT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Payments in Lieu of Taxes	\$ 202,000	\$ 202,700	\$ 110,109	\$ (92,591)
Intergovernmental Revenues	4,695	4,700	4,696	(4)
Total Revenues	<u>206,695</u>	<u>207,400</u>	<u>114,805</u>	<u>(92,595)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	174,390	174,400	165,765	8,635
Interest and Fiscal Charges	183,140	183,130	85,831	97,299
Total Expenditures	<u>357,530</u>	<u>357,530</u>	<u>251,596</u>	<u>105,934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,835)	(150,130)	(136,791)	13,339
<b>Other Financing Sources (Uses):</b>				
Transfers In	4,700	150,695	150,140	(555)
Transfers Out	0	(740,176)	(740,176)	0
Total Other Financing Sources (Uses)	<u>4,700</u>	<u>(589,481)</u>	<u>(590,036)</u>	<u>(555)</u>
Net Change in Fund Balance	(146,135)	(739,611)	(726,827)	12,784
Fund Balance at Beginning of Year	740,594	740,594	740,594	0
Fund Balance at End of Year	<u>\$ 594,459</u>	<u>\$ 983</u>	<u>\$ 13,767</u>	<u>\$ 12,784</u>



**CITY OF NORTHWOOD, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Other Local Taxes	\$ 2,000	\$ 2,000	\$ 1,400	\$ (600)
Intergovernmental Revenues	2,500	2,500	2,500	0
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>3,900</u>	<u>(600)</u>
<b>Expenditures:</b>				
Capital Outlay	<u>44,870</u>	<u>44,870</u>	<u>7,450</u>	<u>37,420</u>
Total Expenditures	<u>44,870</u>	<u>44,870</u>	<u>7,450</u>	<u>37,420</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,370)	(40,370)	(3,550)	36,820
Fund Balance at Beginning of Year	<u>161,392</u>	<u>161,392</u>	<u>161,392</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 121,022</u>	<u>\$ 121,022</u>	<u>\$ 157,842</u>	<u>\$ 36,820</u>

**CITY OF NORTHWOOD, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016***

<b>ECONOMIC DEVELOPMENT AND ACQUISITION FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Payments in Lieu of Taxes	\$ 0	\$ 81,000	\$ 80,995	\$ (5)
Total Revenues	<u>0</u>	<u>81,000</u>	<u>80,995</u>	<u>(5)</u>
<b>Expenditures:</b>				
Community Environment:				
Capital Outlay	168,000	268,000	260,443	7,557
Total Expenditures	<u>168,000</u>	<u>268,000</u>	<u>260,443</u>	<u>7,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(168,000)	(187,000)	(179,448)	7,552
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	0	740,200	740,176	(24)
Total Other Financing Sources (Uses)	<u>0</u>	<u>740,200</u>	<u>740,176</u>	<u>(24)</u>
Net Change in Fund Balance	(168,000)	553,200	560,728	7,528
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ (168,000)</u>	<u>\$ 553,200</u>	<u>\$ 560,728</u>	<u>\$ 7,528</u>

***Fiduciary Fund***

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

***Agency Fund***

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**Mayor's Court Fund**

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

**CITY OF NORTHWOOD, OHIO**

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***Statement Of Changes In Assets And Liabilities  
Agency Fund  
For the Year Ended December 31, 2016***

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	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Mayor's Court Fund</u>				
Cash and Cash Equivalents	\$1,049	\$247,146	(\$248,133)	\$62
Total Assets	<u>\$1,049</u>	<u>\$247,146</u>	<u>(\$248,133)</u>	<u>\$62</u>
Liabilities:				
Due to Others	\$1,049	\$247,146	(\$248,133)	\$62
Total Liabilities	<u>\$1,049</u>	<u>\$247,146</u>	<u>(\$248,133)</u>	<u>\$62</u>

