



Mary Taylor, CPA  
Auditor of State



CITY OF NORWOOD  
HAMILTON COUNTY

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# Mary Taylor, CPA

Auditor of State

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

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

To City Council

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwood, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-001 thru 2009-003.

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

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

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

June 28, 2010

**CITY OF NORWOOD  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2009-001**

**Noncompliance/Material Weakness**

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

(A) All moneys received by him, showing the amount thereof, the time received, from whom, and on what account received;

(B) All disbursements made by him, showing the amount thereof, the time made, to whom, and on what account paid.

The City Treasurer did not prepare accurate cash reconciliations during 2009. The following issues were noted from review of the City's financial records and bank statements:

- At December 31, 2009 a \$42,812 reconciling item was used on the Treasurer's reconciliation to balance the book to the bank that had no supporting documentation and the City could provide no explanation.
- At December 31, 2009 the City's reconciled payroll account had an unidentified bank balance of \$89,810.
- At December 31, 2009 the City reported \$9,288 in returned checks dating from January 2007 through December 2009 that had been recorded as revenue on the City's financial records. This amount was needed to reduce the book amount in reconciling with the bank. These amounts represent revenue on the statements that needs to be voided due to the returned checks.
- The City had five accounts in 2009, the Rockwood Exchange account (Balance at December 31, 2009 - \$40,617), and the Retiree's Health Care account (Balance at December 31, 2009 - \$3,211), the Cornerstone TIF Reserve account (Balance at December 31, 2009 - \$1,194,750), the Cornerstone TIF Bond account (Balance at December 31, 2009 - \$881), and the Linden Pointe Project account (Balance at December 31, 2009 - \$752,309) that are not included in the City's the monthly reconciliations.

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

**FINDING NUMBER 2009-001  
(Continued)**

**Officials' Response:**

The City has contracted the Auditor of State's Local Government Services to assist in the city's reconciliation issues. In 2010, the City modified their policy regarding return checks; the City has also issued a negative pay-in to reconcile amounts related to prior years returned checks.

The City has requested banks send monthly statements for the Cornerstone and Linden Pointe accounts directly to the Treasurer's office for their inclusion on the bank reconciliation.

The Treasurer's office will work with the Auditor's office to determine the best way to add the other accounts listed in the finding to the Treasurer's bank reconciliation.

**FINDING NUMBER 2009-002**

**Noncompliance**

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

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

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

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

2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.



**FINDING NUMBER 2009-002  
(Continued)**

- 3. Super Blanket Certificate** – The City may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During 2009, 17% of the transactions tested did not have certification prior to the obligation date and none of the three exceptions provided above were utilized.

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

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

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

**Officials' Response:**

The Auditor's office is strictly enforcing the policy that all contracts or purchases must have a fiscal officers' certificate prior to the time of contract or purchase.

**FINDING NUMBER 2009-003**

**Noncompliance**

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

As of December 31, 2009, actual receipts were below estimated receipts, and the deficiency reduced available resources below the current appropriations in the following funds:

**FINDING NUMBER 2009-003**  
**(Continued)**

<b>Fund</b>	<b>Available Resources plus Beginning Fund Cash Balances</b>	<b>Current Year Appropriations plus Prior Year Carryover Appropriations</b>	<b>Excess</b>
Street C/M/R	\$1,272,659	\$1,297,294	\$(24,635)
Permissive Tax	435,772	457,436	(21,664)
C-9 Trust	356,027	366,750	(10,723)
Separation Pay	266,450	485,825	(219,375)
Bond Retirement	2,124,509	2,149,493	(24,984)
Cornerstone TIF	1,365,756	2,045,723	(679,967)
Capital Projects	342,212	400,000	(57,788)
Water	3,567,511	4,105,326	(537,815)
Refuse Disposal	1,264,590	1,320,902	(56,312)

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

**Officials' Response:**

The Auditor's office has developed a system to compare all proposed changes in appropriations to the current Certificate of Estimated Resources on a monthly basis. This system should prevent any further overages.

**CITY OF NORWOOD  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	ORC 733.43 Treasurer shall keep accurate account of all moneys	No	Reissued as Finding 2009-001
2008-002	ORC 733.11 City Auditor shall keep the books of the city and exhibit accurate statements	Yes	
2008-003	ORC 5705.41(D)(1) No expenditure of money unless a certificate signed by the fiscal officer is attached.	No	Reissued as Finding 2009-002
2008-004	ORC 5705.09(F) Establish Special Funds for each revenue class	Yes	
2008-005	ORC 5705.39 appropriations from each fund exceeded the total of the estimated revenue.	Yes	

# Norwood



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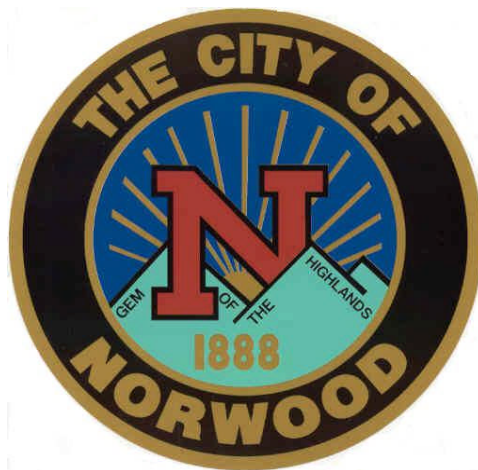
*Gem Of The Highlands*

## City of Norwood, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

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# Introductory Section



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CITY OF NORWOOD, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009

Issued by:  
Office of the Auditor

James P. Stith II  
City Auditor

Marcus Patterson MBA  
Deputy Auditor



**CITY OF NORWOOD, OHIO**  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2009

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# James P. Stith II

## City Auditor

Marcus Patterson, MBA  
Deputy Auditor

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

June 28, 2010

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

We are pleased to present Comprehensive Annual Financial Report (CAFR) for the City of Norwood. This report for the year ended December 31, 2009, contains the financial statements and other financial and statistical information and conforms to generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects to the City of Norwood ("the City").

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

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

The Auditor of State of Ohio has issued an unqualified ("clean") opinion of the City of Norwood's financial statements for the year ended December 31, 2009. The Independent Accountants' Report is located at the front of the Financial Section of this report.

*Gem of The Highlands"*

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

## **City Overview**

The City of Norwood, a statutory municipal corporation, established in 1888, is located in the center of the "Greater Cincinnati Area" and is completely surrounded by the City of Cincinnati. It currently occupies 3.12 square miles and serves a population of 21,675. Since 1888, Norwood has grown into a center of commerce and industry proudly serving as a birthplace and home for numerous offices, manufacturing, service and retail businesses. Norwood's distinction as an independent community in the center of the City of Cincinnati offers a unique blend of advantages for the residents and businesses that have found their home in the City of Norwood.

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

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

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

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

## **Economic Conditions and Outlook**

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

The City also has a facility that operates in communications. The City of Norwood is located close to three major highways, I-75, I-71, and US 562. Unemployment has risen from 6.7 percent (2008) to 9.1 percent (2009).

Unemployment is expected to increase even more for next year. It is estimated that job cuts will increase in the region and globally due to economic instability in the financial markets. Due to economic downturns, the City of Norwood has delayed its efforts to come out of fiscal watch. With the absence of US Playing Cards, due to the company moving its facility to Northern Kentucky, the City of Norwood is projecting a decrease in income tax revenue.

### **Major Initiatives**

- 1) An ordinance of cooperation between the City of Norwood and the Ohio Department of Transportation for the Urban Paving Project to plane and resurface portions of US 22 in the City of Norwood was adopted. This ordinance was declared to be an emergency ordinance and a measure necessary for the immediate preservation of the public peace, health, safety and general welfare. The City of Norwood is responsible for paying \$323,158 towards construction and engineering costs. ODOT is responsible for supplying \$395,035.
- 2) An ordinance authorizing and directing the Director of Public Service – Safety to advertise for bids and enter into a contract for the Smith Road Water Line Replacement Project (Ohio Public Works Commission Project No. CB29M, JMA #3257) within the City of Norwood, Ohio. OPWC will make total payments of \$600,000 for this project, which is for the improvement of the provision of water service for the City of Norwood.

### **Future Projects**

Accomplishments and significant capital projects to look forward to in 2010 include the following:

The City will contract with the State of Ohio for pavement repair along Montgomery Road (US 22/State Route 3) within the City of Norwood from Buxton Avenue to Cypress Way. This project has an estimated cost of \$402,000

### **Financial Planning and Policies**

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


## **Awards and Acknowledgements**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norwood for its comprehensive annual financial report for the year ended December 31, 2008. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

### **Acknowledgements**

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

A handwritten signature in black ink, appearing to read "Jim Stith", is positioned to the left of a vertical line.

James P. Stith II  
City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norwood  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emery".

Executive Director



**City of Norwood, Ohio**

**List of Principal Officials**

**December 31, 2009**

**OFFICE HELD**

**NAME OF OFFICIAL**

Executive:

City Auditor  
City Treasurer  
Law Director

James P. Stith II  
Tim Malony  
Ted Kiser

Legislative:

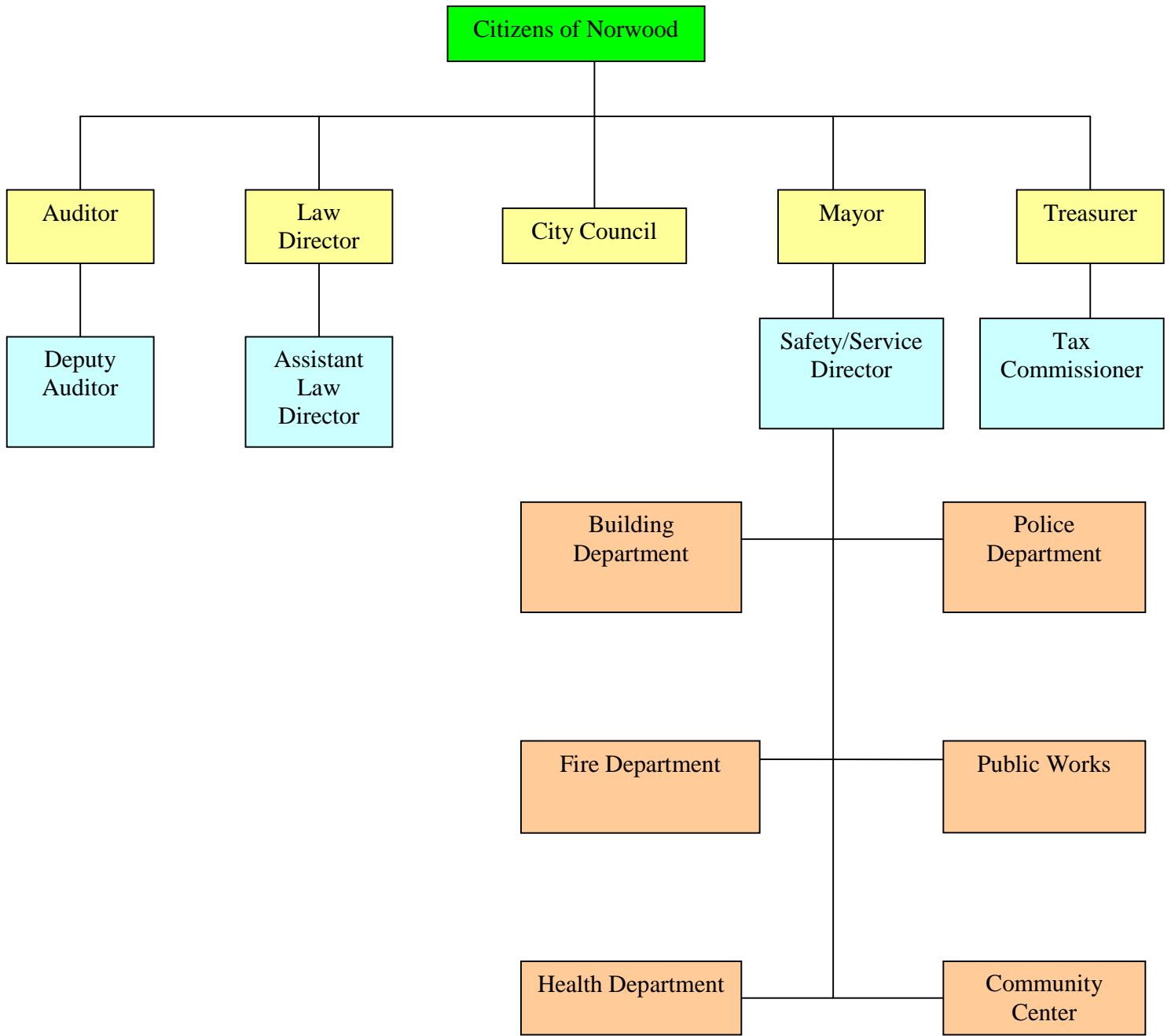
Mayor  
Council

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

Administrative:

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

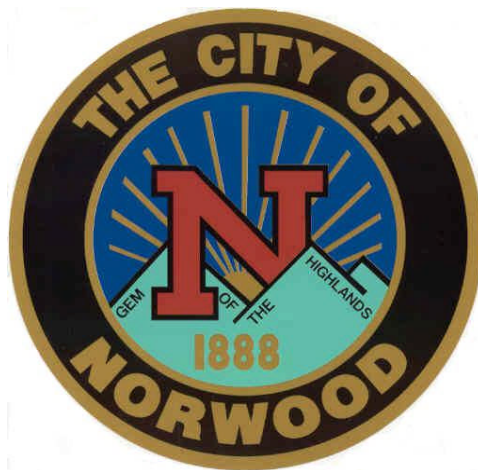
Brian Mumper  
John Hanrahan  
William J. Schlie  
Curt Goodman  
Joseph C. Geers  
Tom White  
Richard Dettmer