*STATISTICAL SECTION*

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## ***STATISTICAL TABLES***

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

### ***Contents***

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

## *City of Northwood*

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

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	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$5,587,177	\$6,116,752	\$8,091,560	\$8,446,516
Restricted	3,867,539	4,308,532	4,027,308	4,863,846
Unrestricted	(294,696)	(988,847)	(1,704,094)	(1,272,233)
Total Governmental Activities Net Position	<u>\$9,160,020</u>	<u>\$9,436,437</u>	<u>\$10,414,774</u>	<u>\$12,038,129</u>

Source: Finance Director's Office



*City of Northwood*

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$8,284,546	\$9,368,500	\$9,457,531	\$9,561,074	\$10,422,136	\$11,630,689
5,989,880	5,056,816	878,115	1,743,885	1,745,010	948,082
(232,073)	867,561	6,936,669	7,817,154	5,466,887	6,639,970
<u>\$14,042,353</u>	<u>\$15,292,877</u>	<u>\$17,272,315</u>	<u>\$19,122,113</u>	<u>\$17,634,033</u>	<u>\$19,218,741</u>

## City of Northwood

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

	2007	2008	2009	2010
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$2,891,340	\$2,926,916	\$2,933,171	\$2,503,028
Public Health and Welfare Services	7,869	8,164	8,975	8,833
Leisure Time Activities	98,108	82,278	68,744	82,707
Community Environment	582,567	201,995	345,967	381,282
Basic Utility Services	416,410	200,738	530,276	172,679
Transportation	3,152,393	873,865	652,731	376,340
General Government	1,765,444	2,250,336	1,648,872	1,468,895
Interest and Fiscal Charges	73,790	77,672	36,024	181,053
<i>Total Primary Government Expenses</i>	\$8,987,921	\$6,621,964	\$6,224,760	\$5,174,817
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$312,025	\$189,662	\$226,894	\$220,362
Leisure Time Activities	7,980	2,995	4,755	6,105
Community Environment	91,830	17,262	15,663	16,815
Basic Utility Services	359,903	295,004	243,580	174,697
Transportation	32,915	24,103	35,578	15,656
General Government	382,156	330,888	359,009	369,572
Operating Grants and Contributions	810,546	380,473	630,584	770,000
Capital Grants and Contributions	96,445	34,912	241,714	185,416
<i>Total Governmental Activities Program Revenues</i>	2,093,800	1,275,299	1,757,777	1,758,623
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes	349,006	360,753	331,711	476,377
Municipal Income Taxes	4,378,660	4,195,332	3,667,625	3,945,769
Other Local Taxes	61,285	48,851	47,714	39,035
Payments In Lieu of Taxes	0	0	0	0
Grants and Entitlements not Restricted to Specific Programs	1,156,122	785,185	501,639	552,730
Investment Earnings	217,168	138,404	17,024	9,273
Miscellaneous	68,091	94,557	0	16,365
<i>Total Primary Government</i>	6,230,332	5,623,082	4,565,713	5,039,549
Special Item: Transfer of Debt	0	0	879,607	0
<b>Change in Net Position</b>	(\$663,789)	\$276,417	\$978,337	\$1,623,355

Source: Finance Director's Office

*City of Northwood*

2011	2012	2013	2014	2015	2016
\$2,372,014	\$2,708,090	\$2,925,711	\$2,921,387	\$3,029,803	\$3,254,558
8,682	6,695	6,432	6,465	6,429	5,966
87,105	80,200	76,125	81,679	72,887	68,280
107,373	102,235	122,419	120,352	138,973	427,103
214,271	86,753	143,644	376,044	473,215	361,862
598,193	972,133	910,073	803,229	684,805	782,986
1,381,014	1,518,514	1,369,674	1,464,739	1,504,412	1,576,359
112,882	81,286	84,282	78,332	74,639	86,571
<u>\$4,881,534</u>	<u>\$5,555,906</u>	<u>\$5,638,360</u>	<u>\$5,852,227</u>	<u>\$5,985,163</u>	<u>\$6,563,685</u>