**City of Norwood**  
**Chart of Organization**  
**December 31, 2008**

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# Financial Section



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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwood, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwood, Hamilton County, Ohio, as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining non-major fund financial statements and schedules and statistical section tables provide additional information and are not a required part of the basic financial statements. We subjected the combining financial statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory and statistical sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 28, 2010

**CITY OF NORWOOD, OHIO**  
Management's Discussion and Analysis  
For the year ended December 31, 2009  
Unaudited

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The discussion and analysis of the City of Norwood's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the basic financial statements and notes to the financial statements to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2009 are as follows:

- The City's total governmental activities' net assets decreased \$1,261,618 which represents an 22 percent decrease from 2008. Business-type activities net assets increased \$449,089 which represents a 17 percent increase from 2008.
- For governmental activities, general receipts accounted for \$21,930,550 or 89 percent of all revenues. Program revenues in the form of charges for services and sales, operating and capital grants, contributions, and interest accounted for \$2,660,171 or 11 percent of total revenues of \$24,590,721.
- The City had \$25,852,339 in expenses related to governmental activities; only \$2,660,171 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily property and municipal income taxes) were \$21,930,550.
- Enterprise funds reflected a total operating income of \$449,989. The Water and Refuse funds reflected an operating income of \$449,636 and \$353, respectively. The water and refuse operations, increased in total assets by \$144,979.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Report Components**

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



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

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

### **Basis of Accounting**

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

## **REPORTING THE CITY AS A WHOLE**

### **Statement of Net Assets and the Statement of Activities**

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

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

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

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

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

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

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

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

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

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

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

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**For the year ended December 31, 2009**  
**Unaudited**

**THE CITY AS A WHOLE**

Table 1 provides a summary of the City's net assets for 2009 compared to 2008:

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets:</b>						
Current & Other Assets	\$17,751,877	\$18,009,657	\$1,698,674	\$1,432,715	\$19,450,551	\$19,442,372
Nondepr. Capital Assets	6,376,146	8,661,656	0	0	6,376,146	8,661,656
Depr. Capital Assets, Net	14,067,771	11,704,969	1,745,094	1,866,074	15,812,865	13,571,043
<b>Total Assets</b>	<b>38,195,794</b>	<b>38,376,282</b>	<b>3,443,768</b>	<b>3,298,789</b>	<b>41,639,562</b>	<b>41,675,071</b>
<b>Liabilities:</b>						
Current & Other Liabilities	6,671,631	4,539,355	210,829	456,150	6,882,460	4,995,505
Long-Term Liabilities						
Due Within One Year	5,522,140	1,803,665	34,117	53,365	5,556,257	1,857,030
Due in More Than One Year	21,494,231	26,263,852	59,708	99,249	21,553,939	26,363,101
<b>Total Liabilities</b>	<b>33,688,002</b>	<b>32,606,872</b>	<b>304,654</b>	<b>608,764</b>	<b>33,992,656</b>	<b>33,215,636</b>
<b>Net Assets:</b>						
Invested in Capital Assets, Net of Related Debt	8,828,832	8,937,229	1,686,227	1,747,681	10,515,059	10,684,910
Restricted	6,109,077	6,425,077	0	0	6,109,077	6,425,077
Unrestricted	(10,430,117)	(9,592,896)	1,452,887	942,344	(8,977,230)	(8,650,552)
<b>Total Net Assets</b>	<b>\$4,507,792</b>	<b>\$5,769,410</b>	<b>\$3,139,114</b>	<b>\$2,690,025</b>	<b>\$7,646,906</b>	<b>\$8,459,435</b>

As mentioned previously, net assets of governmental activities decreased \$1,261,618 during 2009. A decrease in available cash balances along with an increase in current and other liabilities were the main causes of the decrease. Additions to capital assets net of depreciation were not enough to offset the decrease in current and other assets.

Table 2 shows the changes in net assets for the years ended December 31, 2009 and 2008.

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Table 2  
Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$1,264,008	\$1,620,786	\$4,922,531	\$4,588,278	\$6,186,539	\$6,209,064
Operating Grants, Contributions and Interest	1,043,193	1,128,039	0	0	1,043,193	1,128,039
Capital Grants, Contributions and Interest	352,970	306,813	0	0	352,970	306,813
<b>Total Program Revenues</b>	<b>2,660,171</b>	<b>3,055,638</b>	<b>4,922,531</b>	<b>4,588,278</b>	<b>7,582,702</b>	<b>7,643,916</b>
General Revenues:						
Property Taxes Levied for General Purposes	2,583,802	2,691,282	0	0	2,583,802	2,691,282
Income Taxes	16,035,144	16,133,313	0	0	16,035,144	16,133,313
Other Local Taxes	193,217	124,800	0	0	193,217	124,800
Payments in Lieu of Taxes	1,096,882	1,284,418	0	0	1,096,882	1,284,418
Grants and Entitlements Not Restricted to Specific Programs	1,640,740	1,359,809	0	0	1,640,740	1,359,809
Unrestricted Contributions	149,387	138,646	0	0	149,387	138,646
Interest	185,746	374,138	0	0	185,746	374,138
Other	45,632	207,898	0	2,737	45,632	210,635
<b>Total General Revenues</b>	<b>21,930,550</b>	<b>22,314,304</b>	<b>0</b>	<b>2,737</b>	<b>21,930,550</b>	<b>22,317,041</b>
<b>Total Revenues</b>	<b>24,590,721</b>	<b>25,369,942</b>	<b>4,922,531</b>	<b>4,591,015</b>	<b>29,513,252</b>	<b>29,960,957</b>
Program Expenses:						
General Government	4,417,404	4,419,288	0	0	4,417,404	4,419,288
Security of Persons and Property:						
Police	7,630,831	6,550,466	0	0	7,630,831	6,550,466
Fire	7,703,754	7,739,810	0	0	7,703,754	7,739,810
Public Services	71,369	55,684	0	0	71,369	55,684
Public Health Services	1,031,047	1,045,310	0	0	1,031,047	1,045,310
Leisure Time Services	481,943	465,298	0	0	481,943	465,298
Community and Economic Development	87,222	96,214	0	0	87,222	96,214
Transportation	2,496,555	1,805,625	0	0	2,496,555	1,805,625
Intergovernmental	420,765	0	0	0	420,765	0
Interest and Fiscal Charges	1,511,449	1,366,982	0	0	1,511,449	1,366,982
Water	0	0	3,142,523	3,650,452	3,142,523	3,650,452
Refuse	0	0	1,330,919	1,433,012	1,330,919	1,433,012
<b>Total Expenses</b>	<b>25,852,339</b>	<b>23,544,677</b>	<b>4,473,442</b>	<b>5,083,464</b>	<b>30,325,781</b>	<b>28,628,141</b>
Increase (Decrease) in Net Assets Before Transfers	(1,261,618)	1,825,265	449,089	(492,449)	(812,529)	1,332,816
Transfers	0	(425,000)	0	425,000	0	0
<b>Increase (Decrease) in Net Assets</b>	<b>(1,261,618)</b>	<b>1,400,265</b>	<b>449,089</b>	<b>(67,449)</b>	<b>(812,529)</b>	<b>1,332,816</b>
Net Assets at Beginning of Year	5,769,410	4,369,145	2,690,025	2,757,474	8,459,435	7,126,619
<b>Net Assets at End of Year</b>	<b>\$4,507,792</b>	<b>\$5,769,410</b>	<b>\$3,139,114</b>	<b>\$2,690,025</b>	<b>\$7,646,906</b>	<b>\$8,459,435</b>

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

General revenues of governmental activities represent 89 percent of the City's governmental revenues, and over 86 percent of general revenues are local taxes. Property taxes make up 12 percent of the City's general revenues. Other revenues are very insignificant and somewhat unpredictable revenue sources.

Security of Persons and Property: Police increased by \$1,080,365, due mainly to increases in Personal Services.

Capital Grants, Contributions and Interest in the governmental activities decreased \$46,157 in 2009. In 2009, a smaller amount of State assistance was received for making improvements to roads within the City.

The City's business-type activities, Water and Refuse Funds, accounted for 17 percent of the City's total revenues in 2009.

**Governmental Activities**

The two percent income tax is the largest source of revenue for the City. Revenues generated by the income tax represent approximately 65 percent of the City's governmental activities revenue. The income tax is used to pay the cost of many City services including general government, security of persons and property, and public health services. In 2009, there was a slight decrease in income tax revenue due to the downturn in the economy.

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the City. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for security of persons and property, which account for 59 percent of all governmental expenses. General government also represents a significant cost, about 17 percent. The next three columns of the Statement entitled Program Revenues identify amounts paid by people who are directly charged for the service and grants received by the City that must be used to provide a specific service. The Net (Expense) Revenue column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

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Table 3  
Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$4,417,404	\$3,728,210	\$4,419,288	\$3,725,829
Security of Persons and Property:				
Police	7,360,831	7,527,977	6,550,466	6,436,787
Fire	7,703,754	7,372,473	7,739,810	7,068,575
Public Services	71,369	71,369	55,684	55,684
Public Health Services	1,031,047	851,758	1,045,310	886,904
Leisure Time Services	481,943	205,922	465,298	109,363
Community and Economic Development	87,222	87,070	96,214	83,944
Public Works	0	0	0	0
Transportation	2,496,555	1,415,175	1,805,625	754,971
Intergovernmental	420,765	420,765	0	0
Interest and Fiscal Charges	1,511,449	1,511,449	1,366,982	1,366,982
Total Expenses	<u>\$25,582,339</u>	<u>\$23,192,168</u>	<u>\$23,544,677</u>	<u>\$20,489,039</u>

The dependence upon property and income tax receipts is apparent as 72 percent of governmental activities are supported through these general revenues.

**Business-Type Activities**

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

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

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

Information about the City's major governmental funds is presented in the fund financial statements. These funds are reported using the modified accrual basis of accounting. In total, all governmental funds reported revenues of \$25,744,940 and expenditures of \$27,039,811.

Within the General Fund, there were revenues of \$22,087,919 and expenditures of \$20,268,042. The fund balance of the General Fund increased \$72,076 as the result of decreased transfers out to other governmental funds during the year.

Within the Debt Service Fund, there were revenues of \$1,427,741 and expenditures of \$2,452,490. The fund balance of this fund decreased \$108,549, due to debt service expenditures and payments to Norwood City School District in accordance with tax increment financing agreements exceeding revenues and transfers in from the General Fund.

**Governmental Fund Budgeting Highlights**

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

During 2009, the City amended its General Fund budget several times to reflect changing circumstances. Final budgeted revenues were below original budgeted revenues by \$38,544 due to decreases in estimated income taxes and property tax revenues. The difference between final budgeted revenues and actual revenues was \$1,399,342, which was due primarily to an increase in property and income taxes.

Final budgeted expenditures were above original budgeted expenditures by \$1,487,000, due to overall increases in estimated expenditures. Final expenditures were budgeted at \$21,404,014 for the General Fund. Actual expenditures were \$20,490,382, with a difference of \$913,632, due to expenditures being much lower than anticipated.

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2009 amounts to \$22.1 million (net of accumulated depreciation).

Table 4  
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$6,376,146	\$6,376,146	\$0	\$0	\$6,376,146	\$6,376,146
Construction in Progress	0	2,285,510	0	0	0	2,285,510
Buildings	2,212,234	2,138,922	0	0	2,212,234	2,138,922
Land Improvements	660,279	707,332	0	0	660,279	707,332
Vehicles	1,620,356	1,778,279	0	0	1,620,356	1,778,279
Furniture, Fixtures and Equipment	988,406	887,330	18,066	14,048	1,006,472	901,378
Infrastructure	8,586,496	6,193,106	1,727,028	1,852,026	10,313,524	8,045,132
Totals	<u>\$20,443,917</u>	<u>\$20,366,625</u>	<u>\$1,745,094</u>	<u>\$1,866,074</u>	<u>\$22,189,011</u>	<u>\$22,232,699</u>

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

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

**Debt**

Table 5 summarizes debt outstanding at December 31, 2009 and 2008:

Table 5  
Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$5,082,958	\$5,646,600	\$0	\$0	\$5,082,958	\$5,646,600
Special Assessment Debt	1,684,137	1,893,074	0	0	1,684,137	1,893,074
OPWC Loans	624,826	668,342	58,867	118,393	683,693	786,735
Tax Increment Financing Bonds	15,478,200	15,635,845	0	0	15,478,200	15,635,845
Capital Leases	694,237	887,914	0	0	694,237	887,914
	<u>\$23,564,358</u>	<u>\$24,731,775</u>	<u>\$58,867</u>	<u>\$118,393</u>	<u>\$23,623,225</u>	<u>\$24,850,168</u>



**CITY OF NORWOOD, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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The City's overall unvoted legal debt margin was \$36,746,954 as of December 31, 2009. The more restrictive unvoted legal debt margin was \$16,006,603 as of the same date.