\$235,697	\$213,543	\$202,644	\$114,034	\$261,118	\$238,337
135,640	5,975	6,830	4,340	1,055	6,378
34,602	26,956	27,456	34,467	18,145	13,176
289,722	273,409	206,799	302,114	313,457	274,449
5,246	6,172	12,734	5,225	3,421	3,300
422,418	382,898	321,591	253,728	243,030	280,290
375,248	376,964	352,982	378,141	376,079	377,950
4,779	2,500	556,325	134,119	166,530	87,500
<u>1,503,352</u>	<u>1,288,417</u>	<u>1,687,361</u>	<u>1,226,168</u>	<u>1,382,835</u>	<u>1,281,380</u>

427,146	413,241	202,903	210,189	212,332	219,744
4,359,623	4,720,735	5,127,797	5,617,863	5,507,757	5,915,300
44,816	37,077	34,032	58,624	51,560	46,557
0	0	128,661	175,840	176,740	191,104
474,873	239,456	359,087	223,942	149,712	263,749
15,983	20,512	19,383	8,656	89,788	148,769
59,965	86,992	58,574	180,743	137,346	81,790
<u>5,382,406</u>	<u>5,518,013</u>	<u>5,930,437</u>	<u>6,475,857</u>	<u>6,325,235</u>	<u>6,867,013</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$2,004,224</u>	<u>\$1,250,524</u>	<u>\$1,979,438</u>	<u>\$1,849,798</u>	<u>\$1,722,907</u>	<u>\$1,584,708</u>

## City of Northwood

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	71,392	71,728	32,617	54,798
Unreserved	<u>1,659,957</u>	<u>915,010</u>	<u>426,584</u>	<u>691,464</u>
<i>Total General Fund</i>	<u>1,731,349</u>	<u>986,738</u>	<u>459,201</u>	<u>746,262</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned	0	0	0	0
Reserved	215,849	217,603	442,972	38,184
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,112,965	1,162,943	807,993	1,135,967
Debt Service Funds	125,182	211,210	297,464	384,210
Capital Projects Funds	<u>2,043,330</u>	<u>2,369,245</u>	<u>2,206,596</u>	<u>3,086,917</u>
Total All Other Governmental Funds	<u>3,497,326</u>	<u>3,961,001</u>	<u>3,755,025</u>	<u>4,645,278</u>
<i>Total Governmental Funds</i>	<u><u>\$5,228,675</u></u>	<u><u>\$4,947,739</u></u>	<u><u>\$4,214,226</u></u>	<u><u>\$5,391,540</u></u>

Source: Finance Director's Office

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

*City of Northwood*

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2011	2012	2013	2014	2015	2016
\$49,963	\$38,134	\$53,228	\$62,257	\$63,119	\$66,357
0	215	195,512	205,376	69,123	23,186
1,689,721	1,947,762	2,376,653	3,167,093	3,800,962	4,719,158
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,739,684</u>	<u>1,986,111</u>	<u>2,625,393</u>	<u>3,434,726</u>	<u>3,933,204</u>	<u>4,808,701</u>
53,120	62,996	43,981	48,585	83,856	41,347
1,240,589	1,392,447	1,588,320	1,595,584	1,609,773	829,693
4,492,947	4,298,751	5,342,796	6,395,020	6,590,427	7,352,417
(147)	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,786,509</u>	<u>5,754,194</u>	<u>6,975,097</u>	<u>8,039,189</u>	<u>8,284,056</u>	<u>8,223,457</u>
<u>\$7,526,193</u>	<u>\$7,740,305</u>	<u>\$9,600,490</u>	<u>\$11,473,915</u>	<u>\$12,217,260</u>	<u>\$13,032,158</u>

## City of Northwood

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

	2007	2008	2009	2010
<b>Revenues:</b>				
Taxes	\$4,760,809	\$4,584,503	\$4,099,357	\$4,475,046
Intergovernmental Revenues	2,115,238	1,279,354	1,377,468	1,303,269
Payments in Lieu of Taxes	0	0	0	0
Charges for Services	467,096	366,060	347,120	281,710
Licenses, Permits and Fees	213,636	159,152	140,602	118,472
Investment Earnings	217,168	114,996	40,432	9,273
Special Assessments	112,938	78,805	90,020	83,179
Fines and Forfeitures	215,554	184,004	231,562	231,306
Donations	142,250	9,329	46,572	9,941
All Other Revenue	89,977	75,859	87,423	73,478
<b>Total Revenue</b>	<b>8,334,666</b>	<b>6,852,062</b>	<b>6,460,556</b>	<b>6,585,674</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,754,757	2,799,260	2,763,288	2,393,940
Public Health and Welfare Services	7,869	8,164	8,975	8,833
Leisure Time Activities	87,164	71,334	65,645	51,496
Community Environment	574,272	198,281	343,722	380,054
Basic Utility Services	405,668	188,488	521,738	134,189
Transportation	519,115	530,824	519,477	456,878
General Government	1,679,704	2,144,392	1,558,290	1,425,422
Capital Outlay	3,568,027	998,686	1,338,924	287,514
Debt Service:				
Principal Retirement	120,405	122,498	84,390	89,390
Interest and Fiscal Charges	83,363	77,934	21,620	181,333
<b>Total Expenditures</b>	<b>9,800,344</b>	<b>7,139,861</b>	<b>7,226,069</b>	<b>5,409,049</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,465,678)	(287,799)	(765,513)	1,176,625

*City of Northwood*

2011	2012	2013	2014	2015	2016
\$4,812,246	\$5,172,313	\$5,367,181	\$5,912,768	\$5,739,176	\$6,225,655
906,492	695,338	1,229,605	774,666	703,799	739,778
0	0	128,661	175,840	176,740	191,104
377,372	338,083	357,881	499,966	464,564	390,280
97,433	129,223	135,789	121,665	108,725	95,065
15,083	21,412	15,867	4,850	87,756	148,931
96,248	91,510	87,052	88,456	71,413	81,409
333,344	264,656	205,353	166,747	146,021	179,591
3,108	950	5,480	515	820	67,095
193,017	72,380	68,023	106,390	118,544	119,020
<u>6,834,343</u>	<u>6,785,865</u>	<u>7,600,892</u>	<u>7,851,863</u>	<u>7,617,558</u>	<u>8,237,928</u>
2,280,391	2,496,622	2,506,113	2,631,091	2,784,465	2,850,519
8,682	6,695	6,432	6,465	6,429	5,966
55,894	52,933	50,829	45,030	47,092	41,339
106,247	100,996	120,352	117,622	141,078	422,074
193,065	84,886	123,671	356,071	450,694	364,284
453,799	447,831	437,074	501,402	518,746	532,428
1,279,165	1,423,482	1,267,953	1,381,368	1,446,164	1,407,271
139,903	1,782,475	996,573	743,592	1,420,925	2,110,517
94,390	124,390	124,390	134,390	39,390	165,765
113,180	81,767	84,764	78,865	74,800	85,831
<u>4,724,716</u>	<u>6,602,077</u>	<u>5,718,151</u>	<u>5,995,896</u>	<u>6,929,783</u>	<u>7,985,994</u>
2,109,627	183,788	1,882,741	1,855,967	687,775	251,934

(Continued)