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

**ECONOMIC AND OTHER POTENTIALLY SIGNIFICANT MATTERS**

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

**REQUESTS FOR INFORMATION**

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

**CITY OF NORWOOD, OHIO  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$6,123,457	\$268,839	\$6,392,296
Accounts Receivable	184,493	1,429,835	1,614,328
Intergovernmental Receivable	733,191	0	733,191
Income Taxes Receivable	2,805,367	0	2,805,367
Property Taxes Receivable	2,787,307	0	2,787,307
Other Local Taxes Receivable	26,113	0	26,113
Payments in Lieu of Taxes Receivable	1,438,799	0	1,438,799
Special Assessments Receivable	1,684,137	0	1,684,137
Cash and Cash Equivalents with Fiscal Agents	1,947,940	0	1,947,940
Deferred Charges	21,073	0	21,073
Nondepreciable Capital Assets	6,376,146	0	6,376,146
Depreciable Capital Assets, Net	14,067,771	1,745,094	15,812,865
<b>Total Assets</b>	<b>38,195,794</b>	<b>3,443,768</b>	<b>41,639,562</b>
<b>LIABILITIES:</b>			
Accounts Payable	61,822	4,681	66,503
Accrued Wages Payable	430,067	14,682	444,749
Intergovernmental Payable	1,262,988	17,183	1,280,171
Contracts Payable	795,607	110,584	906,191
Deferred Revenue	3,923,451	0	3,923,451
Accrued Interest Payable	197,696	0	197,696
Refundable Deposits	0	63,699	63,699
Long-Term Liabilities:			
Due Within One Year	5,522,140	34,117	5,556,257
Due in More Than One Year	21,494,231	59,708	21,553,939
<b>Total Liabilities</b>	<b>33,688,002</b>	<b>304,654</b>	<b>33,992,656</b>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	8,828,832	1,686,227	10,515,059
Restricted for:			
Debt Service	3,806,183	0	3,806,183
Capital Outlay	417,509	0	417,509
Security of Persons and Property	273,016	0	273,016
Leisure Time Services	99,256	0	99,256
Community and Economic Development	1,048,726	0	1,048,726
Transportation	20,654	0	20,654
Other Purposes	443,733	0	443,733
Unrestricted (Deficit)	(10,430,117)	1,452,887	(8,977,230)
<b>Total Net Assets</b>	<b>\$4,507,792</b>	<b>\$3,139,114</b>	<b>\$7,646,906</b>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$4,417,404	\$689,194	\$0	\$0
Security of Persons and Property				
Police	7,630,831	79,562	23,292	0
Fire	7,703,754	274,489	56,792	0
Public Services	71,369	0	0	0
Public Health Services	1,031,047	79,543	99,746	0
Leisure Time Services	481,943	132,379	143,642	0
Community and Economic Development	87,222	0	152	0
Transportation	2,496,555	8,841	719,569	352,970
Intergovernmental	420,765	0	0	0
Interest and Fiscal Charges	1,511,449	0	0	0
Total Governmental Activities	<u>25,852,339</u>	<u>1,264,008</u>	<u>1,043,193</u>	<u>352,970</u>
Business-Type Activities:				
Water	3,142,523	3,591,259	0	0
Refuse	1,330,919	1,331,272	0	0
Total Business-Type Activities	<u>4,473,442</u>	<u>4,922,531</u>	<u>0</u>	<u>0</u>
Total Activities	<u>\$30,325,781</u>	<u>\$6,186,539</u>	<u>\$1,043,193</u>	<u>\$352,970</u>

General Revenues:

Taxes:

  Property Taxes Levied For General Purposes

  Income Taxes

  Other Local Taxes

Payments in Lieu of Taxes

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Contributions

Interest

Other

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year - Restated (See Note 3)

Net Assets at End of Year

See accompanying notes to the basic financial statements

Net (Expense)/Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$3,728,210)	\$0	(\$3,728,210)
(7,527,977)	0	(7,527,977)
(7,372,473)	0	(7,372,473)
(71,369)	0	(71,369)
(851,758)	0	(851,758)
(205,922)	0	(205,922)
(87,070)	0	(87,070)
(1,415,175)	0	(1,415,175)
(420,765)	0	(420,765)
(1,511,449)	0	(1,511,449)
<u>(23,192,168)</u>	<u>0</u>	<u>(23,192,168)</u>
0	448,736	448,736
0	353	353
<u>0</u>	<u>449,089</u>	<u>449,089</u>
<u>(23,192,168)</u>	<u>449,089</u>	<u>(22,743,079)</u>
2,583,802	0	2,583,802
16,035,144	0	16,035,144
193,217	0	193,217
1,096,882	0	1,096,882
1,640,740	0	1,640,740
149,387	0	149,387
185,746	0	185,746
45,632	0	45,632
<u>21,930,550</u>	<u>0</u>	<u>21,930,550</u>
(1,261,618)	449,089	(812,529)
<u>5,769,410</u>	<u>2,690,025</u>	<u>8,459,435</u>
<u>\$4,507,792</u>	<u>\$3,139,114</u>	<u>\$7,646,906</u>

**CITY OF NORWOOD, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	General	Debt Service Fund	All Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,407,708	\$1,124,110	\$2,591,639	\$6,123,457
Cash and Cash Equivalents with Fiscal Agents	0	0	752,308	752,308
Accounts Receivable	184,493	0	0	184,493
Intergovernmental Receivable	412,050	0	321,141	733,191
Income Taxes Receivable	2,805,367	0	0	2,805,367
Property Taxes Receivable	2,787,307	0	0	2,787,307
Other Local Taxes Receivable	17,207	0	8,906	26,113
Payments in Lieu of Taxes Receivable	0	1,145,469	293,330	1,438,799
Interfund Receivable	30,846	0	0	30,846
Special Assessments Receivable	0	1,684,137	0	1,684,137
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	0	1,195,632	0	1,195,632
<b>Total Assets</b>	<b>\$8,644,978</b>	<b>\$5,149,348</b>	<b>\$3,967,324</b>	<b>\$17,761,650</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$35,613	\$0	\$26,209	\$61,822
Accrued Wages Payable	414,580	0	15,487	430,067
Contracts Payable	16,491	0	779,116	795,607
Intergovernmental Payable	836,424	0	426,564	1,262,988
Interfund Payable	0	0	30,846	30,846
Deferred Revenue	4,648,085	2,829,606	558,382	8,036,073
<b>Total Liabilities</b>	<b>5,951,193</b>	<b>2,829,606</b>	<b>1,836,604</b>	<b>10,617,403</b>
<b>FUND BALANCES:</b>				
Reserved:				
Reserved for Encumbrances	202,758	0	120,573	323,331
Unreserved, Undesignated, Reported in:				
General Fund	2,491,027	0	0	2,491,027
Special Revenue Funds	0	0	1,600,756	1,600,756
Debt Service Fund	0	2,319,742	0	2,319,742
Capital Projects Funds	0	0	409,391	409,391
<b>Total Fund Balances</b>	<b>2,693,785</b>	<b>2,319,742</b>	<b>2,130,720</b>	<b>7,144,247</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$8,644,978</b>	<b>\$5,149,348</b>	<b>\$3,967,324</b>	<b>\$17,761,650</b>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2009**

Total Governmental Fund Balances \$7,144,247

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

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

Land	6,376,146	
Depreciable capital assets	29,181,718	
Accumulated depreciation	<u>(15,113,947)</u>	
Total capital assets		20,443,917

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

Property Taxes	262,991	
Special Assessments	1,684,137	
Due From Other Governments:		
Charges for Services	145,082	
Shared Taxes and Local Government Revenue Assistance	676,456	
Income Taxes	<u>1,343,956</u>	
		4,112,622

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

21,073

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

(197,696)

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

Discount on bonds	161,800	
Capital leases	(694,237)	
Bonds	(22,407,095)	
Loans	(624,826)	
Compensated absences	<u>(3,452,013)</u>	
Total liabilities		<u>(27,016,371)</u>

Net Assets of Governmental Activities

\$4,507,792

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Debt Service Fund	All Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property Taxes	\$2,711,543	\$0	\$0	\$2,711,543
Income Taxes	16,754,724	0	0	16,754,724
Other Local Taxes	9,522	0	183,695	193,217
Payments in Lieu of Taxes	0	1,045,979	50,903	1,096,882
Special Assessments	0	208,937	0	208,937
Charges for Services	561,396	0	143,070	704,466
Fines, Licenses and Permits	549,961	0	110,676	660,637
Intergovernmental	1,426,215	0	1,512,920	2,939,135
Interest	11,024	172,825	2,714	186,563
Rent	18,655	0	0	18,655
Contributions and Donations	25	0	224,524	224,549
Other	44,854	0	778	45,632
<b>Total Revenues</b>	<b>22,087,919</b>	<b>1,427,741</b>	<b>2,229,280</b>	<b>25,744,940</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General Government	4,243,368	0	275,687	4,519,055
Security of Persons and Property:				
Police	7,347,808	0	126,733	7,474,541
Fire	7,430,156	0	131,668	7,561,824
Public Services	14,915	0	0	14,915
Public Health Services	971,831	0	86,421	1,058,252
Leisure Time Services	0	0	469,887	469,887
Community and Economic Development	0	0	91,246	91,246
Transportation	0	0	2,189,443	2,189,443
Intergovernmental	0	369,862	50,903	420,765
Capital Outlay	62,971	0	439,012	501,983
Debt Service:				
Principal Retirement	166,502	937,579	133,662	1,237,743
Interest and Fiscal Charges	30,491	1,145,049	324,617	1,500,157
<b>Total Expenditures</b>	<b>20,268,042</b>	<b>2,452,490</b>	<b>4,319,279</b>	<b>27,039,811</b>
Excess of Revenues Over (Under) Expenditures	1,819,877	(1,024,749)	(2,089,999)	(1,294,871)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	0	916,200	894,572	1,810,772
Inception of Capital Lease	62,971	0	0	62,971
Transfers Out	(1,810,772)	0	0	(1,810,772)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,747,801)</b>	<b>916,200</b>	<b>894,572</b>	<b>62,971</b>
Net Change in Fund Balances	72,076	(108,549)	(1,195,427)	(1,231,900)
Fund Balances at Beginning of Year	2,621,709	2,428,291	3,326,147	8,376,147
Fund Balances at End of Year	<u>\$2,693,785</u>	<u>\$2,319,742</u>	<u>\$2,130,720</u>	<u>\$7,144,247</u>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Net Change in Fund Balances - Total Governmental Funds (\$1,231,900)

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

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

Capital Assets Additions	817,450	
Current Year Depreciation	<u>(735,225)</u>	82,225

When capital assets are disposed of, the cost of the capital assets is removed from the capital asset account in the Statement of Net Assets resulting in a loss on sale of capital assets in the Statement of Activities.

Loss on Disposal of Capital Assets	<u>(4,933)</u>	(4,933)
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Because some revenues will not be collected for several months after the City's year-end, they are not considered "available" revenues and are deferred in the governmental funds.

Property Taxes	(127,741)	
Special Assessments	(208,937)	
Due From Other Governments		
Charges for Services	(128,993)	
Shared Taxes and Local Government Revenue Assistance	31,032	
Income Taxes	<u>(719,580)</u>	(1,154,219)

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

General obligation bond principal retirement	728,642	
Special assessment debt principal retirement	208,937	
Loan principal retirement	43,516	
Capital lease payments	<u>256,648</u>	1,237,743
Total long-term obligation repayment		

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

Amortization of bond issuance costs	(21,074)	
Amortization of bond discount	(7,355)	
Accrued Interest	<u>17,137</u>	(11,292)

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

Capital Lease Proceeds	<u>(62,971)</u>	(62,971)
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Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in Compensated Absences	<u>(116,271)</u>	<u>(116,271)</u>
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Change in Net Assets of Governmental Activities (\$1,261,618)

See accompanying notes to the basic financial statements



**CITY OF NORWOOD, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Property Taxes	\$2,544,041	\$2,539,296	\$2,711,543	\$172,247
Income Taxes	15,587,031	15,557,962	16,613,298	1,055,336
Other Local Taxes	8,934	8,917	9,522	605
Charges for Services	543,410	542,397	579,189	36,792
Fines, Licenses and Permits	518,884	517,916	553,048	35,132
Intergovernmental	1,337,075	1,334,581	1,425,109	90,528
Interest	10,343	10,324	11,024	700
Rent	17,503	17,470	18,655	1,185
Contributions and Donations	23	23	25	2
Other	100,673	100,485	107,301	6,816
<b>Total Revenues</b>	<b>20,667,916</b>	<b>20,629,372</b>	<b>22,028,714</b>	<b>1,399,342</b>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Legislative and Executive	4,806,438	5,069,216	4,427,644	641,572
Judicial System	105,111	110,886	107,157	3,729
Security of Persons and Property:				
Police	6,479,198	7,499,879	7,367,831	132,048
Fire	7,480,642	7,635,298	7,542,788	92,510
Public Services	78,175	76,236	64,237	11,999
Public Health Services	967,450	1,012,499	980,725	31,774
<b>Total Expenditures</b>	<b>19,917,014</b>	<b>21,404,014</b>	<b>20,490,382</b>	<b>913,632</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>750,902</b>	<b>(774,642)</b>	<b>1,538,332</b>	<b>2,312,974</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Advances Out	0	(2,285)	(2,285)	0
Advances In	0	39,545	39,545	0
Transfers Out	(1,319,803)	(1,831,283)	(1,810,772)	20,511
<b>Total Other Financing Sources (Uses)</b>	<b>(1,319,803)</b>	<b>(1,794,023)</b>	<b>(1,773,512)</b>	<b>20,511</b>
<b>Net Change in Fund Balance</b>	<b>(568,901)</b>	<b>(2,568,665)</b>	<b>(235,180)</b>	<b>2,333,485</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,854,103</b>	<b>1,854,103</b>	<b>1,854,103</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>551,126</b>	<b>551,126</b>	<b>551,126</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$1,836,328</b>	<b>(\$163,436)</b>	<b>\$2,170,049</b>	<b>\$2,333,485</b>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO  
STATEMENT OF FUND NET ASSETS  
ENTERPRISE FUNDS  
DECEMBER 31, 2009**