## *City of Northwood*

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	500	5,210	2,200	6,119
Inception of Capital Lease	0	0	0	0
General Obligation Bonds Issued	2,200,000	0	0	0
Transfers In	294,000	197,000	102,000	104,000
Transfers Out	(294,000)	(197,000)	(102,000)	(104,000)
<b>Total Other Financing Sources (Uses)</b>	<u>2,200,500</u>	<u>5,210</u>	<u>2,200</u>	<u>6,119</u>
<b>Net Change in Fund Balance</b>	<u>\$734,822</u>	<u>(\$282,589)</u>	<u>(\$763,313)</u>	<u>\$1,182,744</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	2.34%	3.16%	1.83%	5.61%

Source: Finance Director's Office



*City of Northwood*

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2011	2012	2013	2014	2015	2016
10,000	19,056	0	1,602	16,001	3,000
0	0	0	8,259	0	606,875
0	0	0	0	0	0
105,000	105,000	100,000	100,000	4,700	890,316
(105,000)	(105,000)	(100,000)	(100,000)	(4,700)	(890,316)
10,000	19,056	0	9,861	16,001	609,875
<u>\$2,119,627</u>	<u>\$202,844</u>	<u>\$1,882,741</u>	<u>\$1,865,828</u>	<u>\$703,776</u>	<u>\$861,809</u>
4.58%	4.01%	3.95%	3.85%	2.07%	4.43%

## *City of Northwood*

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

<b>Tax year</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%
Total Tax Collected	\$4,433,918	\$4,292,624	\$3,736,474	\$3,851,790	\$4,343,123
Income Tax Receipts					
Withholding Accounts	3,540,483	3,480,120	3,020,380	3,240,345	3,653,962
Percentage	79.9%	81.1%	80.9%	84.1%	84.1%
Business Accounts	626,095	423,309	382,160	370,316	428,083
Percentage	14.1%	9.9%	10.2%	9.6%	9.9%
Residential Accounts	267,340	389,195	333,934	241,129	261,078
Percentage	6.0%	9.0%	8.9%	6.3%	6.0%

Source: City Income Tax Department

*City of Northwood*

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2012	2013	2014	2015	2016
1.50%	1.50%	1.50%	1.50%	1.50%
\$4,507,859	\$5,218,070	\$5,552,109	\$5,247,534	\$6,261,413
3,716,861	3,781,888	4,246,028	4,169,700	4,879,365
82.5%	72.5%	76.5%	79.5%	77.9%
512,721	1,145,616	977,774	726,525	1,049,048
11.4%	22.0%	17.6%	13.8%	16.8%
278,277	290,566	328,307	351,309	333,000
6.1%	5.5%	5.9%	6.7%	5.3%



# City of Northwood

## Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2016				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
Top Ten	10	0.57%	\$168,635,297	40.55%
All Others	2,245	128.65%	247,282,910	59.45%
Total	2,255	129.23%	\$415,918,207	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Northwood	\$333,000
Taxes Credited to Other Municipalities	1,035,731
	\$1,368,731

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

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

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

## *City of Northwood*

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

	2007	2008	2009	2010
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$590,000	\$515,000	\$440,000	\$360,000
General Obligation Bonds Payable (TIF Supported)	2,200,000	2,200,000	2,200,000	2,200,000
OPWC Loan Payable	107,975	98,585	89,195	79,805
OWDA Loans Payable	917,715	879,607	0	0
Capital Leases	0	0	0	0
Total Primary Government	<u>\$3,815,690</u>	<u>\$3,693,192</u>	<u>\$2,729,195</u>	<u>\$2,639,805</u>
<b>Population</b> <sup>(2)</sup>				
City of Northwood	5,493	5,493	5,493	5,265
Outstanding Debt Per Capita	\$695	\$672	\$497	\$501
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	188,289	197,215	187,443	182,085
Percentage of Personal Income	2.03%	1.87%	1.46%	1.45%

**Sources:**

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

*City of Northwood*

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2011	2012	2013	2014	2015	2016
\$275,000	\$185,000	\$95,000	\$0	\$0	\$0
2,200,000	2,175,000	2,150,000	2,120,000	2,090,000	2,055,000
70,415	61,025	51,635	42,245	32,855	23,465
0	0	0	0	0	0
0	0	0	8,030	6,596	490,551
<u>\$2,545,415</u>	<u>\$2,421,025</u>	<u>\$2,296,635</u>	<u>\$2,170,275</u>	<u>\$2,129,451</u>	<u>\$2,569,016</u>
5,269	5,304	5,344	5,335	5,341	5,350
\$483	\$456	\$430	\$407	\$399	\$480
182,223	197,256	142,359	207,734	218,906	228,327
1.40%	1.23%	1.61%	1.04%	0.97%	1.13%

## *City of Northwood*

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

Year	2007	2008	2009	2010
<b>Population</b> <sup>(1)</sup>	5,493	5,493	5,493	5,265
<b>Assessed Value</b> <sup>(2)</sup>	\$139,923,694	\$143,367,100	\$144,898,810	\$142,268,630
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$2,790,000	\$2,715,000	\$2,640,000	\$2,560,000
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$125,182	\$211,210	\$297,464	\$384,210
<b>Net General Bonded Debt</b>	\$2,664,818	\$2,503,790	\$2,342,536	\$2,175,790
<b>Ratio of Net Bonded Debt to Assessed Value</b>	1.90%	1.75%	1.62%	1.53%
<b>Net Bonded Debt per Capita</b>	\$485.13	\$455.81	\$426.46	\$413.26

**Source:**

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

(2) Wood County Auditor

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

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



*City of Northwood*

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2011	2012	2013	2014	2015	2016
5,269	5,304	5,344	5,335	5,341	5,350
\$130,722,140	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530	\$133,992,030
\$2,475,000	\$2,360,000	\$2,245,000	\$2,120,000	\$2,090,000	\$2,055,000
\$466,997	\$577,167	\$601,369	\$668,649	\$740,594	\$13,767
\$2,008,003	\$1,782,833	\$1,643,631	\$1,451,351	\$1,349,406	\$2,041,233
1.54%	1.33%	1.22%	1.26%	1.01%	1.52%
\$381.10	\$336.13	\$307.57	\$272.04	\$252.65	\$381.54



## *City of Northwood*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2016*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Northwood</u>	<u>Amount Applicable to the City of Northwood</u>
<b>Direct:</b>			
City of Northwood	\$2,569,016	100.00%	\$2,569,016
<b>Overlapping:</b>			
Wood County	5,066,175	0.40%	<u>20,265</u>
		Subtotal	<u>20,265</u>
		Total	<u><u>\$2,589,281</u></u>

**Source: Wood County**

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

## City of Northwood

### Debt Limitations Last Ten Years

Collection Year	2007	2008	2009	2010
<b>Total Debt</b>				
Net Assessed Valuation	\$139,923,694	\$143,367,100	\$144,898,810	\$142,268,630
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	14,691,988	15,053,546	15,214,375	14,938,206
City Debt Outstanding	2,790,000	2,715,000	2,640,000	2,560,000
Less: Applicable Debt Service Fund Amounts (2)	(125,182)	(211,210)	(297,464)	(384,210)
Net Indebtedness Subject to Limitation	<u>2,664,818</u>	<u>2,503,790</u>	<u>2,342,536</u>	<u>2,175,790</u>
Overall Legal Debt Margin	<u>\$12,027,170</u>	<u>\$12,549,756</u>	<u>\$12,871,839</u>	<u>\$12,762,416</u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$139,923,694	\$143,367,100	\$144,898,810	\$142,268,630
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	7,695,803	7,885,191	7,969,435	7,824,775
City Debt Outstanding	2,790,000	2,715,000	2,640,000	2,560,000
Less: Applicable Debt Service Fund Amounts (2)	(125,182)	(211,210)	(297,464)	(384,210)
Net Indebtedness Subject to Limitation	<u>2,664,818</u>	<u>2,503,790</u>	<u>2,342,536</u>	<u>2,175,790</u>
Overall Legal Debt Margin	<u>\$5,030,985</u>	<u>\$5,381,401</u>	<u>\$5,626,899</u>	<u>\$5,648,985</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*