	<u>Water</u>	<u>Refuse</u>	<u>Totals</u>
<b>ASSETS:</b>			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$160,946	\$44,194	\$205,140
Accounts Receivable	<u>1,028,525</u>	<u>401,310</u>	<u>1,429,835</u>
Total Current Assets	<u>1,189,471</u>	<u>445,504</u>	<u>1,634,975</u>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	63,699	0	63,699
Depreciable Capital Assets, Net	<u>1,745,094</u>	<u>0</u>	<u>1,745,094</u>
Total Noncurrent Assets	<u>1,808,793</u>	<u>0</u>	<u>1,808,793</u>
Total Assets	<u>2,998,264</u>	<u>445,504</u>	<u>3,443,768</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	4,681	0	4,681
Accrued Wages Payable	14,682	0	14,682
Contracts Payable	0	110,584	110,584
Intergovernmental Payable	17,183	0	17,183
Compensated Absences Payable	14,495	0	14,495
OPWC Loans Payable	<u>19,622</u>	<u>0</u>	<u>19,622</u>
Total Current Liabilities	<u>70,663</u>	<u>110,584</u>	<u>181,247</u>
Noncurrent Liabilities:			
Refundable Deposits	63,699	0	63,699
Compensated Absences Payable	20,463	0	20,463
OPWC Loans Payable	<u>39,245</u>	<u>0</u>	<u>39,245</u>
Total Noncurrent Liabilities	<u>123,407</u>	<u>0</u>	<u>123,407</u>
Total Liabilities	<u>194,070</u>	<u>110,584</u>	<u>304,654</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt Unrestricted	1,686,227	0	1,686,227
	<u>1,117,967</u>	<u>334,920</u>	<u>1,452,887</u>
Total Net Assets	<u>\$2,804,194</u>	<u>\$334,920</u>	<u>\$3,139,114</u>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Water</u>	<u>Refuse</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services	<u>\$3,591,259</u>	<u>\$1,331,272</u>	<u>\$4,922,531</u>
<b>OPERATING EXPENSES:</b>			
Personal Services	602,692	0	602,692
Contractual Services	2,331,419	1,330,919	3,662,338
Supplies and Materials	65,660	0	65,660
Depreciation	140,204	0	140,204
Refunds	1,521	0	1,521
Other	<u>127</u>	<u>0</u>	<u>127</u>
Total Operating Expenses	<u>3,141,623</u>	<u>1,330,919</u>	<u>4,472,542</u>
Operating Income	449,636	353	449,989
<b>NON-OPERATING EXPENSES:</b>			
Interest and Fiscal Charges	<u>(900)</u>	<u>0</u>	<u>(900)</u>
Change in Net Assets	448,736	353	449,089
Net Assets at Beginning of Year	<u>2,355,458</u>	<u>334,567</u>	<u>2,690,025</u>
Net Assets at End of Year	<u><u>\$2,804,194</u></u>	<u><u>\$334,920</u></u>	<u><u>\$3,139,114</u></u>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Water</u>	<u>Refuse</u>	<u>Total</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$3,249,311	\$1,301,136	\$4,550,447
Cash Payments for Employee Services and Benefits	(600,116)	0	(600,116)
Cash Payments to Suppliers for Goods and Services	(2,726,709)	(1,220,335)	(3,947,044)
Utility Deposits Received	24,050	0	24,050
Utility Deposits Returned	(17,205)	0	(17,205)
Net Cash Provided by (Used for) Operating Activities	<u>(70,669)</u>	<u>80,801</u>	<u>10,132</u>
Cash Flows from Noncapital Financing Activities:			
Repayment of Short-Term Loan From Another Fund	<u>0</u>	<u>(36,607)</u>	<u>(36,607)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(19,224)	0	(19,224)
Principal Paid on OPWC Loans	(59,526)	0	(59,526)
Interest Paid on OPWC Loans	(900)	0	(900)
Net Cash Used for Capital and Related Financing Activities	<u>(79,650)</u>	<u>0</u>	<u>(79,650)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(150,319)	44,194	(106,125)
Cash and Cash Equivalents at Beginning of Year	<u>374,964</u>	<u>0</u>	<u>374,964</u>
Cash and Cash Equivalents at End of Year	<u><u>\$224,645</u></u>	<u><u>\$44,194</u></u>	<u><u>\$268,839</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income	\$449,636	\$353	\$449,989
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities			
Depreciation	140,204	0	140,204
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	(341,948)	(30,136)	(372,084)
Increase in Accounts Payable	1,798	0	1,798
Increase (Decrease) in Contracts Payable	(9,128)	110,584	101,456
Decrease in Accrued Wages Payable	(1,538)	0	(1,538)
Decrease in Intergovernmental Payable	(317,275)	0	(317,275)
Increase in Liabilities Payable from Restricted Assets	6,845	0	6,845
Increase in Compensated Absences Payable	737	0	737
Net Cash Provided by (Used for) Operating Activities	<u><u>(\$70,669)</u></u>	<u><u>\$80,801</u></u>	<u><u>\$10,132</u></u>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2009**

	Pension Trust	Agency
	<u>          </u>	<u>          </u>
<b>ASSETS:</b>		
Equity in Pooled Cash and Cash Equivalents	\$3	\$692,982
Accounts Receivable	0	1,492,214
	<u>          </u>	<u>          </u>
Total Assets	3	<u><u>\$2,185,196</u></u>
<b>LIABILITIES:</b>		
Intergovernmental Payable	0	\$2,179,976
Undistributed Monies	0	5,220
	<u>          </u>	<u>          </u>
Total Liabilities	0	<u><u>\$2,185,196</u></u>
<b>NET ASSETS:</b>		
Held in Trust for OPEB	3	
	<u>          </u>	
Total Net Assets	<u><u>\$3</u></u>	

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
DECEMBER 31, 2009**

	<u>Pension Trust</u>
ADDITIONS:	
Interest Income	\$14
Employer Contributions	<u>335,870</u>
Total Additions	335,884
DEDUCTIONS:	
Distributions to Participants	<u>336,308</u>
Change in Net Assets	(424)
Net Assets at Beginning of Year	<u>427</u>
Net Assets at End of Year	<u><u>\$3</u></u>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY**

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

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

**Reporting Entity**

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

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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



**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements

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

**Fund Accounting**

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

Governmental Funds

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

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

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary Funds

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

Enterprise Funds

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

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

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

Fiduciary Funds

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus**

Government-wide Financial Statements

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

Fund Financial Statements

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

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

**Basis of Accounting**

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenues – Exchange and Non-exchange Transactions

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

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

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Expenses/Expenditures**

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

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

**Budgetary Process**

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. No budget was prepared for the OPWC Improvement Fund. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department and fund. Budgetary modifications may only be made by resolution of Council.

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

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

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

During 2009, investments were limited to certificates of deposit and money market mutual funds. Investments are reported at fair value which is based on quoted market prices. For investments in money market mutual funds, the fair value is determined by the fund's current share price.

Interest income is distributed to the funds according to Ohio statutory requirements. Interest revenue credited to the General Fund during 2009 amounted to \$11,024, which includes \$7,075 assigned from other City funds.

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

**Capital Assets**

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

**Interfund Balances**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund Receivable” and “Interfund Payable”. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net assets.

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Restricted Assets**

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

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

**Fund Balance Reserves**

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

**Operating Revenues and Expenses**

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

**Internal Activity**

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

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



**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**Bond Discounts/Issuance Costs**

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

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

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

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The long-term liability for the 2006 Tax Increment Financing Bonds is not related to governmental activities because the proceeds were not used to construct a capital asset reported by the City. This liability is included in the calculation of unrestricted net assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of recreational activities and improving the living environment of the City.

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF NET ASSETS**

**Changes in Accounting Principles**

For the year ended 2009, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments”, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City’s financial statements.

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF NET ASSETS (Continued)**

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other post-employment benefit (OPEB) plans (that is, agent employers). The requirements in this statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

**Restatement of Net Assets**

During 2009, the City changed the accounting treatment applied to payments in lieu of taxes transactions related to the tax increment financing districts and tax increment financing agreements. The City, based on additional guidance from GASB, views these transactions as non-exchange transactions and has recognized a one year payment in lieu of taxes receivable and deferred revenue. In previous years, the City viewed these transactions as exchange transactions. As a result, the long term liabilities associated with school district compensation agreements were removed from the Statement of Net Assets.

The change in restatement related to the change in accounting treatment had the following effect on net assets at December 31, 2008, as previously reported.

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND BALANCES/NET ASSETS (Continued)**

	Governmental Activities
Net Assets, December 31, 2008	\$18,831,274
Payments in Lieu of Taxes Receivable	(15,080,304)
Intergovernmental Payable	2,018,440
Net Assets, December 31, 2008, as Restated	\$5,769,410

The restatement had an effect of (\$250,477) on the change in net assets as was previously reported for the year ended December 31, 2008.

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (Continued)**

	General
GAAP Basis	\$72,076
Revenue Accruals	(59,205)
Expenditure Accruals	(47,652)
Encumbrances	(237,659)
Advances, Net	37,260
Budget Basis	(\$235,180)

**NOTE 5 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

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

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

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

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

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

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

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

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

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

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

**Investments**

As of December 31, 2009, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
First American Treasury Obligation		
Money Market Mutual Fund	\$1,195,631	Average 90 Days
US Bank Money Market Mutual Fund	<u>752,309</u>	Average 90 Days
Total Investments	<u><u>\$1,947,940</u></u>	

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

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

Interest Rate Risk

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

Credit Risk

The First American Treasury Obligation and the US Bank Money Market Mutual Funds carry ratings of Aaa by Moody's. Ohio law requires that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

**NOTE 6 – MUNICIPAL INCOME TAX**

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

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

Income tax proceeds are recorded in the General Fund.

**NOTE 7 – PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are 2009 taxes.

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 7 – PROPERTY TAXES (Continued)**

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property tax revenues received during 2009 (other than public utility property tax represent the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable September 20.

The full tax rate for all City operations for the year ended December 31, 2009, was \$11.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$379,816,560
General Business Personal Property	1,495,950
Public Utility Personal Property	13,494,520
Totals	\$394,807,030

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Norwood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.



**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 8 – RECEIVABLES**

Receivables at December 31, 2009, consisted of property taxes, other local taxes, municipal income taxes, payments in lieu of taxes, inter-fund, accounts, special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, and special assessments. Property and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year for the City amounts to \$1,457,440. The City had no delinquent special assessments at December 31, 2009.

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Homestead and Rollback	\$92,067
State Local Government	293,514
Gasoline Excise Tax	156,901
Motor Vehicle License Tax	42,051
Cents per Gallon	122,189
Estate Tax	26,469
Total Intergovernmental Receivable	<u><u>\$733,191</u></u>

**Payments in Lieu of Taxes**

In 2002, the City entered into the Cornerstone Tax Increment Financing Agreement between the City and Cornerstone at Norwood LLC, for the purpose of constructing the Cornerstone commercial facility and parking garage. To encourage improvements, Cornerstone at Norwood LLC was granted a 100 percent, 30 year exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due in that current year. These payments are being used to finance public infrastructure improvements. Additional payments are made to the Norwood City School District since they are impacted by the exemption.

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 8 – RECEIVABLES (Continued)**

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

**NOTE 9 – CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2009 was as follows:

	<u>Balance 12/31/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/2009</u>
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated				
Land	\$6,376,146	\$0	\$0	\$6,376,146
Construction in Progress	2,285,510	0	(2,285,510)	0
Total Capital Assets, Not Being Depreciated	<u>8,661,656</u>	<u>0</u>	<u>(2,285,510)</u>	<u>6,376,146</u>
Capital Assets Being Depreciated				
Buildings	4,350,712	134,437	0	4,485,149
Land Improvements	1,482,809	0	0	1,482,809
Vehicles	4,159,232	62,971	(85,396)	4,136,807
Furniture, Fixtures and Equipment	2,031,477	192,145	0	2,223,622
Infrastructure	14,288,301	2,713,407	(148,377)	16,853,331
Total Capital Assets Being Depreciated	<u>26,312,531</u>	<u>3,102,960</u>	<u>(233,773)</u>	<u>29,181,718</u>
Less Accumulated Depreciation				
Buildings	(2,211,790)	(61,125)	0	(2,272,915)
Land Improvements	(775,477)	(47,053)	0	(822,530)
Vehicles	(2,380,953)	(220,894)	85,396	(2,516,451)
Furniture, Fixtures and Equipment	(1,144,147)	(91,069)	0	(1,235,216)
Infrastructure	(8,095,195)	(315,084)	143,444	(8,266,835)
Total Accumulated Depreciation	<u>(14,607,562)</u>	<u>(735,225)</u>	<u>228,840</u>	<u>(15,113,947)</u>
Total Capital Assets Being Depreciated, Net	<u>11,704,969</u>	<u>2,367,735</u>	<u>(4,933)</u>	<u>14,067,771</u>
Governmental Activities Capital Assets, Net	<u>\$20,366,625</u>	<u>\$2,367,735</u>	<u>(\$2,290,443)</u>	<u>\$20,443,917</u>

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 9 – CAPITAL ASSETS (Continued)**

	<u>Balance 12/31/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/2009</u>
<u>Business-Type Activities</u>				
Capital Assets Being Depreciated				
Buildings	\$54,890	\$0	\$0	\$54,890
Vehicles	163,198	0	0	163,198
Furniture, Fixtures and Equipment	92,102	19,224	0	111,326
Infrastructure	3,077,946	0	0	3,077,946
Total Capital Assets Being Depreciated	<u>3,388,136</u>	<u>19,224</u>	<u>0</u>	<u>3,407,360</u>
Less Accumulated Depreciation				
Buildings	(54,890)	0	0	(54,890)
Vehicles	(163,198)	0	0	(163,198)
Furniture, Fixtures and Equipment	(78,054)	(15,206)	0	(93,260)
Infrastructure	(1,225,920)	(124,998)	0	(1,350,918)
Total Accumulated Depreciation	<u>(1,522,062)</u>	<u>(140,204)</u>	<u>0</u>	<u>(1,662,266)</u>
Business-Type Activities, Net	<u>\$1,866,074</u>	<u>(\$120,980)</u>	<u>\$0</u>	<u>\$1,745,094</u>

Depreciation expense was charged to governmental programs as follows:

<u>Governmental Activities</u>	
General Government	\$155,326
Security of Persons and Property:	
Police	101,589
Fire	116,875
Public Services	7,530
Public Health Services	7,129
Leisure Time Services	12,239
Community and Economic Development	577
Transportation	333,960
Total Depreciation Expense	<u>\$735,225</u>

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 10 – LONG-TERM DEBT**

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2009 follows:

Governmental Activities

Types/Issues	Restated Balance 1/1/09	Increases	Decreases	Balance 12/31/09	Due Within One Year
General Obligation Refunding Bonds					
2006 - 4.48% - \$6,545,752	\$5,646,600	\$0	\$563,642	\$5,082,958	\$591,359
Special Assesment Debt 2003 - 8.5%					
\$3,500,000	1,893,074	0	208,937	1,684,137	226,697
OPWC Loan - Resurface					
Williams Ave 2003 - 0% - \$247,090	185,318	0	12,354	172,964	12,354
OPWC Loan - Montgomery Rd					
Phase II 2003 - 0% - \$623,255	483,024	0	31,162	451,862	31,162
Tax Increment Financing					
Bonds 2006 - 4%-5.75% - \$12,500,000	12,255,000	0	165,000	12,090,000	180,000
Discount on Debt Issue	(169,155)	0	(7,355)	(161,800)	0
Linden Pointe Tax Increment Financing					
Bonds 2007 - 4.35% - \$3,550,000	3,550,000	0	0	3,550,000	3,550,000
Capital Leases	887,914	62,971	256,648	694,237	277,102
Compensated Absences	3,335,742	713,320	597,049	3,452,013	653,466
Total	<u>\$28,067,517</u>	<u>\$776,291</u>	<u>\$1,827,437</u>	<u>\$27,016,371</u>	<u>\$5,522,140</u>

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

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

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

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 10 – LONG-TERM DEBT (Continued)**

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

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

Changes in the long-term obligations reported in business-type activities of the City during 2009 were as follows:

Business-Type Activities

Types/Issues	Balance 1/1/09	Increases	Decreases	Balance 12/31/09	Due Within One Year
1994 OPWC Loan - Improve Water Distribution System - 3% - \$489,978	\$39,904	\$0	\$39,904	\$0	\$0
2007 OPWC Water Distribution - 0% \$98,110	78,489	0	19,622	58,867	19,622
Compensated Absences	34,221	30,981	30,244	34,958	14,495
Total	<u>\$152,614</u>	<u>\$30,981</u>	<u>\$89,770</u>	<u>\$93,825</u>	<u>\$34,117</u>

During 1994, the City entered into a loan agreement with the Ohio Public Works Commission to help fund improvements of the water distribution system. The interest rate on the loan is three percent and the loan was fully retired in 2009.

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

As of December 31, 2009, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$35,746,954 and the unvoted debt margin was \$16,006,603.

**Annual Long-Term Debt Requirements**

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 10 – LONG-TERM DEBT (Continued)**

Year	Governmental Activities						
	Various Purpose Refinancing Bonds		Special Assessment Bonds		OPWC Loans	Tax Increment Financing Bonds	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2010	\$591,359	\$210,303	\$226,697	\$143,152	\$43,516	\$3,730,000	\$881,011
2011	620,637	185,993	245,966	123,882	43,516	195,000	717,586
2012	651,565	157,922	266,873	102,975	43,516	235,000	707,348
2013	684,235	128,263	289,557	80,291	43,516	250,000	695,010
2014	486,014	103,663	314,170	55,679	43,516	265,000	681,886
2015-2019	1,463,675	298,102	340,874	28,974	217,580	1,830,000	3,153,252
2020-2024	585,473	22,931	0	0	189,666	2,785,000	2,515,142
2025-2029	0	0	0	0	0	4,165,000	1,491,410
2030-2031	0	0	0	0	0	2,185,000	204,918
Totals	<u>\$5,082,958</u>	<u>\$1,107,177</u>	<u>\$1,684,137</u>	<u>\$534,953</u>	<u>\$624,826</u>	<u>\$15,640,000</u>	<u>\$11,047,563</u>

Business-Type Activities	
OPWC Loans	
Year	Principal
2010	\$19,622
2011	19,622
2012	19,623
Totals	<u>\$58,867</u>

**NOTE 11 – CAPITAL LEASES – LESSEE DISCLOSURE**

In 2009, and in prior years, the City entered into capital leases for vehicles. By the terms of the agreements, ownership of the equipment is transferred to the City by the end of the four year lease term. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets acquired by leases have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$1,304,430. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2009 totaled \$256,648.

The assets acquired through capital leases are as follows:

Asset	Asset Value	Accumulated Depreciation	Net Book Value December 31, 2009
Vehicles	<u>\$1,304,430</u>	<u>\$227,191</u>	<u>\$1,077,239</u>

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 11 – CAPITAL LEASES – LESSEE DISCLOSURE (Continued)**

The following is a schedule of future minimum payments on capital leases and the present value of the minimum lease payments at December 31, 2009.

Year	Governmental Activities
2010	\$295,253
2011	263,817
2012	170,646
2013	30,933
Total Minimum Lease Payments	\$760,649
Less: Amount Representing Interest	(66,412)
Present Value of Minimum Lease Payments	\$694,237

**NOTE 12 – RISK MANAGEMENT**

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

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

**NOTE 13 – DEFINED BENEFIT PENSION PLANS**

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans.

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 13 – DEFINED BENEFIT PENSION PLANS (Continued)**

Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

For the period January 1, through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009, this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$1,036,713, \$861,644, and \$956,040, respectively; 99.98 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the Member-Directed Plan for 2009 were \$12,861 made by the City and \$9,186 made by plan members.

**Ohio Police and Fire Pension Fund**

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

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$626,633 and \$830,060 for the year ended December 31, 2009, \$562,830 and \$865,541 for the year ended December 31, 2008, and \$534,711 and \$794,572 for the year ended December 31, 2007. 77.89 percent for police and 79.92 percent for firefighters has been contributed for 2009. The full amount has been contributed for 2008 and 2007.



**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 14 – POST-EMPLOYMENT BENEFITS**

Ohio Public Employees Retirement System

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

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

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

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the Traditional Pension and Combined Plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.0 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2009, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009.

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 14 – POST-EMPLOYMENT BENEFITS (Continued)**

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$749,623, \$861,389, and \$730,731, respectively; 99.98 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**Ohio Police and Fire Pension Fund**

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

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

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 14 – POST-EMPLOYMENT BENEFITS (Continued)**

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$331,747 and \$324,806 for the year ended December 31, 2009, \$297,969 and \$338,690 for the year ended December 31, 2008, and \$283,082 and \$310,920 for the year ended December 31, 2007. The full amount has been contributed for 2007 and 2006. 77.89 percent has been contributed for police and 79.92 percent has been contributed for firefighters for 2009.

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 15 – OTHER EMPLOYEE BENEFITS**

**Deferred Compensation**

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

**Insurance**

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

**NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

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

**Summary of Significant Accounting Policies**

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Plan Description**

Membership of the plan consisted of the following at December 31, 2009:

Retirees and beneficiaries receiving benefits	228
Active employee plan members	<u>6</u>
Total	<u><u>234</u></u>
 Number of participating employers	 1

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

**Funding Policy and Annual OPEB Cost**

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

Rather than making advance funding contributions to the plan, the City pays allowable insurance premiums or reimbursements for uninsured expenses when due. The differences between the annual required contributions and the actual employer contributions to the plan (payments of benefits and/or insurance premiums) represent short-term differences rather than a net OPEB obligation in accordance with GASB Statement No. 45. For 2009, the City’s total contribution to the plan was \$335,870, which exceeded the actuarially determined annual contribution.

Schedule of Employer's Contributions

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2009	\$311,754	107.74%
2008	324,249	98.57%
2007	341,710	101.84%

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Funded Status and Funding Progress**

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
12/31/2009	\$3	\$3,036,488	\$3,036,485	0.00%

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

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

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Valuation Date	12/31/2009
Actuarial Cost Method	Unprojected Unit Credit
Asset Valuation Method	Market Value
Amortization Method	Level dollar, closed
Remaining Amortization Period	15 years
Actuarial Assumptions:	
Investment Rate of Return	7% per year, compounded annually
Healthcare Cost Trend Rate	0% for uninsured reimbursement: thus we assume average annual claims will continue to remain level

**NOTE 17 – INTERFUND ACTIVITY**

Interfund balances at December 31, 2009, consisted of the following amounts and result from correcting misposted items and moving unrestricted balances to support the programs and projects accounted for in other funds.

		<u>Receivable General</u>
Payable	All Other Governmental Funds	<u>\$30,846</u>

Transfers made during the year ended December 31, 2009, were as follows:

		<u>Transfers From General Fund</u>
Transfers To	All Other Governmental Funds	\$894,572
	Debt Service Fund	<u>916,200</u>
	Total	<u><u>\$1,810,772</u></u>

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

**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 18 – COMPLIANCE AND ACCOUNTABILITY**

**Compliance**

Ohio Revised Code, Section 733.43, states that the treasurer of a municipal corporation shall keep an accurate account of all monies received and disbursed by him. The City Treasurer did not prepare accurate cash reconciliations of the general account during 2009.

Ohio Revised Code, Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. During 2009, seventeen percent (17%) of the non-payroll disbursements tested did not have certification prior to the obligation date and none of the three exceptions provided above were utilized.

Ohio Revised Code, Section 5705.36(A)(4), requires a subdivision to obtain an amended certificate when revenue to be collected will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations. At December 31, 2009, the City had estimated receipts that exceeded actual receipts and the deficiency reduced available resources below the current level of appropriations.

Ohio Revised Code, Section 5705.39, requires the City limit total appropriations from each fund to the total estimated revenue available for expenditure. During 2009, three funds have appropriations exceeding estimated resources.

**Accountability**

The Transportation nonmajor special revenue fund had a deficit balance of \$254,463. This deficit is due to adjustments for accrued liabilities which generate expenditures that are greater than those recognized on a cash basis. The General Fund provides transfers to cover deficit balances; however, this is only done when cash is needed rather than when accruals occur.

**NOTE 19 – CONTINGENCIES**

**Federal and State Grants**

For the period January 1, 2009 to December 31, 2009, the City received state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.



**CITY OF NORWOOD, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009

**NOTE 20 – SHARED RISK POOL**

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to section 2744.081, of the Ohio Revised Code, by the execution of an intergovernmental contract (“Participation Agreements”). PEP enables the subscribing subdivisions to pool risk for property, liability and public official liability. PEP has no employees, rather it is administered through contracts with various professionals. Pursuant to a contract, the firm of Accordia of Ohio administers PEP. PEP is a separate legal entity. PEP subcontracts certain self-insurance, administrative and claims functions to a “Pool Operator,” currently Pottering Insurance. PEP has executed contracts with various professionals for actuary services, as independent auditors, as loss control representatives, as litigation management and defense law firms, as counsel to PEP and others as required.

PEP is governed by a seven member Board of Trustees elected by the members of PEP. The City makes annual payments to PEP for the coverage it is provided, based on rates established by PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio, 45402.

**NOTE 21 – FISCAL WATCH**

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

**CITY OF NORWOOD, OHIO**

Required Supplementary Information  
Other Post Employment Benefits

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
12/31/2009	\$3	\$3,036,488	\$3,036,485	0.00%
12/31/2008	427	3,158,611	3,158,184	0.01%
12/31/2007	28,818	3,357,077	3,328,259	0.86%
12/31/2006	4,855	3,305,800	3,300,945	0.15%
12/31/2005	47,419	3,304,557	3,257,138	1.43%
12/31/2004	51,677	3,361,611	3,309,934	1.54%

Schedule of Employer's Contributions

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$311,754	107.74%
2008	324,249	98.57%
2007	341,710	101.84%

**CITY OF NORWOOD, OHIO**  
Nonmajor Fund Descriptions

**Nonmajor Special Revenue Funds**

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

Permissive Tax

To account for motor vehicle license fees used for specific road improvements approved by the county engineer.

Mayor's Court Computerization

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

Tree Board

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

Pace Telecommunications

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

Council on Aging

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

Recycle

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

Homeland Security

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

21<sup>st</sup> Century Grant

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

Separation Pay

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

Transportation

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

**CITY OF NORWOOD, OHIO**  
Nonmajor Fund Descriptions  
(Continued)

**Nonmajor Special Revenue Funds (Continued)**

Fire

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

Police

To account for donations and grants used for public safety.

Economic Development

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

Parks

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

Health

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

**Nonmajor Capital Projects Funds**

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

Parks and Recreation

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

General Improvement

To account for monies used for general capital improvements.