2011	2012	2013	2014	2015	2016
\$130,722,140	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530	\$133,992,030
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
13,725,825	14,118,805	14,196,678	12,101,630	14,068,901	14,069,163
2,475,000	2,360,000	2,245,000	2,120,000	2,090,000	2,055,000
(466,997)	(577,167)	(601,369)	(668,649)	(740,594)	(13,767)
2,008,003	1,782,833	1,643,631	1,451,351	1,349,406	2,041,233
\$11,717,822	\$12,335,972	\$12,553,047	\$10,650,279	\$12,719,495	\$12,027,930
\$130,722,140	\$134,464,810	\$135,206,460	\$115,253,620	\$133,989,530	\$133,992,030
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
7,189,718	7,395,565	7,436,355	6,338,949	7,369,424	7,369,562
2,475,000	2,360,000	2,245,000	2,120,000	2,090,000	2,055,000
(466,997)	(577,167)	(601,369)	(668,649)	(740,594)	(13,767)
2,008,003	1,782,833	1,643,631	1,451,351	1,349,406	2,041,233
\$5,181,715	\$5,612,732	\$5,792,724	\$4,887,598	\$6,020,018	\$5,328,329

## *City of Northwood*

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

Calendar Year	2007	2008	2009	2010	2011
<b>Population</b> <sup>(1)</sup>					
City of Northwood	5,493	5,493	5,493	5,265	5,269
Wood County	123,929	123,929	123,929	125,380	126,909
<b>Income</b> <sup>(2) (a)</sup>					
Total Personal (in thousands)	188,289	197,215	187,443	182,085	182,223
Per Capita	34,278	35,903	34,124	34,584	34,584
<b>Unemployment Rate</b> <sup>(3)</sup>					
Federal	4.6%	5.8%	9.3%	9.6%	8.9%
State	5.6%	6.5%	10.3%	10.1%	8.6%
Wood County	5.4%	6.9%	11.2%	10.1%	8.3%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>					
State	5,976,500	5,986,400	5,970,000	5,897,600	5,806,000
Wood County	68,600	68,600	68,600	65,000	65,000

**Sources:**

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

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

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

(3) State Department of Labor Statistics

*City of Northwood*

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2012	2013	2014	2015	2016
5,304	5,344	5,335	5,341	5,350
128,200	129,264	129,590	129,730	130,219
197,256	142,359	207,734	218,906	228,327
37,190	26,639	38,938	40,986	42,678
7.9%	7.1%	5.5%	5.2%	5.1%
6.9%	6.9%	5.1%	4.9%	5.0%
6.5%	6.5%	4.2%	4.1%	4.8%
5,695,000	5,520,049	5,725,800	5,694,000	5,687,000
65,100	65,763	68,800	69,104	64,249





## *City of Northwood*

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

<u>Employer</u>	<u>Nature of Business</u>	<u>2016</u>	
		<u>Number of Employees</u>	<u>Rank</u>
Norplas Industries	Automotive Parts	1,355	1
Cardinal Staffing	Employment Staffing	969	2
Hoover Universal/Johnson Controls	Automotive Parts	735	3
Buckeye Broadband	Cable/Internet Provider	479	4
North American Science Association	Medical Equipment Testing	379	5
Federal Express Freight	Package Delivery	267	6
Northwood Board of Education	Education	172	7
Pilkington	Glass Manufacturing	148	8
Treu House of Munch	Beverage Distributor	124	9
Malcolm Meat Company	Meat Distribution	123	10
Total		<u>4,751</u>	