Capital Assets

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

Montgomery Road

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

Linden Pointe Construction

To account for debt proceeds used for the construction of the Linden Pointe development area.

OPWC Improvement

To account for Ohio Public Works Commission grants for capital improvements. No budgetary statement is presented for this fund, as no cash activity was anticipated.

**CITY OF NORWOOD, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,451,438	\$140,201	\$2,591,639
Cash and Cash Equivalents with Fiscal Agents	0	752,308	752,308
Intergovernmental Receivable	321,141	0	321,141
Other Local Taxes Receivable	8,906	0	8,906
Payments in Lieu of Taxes Receivable	0	293,330	293,330
<b>Total Assets</b>	<b><u>\$2,781,485</u></b>	<b><u>\$1,185,839</u></b>	<b><u>\$3,967,324</u></b>
<b>LIABILITIES:</b>			
Accounts Payable	\$26,209	\$0	\$26,209
Accrued Wages Payable	15,487	0	15,487
Contracts Payable	304,116	475,000	779,116
Intergovernmental Payable	426,564	0	426,564
Interfund Payable	30,846	0	30,846
Deferred Revenue	265,052	293,330	558,382
<b>Total Liabilities</b>	<b><u>1,068,274</u></b>	<b><u>768,330</u></b>	<b><u>1,836,604</u></b>
<b>FUND BALANCES:</b>			
Reserved:			
Reserved for Encumbrances	112,455	8,118	120,573
Unreserved, Undesignated Reported in:			
Special Revenue Funds	1,600,756	0	1,600,756
Capital Projects Funds	0	409,391	409,391
<b>Total Fund Balances</b>	<b><u>1,713,211</u></b>	<b><u>417,509</u></b>	<b><u>2,130,720</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$2,781,485</u></b>	<b><u>\$1,185,839</u></b>	<b><u>\$3,967,324</u></b>

**CITY OF NORWOOD, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
Other Local Taxes	\$183,695	\$0	\$183,695
Payments in Lieu of Taxes	0	50,903	50,903
Charges for Services	143,070	0	143,070
Fines, Licenses and Permits	110,676	0	110,676
Intergovernmental	966,494	546,426	1,512,920
Interest	39	2,675	2,714
Contributions and Donations	70,116	154,408	224,524
Other	778	0	778
	<u>1,474,868</u>	<u>754,412</u>	<u>2,229,280</u>
<b>Total Revenues</b>			
<b>EXPENDITURES:</b>			
Current:			
General Government	275,687	0	275,687
Security of Persons and Property:			
Police	126,733	0	126,733
Fire	131,668	0	131,668
Public Health Services	86,421	0	86,421
Leisure Time Services	469,887	0	469,887
Community and Economic Development	91,246	0	91,246
Transportation	1,764,706	424,737	2,189,443
Intergovernmental	0	50,903	50,903
Capital Outlay	48,786	390,226	439,012
Debt Service:			
Principal Retirement	133,662	0	133,662
Interest and Fiscal Charges	16,499	308,118	324,617
	<u>3,145,295</u>	<u>1,173,984</u>	<u>4,319,279</u>
<b>Total Expenditures</b>			
Excess of Revenues Under Expenditures	(1,670,427)	(419,572)	(2,089,999)
<b>OTHER FINANCING SOURCES:</b>			
Transfers In	890,000	4,572	894,572
	<u>890,000</u>	<u>4,572</u>	<u>894,572</u>
Net Change in Fund Balances	(780,427)	(415,000)	(1,195,427)
Fund Balances at Beginning of Year	2,493,638	832,509	3,326,147
	<u>2,493,638</u>	<u>832,509</u>	<u>3,326,147</u>
Fund Balances at End of Year	<u>\$1,713,211</u>	<u>\$417,509</u>	<u>\$2,130,720</u>

**CITY OF NORWOOD, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2009**

	Permissive Tax	Mayor's Court Computerization	Tree Board
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$126,139	\$53,294	\$2,155
Intergovernmental Receivable	0	0	0
Other Local Taxes Receivable	8,906	0	0
<b>Total Assets</b>	<u><u>\$135,045</u></u>	<u><u>\$53,294</u></u>	<u><u>\$2,155</u></u>
<b>LIABILITIES:</b>			
Accounts Payable	\$0	\$100	\$0
Accrued Wages Payable	0	0	0
Contracts Payable	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
Deferred Revenue	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>100</u>	<u>0</u>
<b>FUND BALANCES</b>			
Reserved:			
Reserved for Encumbrances	12,000	585	0
Unreserved, Undesignated (Deficit)	123,045	52,609	2,155
<b>Total Fund Balances (Deficit)</b>	<u>135,045</u>	<u>53,194</u>	<u>2,155</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$135,045</u></u>	<u><u>\$53,294</u></u>	<u><u>\$2,155</u></u>

<u>Pace Telecommunications</u>	<u>Council on Aging</u>	<u>Recycle</u>	<u>Homeland Security</u>	<u>21st Century Grant</u>	<u>Separation Pay</u>
\$69,479	\$28,898	\$3,776	\$1,201	\$40,134	\$1,885
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$69,479</u>	<u>\$28,898</u>	<u>\$3,776</u>	<u>\$1,201</u>	<u>\$40,134</u>	<u>\$1,885</u>
\$0	\$0	\$0	\$0	\$1,062	\$0
0	371	0	0	152	0
0	0	0	0	900	0
0	441	0	0	2,699	0
0	0	0	0	0	0
0	0	0	0	0	0
0	812	0	0	4,813	0
0	0	0	0	2,628	0
<u>69,479</u>	<u>28,086</u>	<u>3,776</u>	<u>1,201</u>	<u>32,693</u>	<u>1,885</u>
<u>69,479</u>	<u>28,086</u>	<u>3,776</u>	<u>1,201</u>	<u>35,321</u>	<u>1,885</u>
<u>\$69,479</u>	<u>\$28,898</u>	<u>\$3,776</u>	<u>\$1,201</u>	<u>\$40,134</u>	<u>\$1,885</u>

(continued)



**CITY OF NORWOOD, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009  
(continued)**

	<u>Transportation</u>	<u>Fire</u>	<u>Police</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$427,562	\$227,191	\$88,484
Intergovernmental Receivable	321,141	0	0
Other Local Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u><u>\$748,703</u></u>	 <u><u>\$227,191</u></u>	 <u><u>\$88,484</u></u>
 <b>LIABILITIES:</b>			
Accounts Payable	\$12,504	\$5,428	\$6,385
Accrued Wages Payable	10,124	0	0
Contracts Payable	301,114	0	0
Intergovernmental Payable	414,372	0	0
Interfund Payable	0	30,846	0
Deferred Revenue	<u>265,052</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u><u>1,003,166</u></u>	 <u><u>36,274</u></u>	 <u><u>6,385</u></u>
 <b>Fund Balances:</b>			
Reserved:			
Reserved for Encumbrances	50,999	9,699	710
Unreserved, Undesignated (Deficit)	<u>(305,462)</u>	<u>181,218</u>	<u>81,389</u>
 Total Fund Balances (Deficit)	 <u><u>(254,463)</u></u>	 <u><u>190,917</u></u>	 <u><u>82,099</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$748,703</u></u>	 <u><u>\$227,191</u></u>	 <u><u>\$88,484</u></u>

<u>Economic Development</u>	<u>Parks</u>	<u>Health</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,137,870	\$126,947	\$116,423	\$2,451,438
0	0	0	321,141
0	0	0	8,906
<u>\$1,137,870</u>	<u>\$126,947</u>	<u>\$116,423</u>	<u>\$2,781,485</u>
\$0	\$0	\$730	\$26,209
2,158	2,682	0	15,487
0	0	2,102	304,116
4,016	5,036	0	426,564
0	0	0	30,846
0	0	0	265,052
<u>6,174</u>	<u>7,718</u>	<u>2,832</u>	<u>1,068,274</u>
2,274	7,869	25,691	112,455
<u>1,129,422</u>	<u>111,360</u>	<u>87,900</u>	<u>1,600,756</u>
<u>1,131,696</u>	<u>119,229</u>	<u>113,591</u>	<u>1,713,211</u>
<u>\$1,137,870</u>	<u>\$126,947</u>	<u>\$116,423</u>	<u>\$2,781,485</u>

**CITY OF NORWOOD, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Permissive Tax	Mayor's Court Computerization	Tree Board
<b>REVENUES:</b>			
Other Local Taxes	\$114,216	\$0	\$0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	20,676	0
Intergovernmental	0	0	0
Interest	0	0	0
Contributions and Donations	0	0	0
Other	0	0	0
<b>Total Revenues</b>	<b>114,216</b>	<b>20,676</b>	<b>0</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General Government	0	11,122	0
Security of Persons and Property:			
Police	0	0	0
Fire	0	0	0
Public Health Services	0	0	0
Leisure Time Services	0	0	99
Community and Economic Development	0	0	0
Transportation	222,597	0	0
Capital Outlay	43,517	0	0
Debt Service:			
Principal Retirement	43,516	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>309,630</b>	<b>11,122</b>	<b>99</b>
Excess of Revenues Over (Under) Expenditures	(195,414)	9,554	(99)
<b>OTHER FINANCING SOURCES:</b>			
Transfers In	0	0	0
<b>Net Change in Fund Balances</b>	<b>(195,414)</b>	<b>9,554</b>	<b>(99)</b>
Fund Balances at Beginning of Year	330,459	43,640	2,254
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$135,045</b>	<b>\$53,194</b>	<b>\$2,155</b>

Pace Telecommunications	Council on Aging	Recycle	Homeland Security	21st Century Grant	Separation Pay
\$69,479	\$0	\$0	\$0	\$0	\$0
0	0	0	0	40,064	0
0	0	0	0	0	0
0	36,363	0	0	5,046	0
0	0	0	0	0	0
0	0	0	0	38,452	0
0	0	0	0	0	0
<u>69,479</u>	<u>36,363</u>	<u>0</u>	<u>0</u>	<u>83,562</u>	<u>0</u>
0	0	0	0	0	264,565
0	0	0	0	0	0
0	0	0	325	0	0
0	28,176	0	0	0	0
67,419	0	0	0	132,746	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>67,419</u>	<u>28,176</u>	<u>0</u>	<u>325</u>	<u>132,746</u>	<u>264,565</u>
2,060	8,187	0	(325)	(49,184)	(264,565)
0	0	0	0	0	255,000
2,060	8,187	0	(325)	(49,184)	(9,565)
<u>67,419</u>	<u>19,899</u>	<u>3,776</u>	<u>1,526</u>	<u>84,505</u>	<u>11,450</u>
<u>\$69,479</u>	<u>\$28,086</u>	<u>\$3,776</u>	<u>\$1,201</u>	<u>\$35,321</u>	<u>\$1,885</u>

(continued)

**CITY OF NORWOOD, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(continued)**

	<u>Transportation</u>	<u>Fire</u>	<u>Police</u>
REVENUES:			
Other Local Taxes	\$0	\$0	\$0
Charges for Services	0	10,691	0
Fines, Licenses and Permits	8,841	0	67,459
Intergovernmental	708,789	56,792	22,967
Interest	39	0	0
Contributions and Donations	0	0	325
Other	778	0	0
	<u>718,447</u>	<u>67,483</u>	<u>90,751</u>
Total Revenues			
	<u>718,447</u>	<u>67,483</u>	<u>90,751</u>
EXPENDITURES:			
Current:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	126,733
Fire	0	131,343	0
Public Health Services	0	0	0
Leisure Time Services	0	0	0
Community and Economic Development	0	0	0
Transportation	1,542,109	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	56,422	33,724	0
Interest and Fiscal Charges	10,612	5,887	0
	<u>1,609,143</u>	<u>170,954</u>	<u>126,733</u>
Total Expenditures			
	<u>1,609,143</u>	<u>170,954</u>	<u>126,733</u>
Excess of Revenues Over (Under) Expenditures	(890,696)	(103,471)	(35,982)
OTHER FINANCING SOURCES:			
Transfers In	400,000	145,000	0
	<u>400,000</u>	<u>145,000</u>	<u>0</u>
Net Change in Fund Balances	(490,696)	41,529	(35,982)
Fund Balances at Beginning of Year	236,233	149,388	118,081
	<u>236,233</u>	<u>149,388</u>	<u>118,081</u>
Fund Balances (Deficit) at End of Year	<u>(\$254,463)</u>	<u>\$190,917</u>	<u>\$82,099</u>

Economic Development	Parks	Health	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$183,695
0	92,315	0	143,070
0	0	13,700	110,676
152	73,002	63,383	966,494
0	0	0	39
0	22,096	9,243	70,116
0	0	0	778
<u>152</u>	<u>187,413</u>	<u>86,326</u>	<u>1,474,868</u>
0	0	0	275,687
0	0	0	126,733
0	0	0	131,668
0	0	58,245	86,421
5,000	264,623	0	469,887
91,246	0	0	91,246
0	0	0	1,764,706
0	5,269	0	48,786
0	0	0	133,662
0	0	0	16,499
<u>96,246</u>	<u>269,892</u>	<u>58,245</u>	<u>3,145,295</u>
(96,094)	(82,479)	28,081	(1,670,427)
<u>0</u>	<u>90,000</u>	<u>0</u>	<u>890,000</u>
(96,094)	7,521	28,081	(780,427)
<u>1,227,790</u>	<u>111,708</u>	<u>85,510</u>	<u>2,493,638</u>
<u>\$1,131,696</u>	<u>\$119,229</u>	<u>\$113,591</u>	<u>\$1,713,211</u>

**CITY OF NORWOOD, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2009**

	<u>Parks and Recreation</u>	<u>General Improvement</u>	<u>Capital Assets</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$5,055	\$63,706	\$7,468
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Payments in Lieu of Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$5,055</u>	<u>\$63,706</u>	<u>\$7,468</u>
<b>LIABILITIES:</b>			
Contracts Payable	\$0	\$0	\$0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES:</b>			
Reserved:			
Reserved for Encumbrances	650	0	7,468
Unreserved, Undesignated	<u>4,405</u>	<u>63,706</u>	<u>0</u>
Total Fund Balances	<u>5,055</u>	<u>63,706</u>	<u>7,468</u>
Total Liabilities and Fund Balances	<u>\$5,055</u>	<u>\$63,706</u>	<u>\$7,468</u>

<u>Montgomery Road</u>	<u>Linden Pointe Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$62,875	\$1,097	\$140,201
0	752,308	752,308
<u>0</u>	<u>293,330</u>	<u>293,330</u>
<u>\$62,875</u>	<u>\$1,046,735</u>	<u>\$1,185,839</u>
\$0	\$475,000	\$475,000
<u>0</u>	<u>293,330</u>	<u>293,330</u>
<u>0</u>	<u>768,330</u>	<u>768,330</u>
0	0	8,118
<u>62,875</u>	<u>278,405</u>	<u>409,391</u>
<u>62,875</u>	<u>278,405</u>	<u>417,509</u>
<u>\$62,875</u>	<u>\$1,046,735</u>	<u>\$1,185,839</u>



**CITY OF NORWOOD, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Parks and Recreation</u>	<u>General Improvement</u>	<u>Capital Assets</u>
<b>REVENUES:</b>			
Payments in Lieu of Taxes	\$0	\$0	\$0
Intergovernmental	0	0	0
Interest	0	0	0
Contributions and Donations	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES:</b>			
Current:			
Transportation	0	0	0
Intergovernmental	0	0	0
Capital Outlay	0	0	37,256
Debt Service:			
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>37,256</u>
Excess of Revenues Under Expenditures	0	0	(37,256)
<b>OTHER FINANCING SOURCES:</b>			
Transfers In	<u>0</u>	<u>0</u>	<u>4,572</u>
Net Change in Fund Balances	0	0	(32,684)
Fund Balances at Beginning of Year	<u>5,055</u>	<u>63,706</u>	<u>40,152</u>
Fund Balances at End of Year	<u><u>\$5,055</u></u>	<u><u>\$63,706</u></u>	<u><u>\$7,468</u></u>

<u>Montgomery Road</u>	<u>Linden Pointe Construction</u>	<u>OPWC Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$50,903	\$0	\$50,903
38,666	154,790	352,970	546,426
0	2,675	0	2,675
<u>0</u>	<u>154,408</u>	<u>0</u>	<u>154,408</u>
<u>38,666</u>	<u>362,776</u>	<u>352,970</u>	<u>754,412</u>
0	424,737	0	424,737
0	50,903	0	50,903
0	0	352,970	390,226
<u>0</u>	<u>308,118</u>	<u>0</u>	<u>308,118</u>
<u>0</u>	<u>783,758</u>	<u>352,970</u>	<u>1,173,984</u>
38,666	(420,982)	0	(419,572)
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,572</u>
38,666	(420,982)	0	(415,000)
<u>24,209</u>	<u>699,387</u>	<u>0</u>	<u>832,509</u>
<u>\$62,875</u>	<u>\$278,405</u>	<u>\$0</u>	<u>\$417,509</u>

## **CITY OF NORWOOD, OHIO**

### **Agency Fund Descriptions**

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

#### Mayor's Court

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

#### Building Assessment

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

#### Sewage

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

**CITY OF NORWOOD, OHIO  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 DECEMBER 31, 2009**

	<u>Building Assessment</u>	<u>Sewage</u>	<u>Total</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$5,574	\$687,408	\$692,982
Accounts Receivable	<u>0</u>	<u>1,492,214</u>	<u>1,492,214</u>
 Total Assets	 <u><u>\$5,574</u></u>	 <u><u>\$2,179,622</u></u>	 <u><u>\$2,185,196</u></u>
 <b>LIABILITIES:</b>			
Intergovernmental Payable	\$354	\$2,179,622	\$2,179,976
Undistributed Monies	<u>5,220</u>	<u>0</u>	<u>5,220</u>
 Total Liabilities	 <u><u>\$5,574</u></u>	 <u><u>\$2,179,622</u></u>	 <u><u>\$2,185,196</u></u>

**CITY OF NORWOOD, OHIO  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Balance 1/1/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/09</u>
<b>MAYOR'S COURT</b>				
<b>ASSETS:</b>				
Cash and Cash Equivalents in Segregated Accounts	<u>\$1,722</u>	<u>\$5,083</u>	<u>\$6,805</u>	<u>\$0</u>
<b>LIABILITIES:</b>				
Undistributed Monies	<u>\$1,722</u>	<u>\$5,083</u>	<u>\$6,805</u>	<u>\$0</u>
<b>BUILDING ASSESSMENT</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$5,263</u>	<u>\$5,061</u>	<u>\$4,750</u>	<u>\$5,574</u>
<b>LIABILITIES:</b>				
Intergovernmental Payable	\$0	\$354	\$0	\$354
Undistributed Monies	<u>5,263</u>	<u>4,707</u>	<u>4,750</u>	<u>5,220</u>
Total Liabilities	<u>\$5,263</u>	<u>\$5,061</u>	<u>\$4,750</u>	<u>\$5,574</u>
<b>SEWAGE</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$603,151	\$4,332,908	\$4,248,651	\$687,408
Accounts Receivable	<u>1,095,604</u>	<u>1,492,214</u>	<u>1,095,604</u>	<u>1,492,214</u>
Total Assets	<u>\$1,698,755</u>	<u>\$5,825,122</u>	<u>\$5,344,255</u>	<u>\$2,179,622</u>
<b>LIABILITIES:</b>				
Intergovernmental Payable	<u>\$1,698,755</u>	<u>\$5,825,122</u>	<u>\$5,344,255</u>	<u>\$2,179,622</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,722	\$5,083	\$6,805	\$0
Accounts Receivable	608,414	4,337,969	4,253,401	692,982
Accounts Receivable	<u>1,095,604</u>	<u>1,492,214</u>	<u>1,095,604</u>	<u>1,492,214</u>
Total Assets	<u>\$1,705,740</u>	<u>\$5,835,266</u>	<u>\$5,355,810</u>	<u>\$2,185,196</u>
<b>LIABILITIES:</b>				
Intergovernmental Payable	\$1,698,755	\$5,825,476	\$5,344,255	\$2,179,976
Undistributed Monies	<u>6,985</u>	<u>9,790</u>	<u>11,555</u>	<u>5,220</u>
Total Liabilities	<u>\$1,705,740</u>	<u>\$5,835,266</u>	<u>\$5,355,810</u>	<u>\$2,185,196</u>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Property Taxes	\$2,544,041	\$2,539,296	\$2,711,543	\$172,247
Income Taxes	15,587,031	15,557,962	16,613,298	1,055,336
Other Local Taxes	8,934	8,917	9,522	605
Charges for Services	543,410	542,397	579,189	36,792
Fines, Licenses and Permits	518,884	517,916	553,048	35,132
Intergovernmental	1,337,075	1,334,581	1,425,109	90,528
Interest	10,343	10,324	11,024	700
Rent	17,503	17,470	18,655	1,185
Contributions and Donations	23	23	25	2
Other	100,673	100,485	107,301	6,816
<b>Total Revenues</b>	<b>20,667,916</b>	<b>20,629,372</b>	<b>22,028,714</b>	<b>1,399,342</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General Government</b>				
<b>Legislative and Executive</b>				
<b>City Council</b>				
Personal Services	76,262	75,762	75,173	589
Contractual Services	4,000	2,700	2,670	30
Other				0
<b>Total City Council</b>	<b>80,262</b>	<b>78,462</b>	<b>77,843</b>	<b>619</b>
<b>Clerk of Council</b>				
Personal Services	33,125	33,575	32,987	588
Contractual Services	17,761	19,678	16,119	3,559
Supplies and Materials	276	352	253	99
<b>Total Clerk of Council</b>	<b>51,162</b>	<b>53,605</b>	<b>49,359</b>	<b>4,246</b>
<b>Mayor</b>				
Personal Services	58,653	60,153	59,350	803
Contractual Services	3,900	3,900	2,325	1,575
Supplies and Materials	3,000	3,000	1,365	1,635
<b>Total Mayor</b>	<b>65,553</b>	<b>67,053</b>	<b>63,040</b>	<b>4,013</b>
<b>Law Director</b>				
Personal Services	173,503	189,253	187,389	1,864
Contractual Services	15,121	16,151	12,822	3,329
Supplies and Materials	700	700	620	80
Other	110,000	128,500	117,267	11,233
<b>Total Law Director</b>	<b>299,324</b>	<b>334,604</b>	<b>318,098</b>	<b>16,506</b>
<b>Auditor</b>				
Personal Services	263,006	262,006	259,524	2,482
Contractual Services	50,672	54,334	9,536	44,798
Supplies and Materials	8,939	9,648	7,167	2,481
Other	597,914	580,743	438,143	142,600
<b>Total Auditor</b>	<b>920,531</b>	<b>906,731</b>	<b>714,370</b>	<b>192,361</b>
<b>Treasurer</b>				
Personal Services	86,990	83,790	82,755	1,035
Contractual Services	22,035	48,070	42,553	5,517
Supplies and Materials	1,200	1,200	1,119	81
<b>Total Treasurer</b>	<b>110,225</b>	<b>133,060</b>	<b>126,427</b>	<b>6,633</b>
<b>Income Tax</b>				
Personal Services	141,805	157,805	156,326	1,479
Contractual Services	112,476	125,112	90,963	34,149
Supplies and Materials	2,797	4,923	3,325	1,598
Other	225,500	296,291	287,257	9,034
<b>Total Income Tax</b>	<b>\$482,578</b>	<b>\$584,131</b>	<b>\$537,871</b>	<b>\$46,260</b>

(Continued)

**CITY OF NORWOOD, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Civil Service Commission				
Personal Services	\$28,053	\$32,553	\$31,659	\$894
Contractual Services	12,200	27,080	21,359	5,721
Supplies and Materials	300	700	486	214
Total Civil Service Commission	<u>40,553</u>	<u>60,333</u>	<u>53,504</u>	<u>6,829</u>
Safety/Service Director's Office				
Personal Services	80,514	100,964	100,222	742
Contractual Services	2,600	2,600	1,282	1,318
Supplies and Materials	3,000	3,000	2,465	535
Total Safety/Service Director's Office	<u>86,114</u>	<u>106,564</u>	<u>103,969</u>	<u>2,595</u>
Transportation Unassigned Vehicle				
Contractual Services	0	570	570	0
Supplies and Materials	170,000	169,430	141,928	27,502
Total Transportation Unassigned Vehicle	<u>170,000</u>	<u>170,000</u>	<u>142,498</u>	<u>27,502</u>
Division of Buildings				
Personal Services	283,954	289,754	286,923	2,831
Contractual Services	111,406	235,883	178,516	57,367
Supplies and Materials	2,664	3,667	3,378	289
Refund	0	1,015	743	272
Total Division of Buildings	<u>398,024</u>	<u>530,319</u>	<u>469,560</u>	<u>60,759</u>
Public Works				
Personal Services	124,510	131,910	130,628	1,282
Contractual Services	8,000	8,000	7,444	556
Supplies and Materials	3,035	3,035	2,521	514
Total Public Works	<u>135,545</u>	<u>142,945</u>	<u>140,593</u>	<u>2,352</u>
Garage				
Personal Services	230,798	168,998	167,128	1,870
Contractual Services	2,737	2,868	1,651	1,217
Supplies and Materials	16,241	28,045	25,143	2,902
Other	250	250	0	250
Total Garage	<u>250,026</u>	<u>200,161</u>	<u>193,922</u>	<u>6,239</u>
Community Center				
Personal Services	99,092	101,992	100,245	1,747
Contractual Services	167,212	134,230	52,744	81,486
Supplies and Materials	3,500	3,500	3,526	(26)
Other	36,500	41,000	36,415	4,585
Total Community Center	<u>306,304</u>	<u>280,722</u>	<u>192,930</u>	<u>87,792</u>
Public Lands and Buildings				
Contractual Services	234,288	544,743	403,268	141,475
Supplies and Materials	251,055	27,055	20,766	6,289
Other	522,000	506,995	499,850	7,145
Total Public Lands and Buildings	<u>1,007,343</u>	<u>1,078,793</u>	<u>923,884</u>	<u>154,909</u>
Parks and Playgrounds				
Personal Services	357,165	288,987	285,200	3,787
Contractual Services	9,939	10,991	6,902	4,089
Supplies and Materials	22,285	28,250	25,854	2,396
Total Parks and Playgrounds	<u>389,389</u>	<u>328,228</u>	<u>317,956</u>	<u>10,272</u>
Prisoner Housing				
Personal Services	0	0	0	0
Contractual Services	13,505	13,505	1,820	11,685
Total Parks and Playgrounds	<u>13,505</u>	<u>13,505</u>	<u>1,820</u>	<u>11,685</u>
Total Legislative and Executive	<u>\$4,806,438</u>	<u>\$5,069,216</u>	<u>\$4,427,644</u>	<u>\$641,572</u>

(Continued)