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

Source: City Income Tax Department

## *City of Northwood*

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities</b>						
General Government						
Finance	5.00	5.00	4.00	3.00	4.00	4.00
Legal/Court	3.50	3.50	2.50	2.50	2.50	2.00
Administration	2.00	2.00	1.00	1.00	1.00	1.00
Maintenance	2.50	2.50	2.50	2.00	1.50	1.50
Security of Persons and Property						
Police	24.00	24.00	23.00	17.50	17.00	18.00
Dispatch	6.00	6.00	5.00	4.50	4.50	5.50
Fire	2.00	2.00	1.00	1.00	1.00	9.00
Fire - Volunteers	46.00	46.00	43.00	39.00	51.00	35.00
Transportation						
Street	7.00	7.00	6.00	5.00	5.00	5.00
Leisure Time Activities						
Recreation/Seniors	0.50	0.50	0.50	0.50	0.50	0.50
Community Environment						
Service	1.50	1.50	1.00	1.00	1.00	1.00
<i>Total Employees</i>	<u>100.00</u>	<u>100.00</u>	<u>89.50</u>	<u>77.00</u>	<u>89.00</u>	<u>82.50</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*

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<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
4.00	4.00	4.00	4.00
2.00	2.00	2.00	1.50
1.00	1.00	1.00	1.00
1.50	1.00	1.00	1.00
18.00	18.00	18.00	18.00
5.00	5.00	6.00	6.00
9.00	9.00	9.00	9.00
35.00	34.00	34.00	35.00
5.00	6.00	6.00	6.00
0.50	0.50	0.50	0.50
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.50</u>
<u>82.00</u>	<u>81.50</u>	<u>82.50</u>	<u>83.50</u>

## *City of Northwood*

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

	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>						
General Government						
Court						
Number of Criminal Cases	310	296	215	176	207	186
Number of Traffic Cases	1,559	1,457	2,067	2,219	1,667	1,283
Number of Open Cases	133	162	140	206	124	138
Permits						
Residential Zoning Permits	275	253	217	223	153	135
Commercial Zoning Permits	123	93	22	29	17	14
Industrial Zoning Permits	17	17	11	22	5	4
Central Business District					41	40
Security of Persons and Property						
Police						
Criminal/Juvenile Arrests	444	454	406	404	383	353
Traffic Citations Issued	1,530	1,398	2,101	2,254	1,630	1,394
Parking Tickets Written	103	158	72	38	71	42
Number of Calls Answered	8,925	8,938	9,311	8,982	8,173	8,598
Fire						
Number of Calls Answered	834	822	711	732	767	701
Number of Inspections	166	262	n/a	n/a	10	212

Source: Finance Director's Office

n/a = not available

*City of Northwood*

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<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
226	169	224	314
1,606	1,603	1,795	1,913
168	174	288	260
151	141	168	123
18	13	6	6
5	19	10	11
26	27	10	16
312	436	292	371
1,613	1,627	1,712	1,816
97	134	125	119
11,199	11,218	13,059	13,779
791	896	982	967
207	202	293	240

## *City of Northwood*

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

	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	118	118	118	118	118
Buildings	6	6	6	6	6
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	16	16	14	14	14
Fire					
Stations	2	2	2	2	2
Vehicles	14	13	14	14	14
Transportation					
Streets					
Streets (lane miles)	41	41	41	47	47
Intersections with Traffic Signals	16	16	16	16	16
Vehicles	10	10	10	10	10
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	4
Baseball/Softball Diamonds	2	2	4	4	4
Soccer Fields	2	2	2	2	2

Source: Finance Director's Office

*City of Northwood*

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<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
118	118	118	118	118
6	6	6	6	6
1	1	1	1	1
12	12	12	12	12
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	83	83	83	83
2	2	2	2	2
4	4	4	4	4
2	2	2	2	2
4	4	4	4	2
4	4	4	4	4
2	2	2	2	2







# Dave Yost • Auditor of State

**CITY OF NORTHWOOD**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 23, 2018**