**CITY OF NORWOOD, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Judicial				
Mayor's Court				
Personal Services	\$73,986	\$78,886	\$77,349	\$1,537
Contractual Services	30,625	31,000	28,863	2,137
Supplies and Materials	500	1,000	945	55
Total Mayor's Court	<u>105,111</u>	<u>110,886</u>	<u>107,157</u>	<u>3,729</u>
Total Judicial	<u>105,111</u>	<u>110,886</u>	<u>107,157</u>	<u>3,729</u>
Total General Government	<u>4,911,549</u>	<u>5,180,102</u>	<u>4,534,801</u>	<u>645,301</u>
Security of Persons and Property				
Police				
Personal Services	5,762,952	6,626,452	6,620,797	5,655
Contractual Services	87,670	106,223	96,898	9,325
Supplies and Materials	83,142	174,163	169,087	5,076
Other	545,434	593,041	481,049	111,992
Total Police	<u>6,479,198</u>	<u>7,499,879</u>	<u>7,367,831</u>	<u>132,048</u>
Fire				
Personal Services	7,247,198	7,319,073	7,268,162	50,911
Contractual Services	86,641	110,408	76,815	33,593
Supplies and Materials	21,753	76,867	74,867	2,000
Other	125,050	128,950	122,944	6,006
Total Fire	<u>7,480,642</u>	<u>7,635,298</u>	<u>7,542,788</u>	<u>92,510</u>
Total Security of Persons and Property	<u>13,959,840</u>	<u>15,135,177</u>	<u>14,910,619</u>	<u>224,558</u>
Public Services				
Personal Services	58,492	49,992	48,924	1,068
Supplies and Materials	0	0	0	0
Contractual Services	0	0	0	0
Other	19,683	26,244	15,313	10,931
Total Public Services	<u>78,175</u>	<u>76,236</u>	<u>64,237</u>	<u>11,999</u>
Public Health Services				
Personal Services	442,182	406,882	401,908	4,974
Contractual Services	35,093	55,930	55,514	416
Supplies and Materials	4,225	4,225	2,341	1,884
Refunds	200	200	0	200
Other	485,750	545,262	520,962	24,300
Total Public Health Services	<u>967,450</u>	<u>1,012,499</u>	<u>980,725</u>	<u>31,774</u>
Total Expenditures	<u>19,917,014</u>	<u>21,404,014</u>	<u>20,490,382</u>	<u>913,632</u>
Excess of Revenues Over (Under) Expenditures	<u>750,902</u>	<u>(774,642)</u>	<u>1,538,332</u>	<u>2,312,974</u>
OTHER FINANCING SOURCES (USES):				
Advances In	0	39,545	39,545	0
Advances Out	0	(2,285)	(2,285)	0
Transfers Out	(1,319,803)	(1,831,283)	(1,810,772)	20,511
Total Other Financing Sources (Uses)	<u>(1,319,803)</u>	<u>(1,794,023)</u>	<u>(1,773,512)</u>	<u>20,511</u>
Net Change in Fund Balance	(568,901)	(2,568,665)	(235,180)	2,333,485
Fund Balance at Beginning of Year	1,854,103	1,854,103	1,854,103	0
Prior Year Encumbrances Appropriated	551,126	551,126	551,126	0
Fund Balance at End of Year	<u>\$1,836,328</u>	<u>(\$163,436)</u>	<u>\$2,170,049</u>	<u>\$2,333,485</u>



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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Payments in Lieu of Taxes	\$1,933,969	\$1,045,979	(\$887,990)
Special Assessments	1,243,151	380,944	(862,207)
Total Revenues	<u>3,177,120</u>	<u>1,426,923</u>	<u>(1,750,197)</u>
EXPENDITURES:			
Intergovernmental	138,000	369,862	(231,862)
Debt Service:			
Principal Retirement	1,402,770	937,579	465,191
Interest and Fiscal Charges	2,792,446	1,227,441	1,565,005
Total Expenditures	<u>4,333,216</u>	<u>2,534,882</u>	<u>1,798,334</u>
Excess of Revenues Under Expenditures	(1,156,096)	(1,107,959)	48,137
OTHER FINANCING SOURCES:			
Transfers In	0	916,200	916,200
Net Change in Fund Balance	(1,156,096)	(191,759)	964,337
Fund Balance at Beginning of Year	1,270,555	1,270,555	0
Prior Year Encumbrance Appropriated	45,314	45,314	0
Fund Balance at End of Year	<u>\$159,773</u>	<u>\$1,124,110</u>	<u>\$964,337</u>

**CITY OF NORWOOD, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND EQUITY - BUDGET AND ACTUAL  
WATER ENTERPRISE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>			
Charges for Services	\$3,877,595	\$3,249,311	(\$628,284)
Utility Deposits Received	2,000	6,845	4,845
Other	3,846	0	(3,846)
<b>Total Revenues</b>	<u>3,883,441</u>	<u>3,256,156</u>	<u>(627,285)</u>
<b>EXPENSES:</b>			
Personal Services	599,530	600,124	(594)
Contractual Services	3,470,383	2,829,750	640,633
Supplies and Materials	89,933	74,296	15,637
Refunds	1,730	1,521	209
Other	66,860	127	66,733
Principal Retirement	59,526	59,526	0
Interest and Fiscal Charges	900	900	0
<b>Total Expenses</b>	<u>4,288,862</u>	<u>3,566,244</u>	<u>722,618</u>
<b>Net Change in Fund Equity</b>	(405,421)	(310,088)	95,333
Fund Equity at Beginning of Year	244,596	244,596	0
Prior Year Encumbrances Appropriated	<u>130,368</u>	<u>130,368</u>	<u>0</u>
<b>Fund Equity at End of Year</b>	<u><u>(\$30,457)</u></u>	<u><u>\$64,876</u></u>	<u><u>\$95,333</u></u>

**CITY OF NORWOOD, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND EQUITY - BUDGET AND ACTUAL  
REFUSE ENTERPRISE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Charges for Services	\$1,357,448	\$1,301,136	(\$56,312)
EXPENSES:			
Contractual Services	<u>1,320,902</u>	<u>1,226,335</u>	<u>94,567</u>
Net Change in Fund Equity	36,546	74,801	38,255
Fund Equity at Beginning of Year	(36,609)	(36,609)	0
Prior Year Encumbrances Appropriated	<u>2</u>	<u>2</u>	<u>0</u>
Fund Equity at End of Year	<u><u>(\$61)</u></u>	<u><u>\$38,194</u></u>	<u><u>\$38,255</u></u>

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

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>			
Other Local Taxes	\$130,405	\$114,738	(\$15,667)
Interest	6,000	0	(6,000)
<b>Total Revenues</b>	<b>136,405</b>	<b>114,738</b>	<b>(21,667)</b>
<b>EXPENDITURES:</b>			
Current:			
Transportation	457,436	29,756	427,680
Capital Outlay	0	248,358	(248,358)
<b>Total Transportation</b>	<b>0</b>	<b>248,358</b>	<b>(248,358)</b>
Debt Service:			
Principal Retirement	0	43,516	(43,516)
<b>Total Expenditures</b>	<b>457,436</b>	<b>321,630</b>	<b>135,806</b>
<b>Net Change in Fund Balance</b>	<b>(321,031)</b>	<b>(206,892)</b>	<b>114,139</b>
Fund Balance at Beginning of Year	312,780	312,780	0
Prior Year Encumbrances Appropriated	8,251	8,251	0
<b>Fund Balance at End of Year</b>	<b>\$0</b>	<b>\$114,139</b>	<b>\$114,139</b>

**CITY OF NORWOOD, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MAYOR'S COURT COMPUTERIZATION SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$16,350	\$20,676	\$4,326
Other	1,650	0	(1,650)
	<u>18,000</u>	<u>20,676</u>	<u>2,676</u>
Total Revenues	18,000	20,676	2,676
EXPENDITURES:			
Current:			
General Government:			
Judicial System	55,825	11,707	44,118
	<u>55,825</u>	<u>11,707</u>	<u>44,118</u>
Net Change in Fund Balance	(37,825)	8,969	46,794
Fund Balance at Beginning of Year	41,790	41,790	0
Prior Year Encumbrances Appropriated	1,850	1,850	0
	<u>1,850</u>	<u>1,850</u>	<u>0</u>
Fund Balance at End of Year	<u>\$5,815</u>	<u>\$52,609</u>	<u>\$46,794</u>

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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Contributions and Donations	\$450	\$0	(\$450)
EXPENDITURES:			
Current:			
Leisure Time Services	2,268	99	2,169
Net Change in Fund Balance	(1,818)	(99)	1,719
Fund Balance at Beginning of Year	2,254	2,254	0
Fund Balance at End of Year	<u>\$436</u>	<u>\$2,155</u>	<u>\$1,719</u>

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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Other Local Taxes	\$69,000	\$69,479	\$479
EXPENDITURES:			
Current:			
Leisure Time Services	118,785	67,419	51,366
Net Change in Fund Balance	(49,785)	2,060	51,845
Fund Balance at Beginning of Year	67,419	67,419	0
Fund Balance at End of Year	<u>\$17,634</u>	<u>\$69,479</u>	<u>\$51,845</u>

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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$25,948	\$36,363	\$10,415
EXPENDITURES:			
Current:			
Public Health Services	47,245	29,081	18,164
Net Change in Fund Balance	(21,297)	7,282	28,579
Fund Balance at Beginning of Year	21,452	21,452	0
Prior Year Encumbrances Appropriated	164	164	0
Fund Balance at End of Year	<u>\$319</u>	<u>\$28,898</u>	<u>\$28,579</u>



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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$3,774	\$0	(\$3,774)
EXPENDITURES:			
Current:			
Public Health Services	3,774	0	3,774
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	3,776	3,776	0
Fund Balance at End of Year	<u>\$3,776</u>	<u>\$3,776</u>	<u>\$0</u>

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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Contributions and Donations	\$0	\$0	\$0
EXPENDITURES:			
Current:			
Security of Persons and Property:			
Fire	1,526	325	1,201
Net Change in Fund Balance	(1,526)	(325)	1,201
Fund Balance at Beginning of Year	1,526	1,526	0
Fund Balance at End of Year	\$0	\$1,201	\$1,201

**CITY OF NORWOOD, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
21ST CENTURY GRANT SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$66,706	\$40,064	(\$26,642)
Intergovernmental	0	5,046	5,046
Contributions and Donations	85,000	38,452	(46,548)
Total Revenues	151,706	83,562	(68,144)
EXPENDITURES:			
Current:			
Leisure Time Services	145,604	134,684	10,920
Net Change in Fund Balance	6,102	(51,122)	(57,224)
Fund Balance at Beginning of Year	78,963	78,963	0
Prior Year Encumbrances Appropriated	8,604	8,604	0
Fund Balance at End of Year	<u>\$93,669</u>	<u>\$36,445</u>	<u>(\$57,224)</u>

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

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Current:			
General Government:			
Legislative and Executive	<u>485,825</u>	<u>264,565</u>	<u>221,260</u>
Excess of Revenues Under Expenditures	(485,825)	(264,565)	221,260
OTHER FINANCING SOURCES:			
Transfer In	<u>474,375</u>	<u>255,000</u>	<u>(219,375)</u>
Net Change in Fund Balance	(11,450)	(9,565)	1,885
Fund Balance at Beginning of Year	1,525	1,525	0
Prior Year Encumbrances Appropriated	<u>9,925</u>	<u>9,925</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$1,885</u></u>	<u><u>\$1,885</u></u>

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

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>			
Charges for Services	\$0	\$1,416	\$1,416
Fines, Licenses and Permits	14,178	8,841	(5,337)
Intergovernmental	786,893	709,911	(76,982)
Interest	100	39	(61)
Other	15,190	18,236	3,046
<b>Total Revenues</b>	<b>816,361</b>	<b>738,443</b>	<b>(77,918)</b>
<b>EXPENDITURES:</b>			
Current:			
Transportation	1,376,434	1,276,754	99,680
<b>Excess of Revenues Under Expenditures</b>	<b>(560,073)</b>	<b>(538,311)</b>	<b>21,762</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	400,000	400,000	0
Advances In	1,000	1,000	0
Advances Out	(1,000)	(1,000)	0
<b>Total Other Financing Sources (Uses):</b>	<b>400,000</b>	<b>400,000</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(160,073)</b>	<b>(138,311)</b>	<b>21,762</b>
Fund Balance at Beginning of Year	146,490	146,490	0
Prior Year Encumbrances Appropriated	55,081	55,081	0
<b>Fund Balance at End of Year</b>	<b>\$41,498</b>	<b>\$63,260</b>	<b>\$21,762</b>

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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$10,916	\$10,691	(\$225)
Intergovernmental	95,000	56,792	(38,208)
Total Revenues	105,916	67,483	(38,433)
EXPENDITURES:			
Current:			
Security of Persons and Property:			
Fire	421,851	207,015	214,836
Excess of Revenues Under Expenditures	(315,935)	(139,532)	176,403
OTHER FINANCING SOURCES:			
Transfers In	149,611	145,000	(4,611)
Advances In	0	1,285	1,285
Total other Financing Sources	149,611	146,285	(3,326)
Net Change in Fund Balance	(166,324)	6,753	173,077
Fund Balance at Beginning of Year	162,802	162,802	0
Prior Year Encumbrances Appropriated	44,954	44,954	0
Fund Balance at End of Year	<u>\$41,432</u>	<u>\$214,509</u>	<u>\$173,077</u>

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

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>			
Fines, Licenses and Permits	\$70,080	\$67,459	(\$2,621)
Intergovernmental	16,000	22,967	6,967
Contributions and Donations	3,200	325	(2,875)
<b>Total Revenues</b>	<b>89,280</b>	<b>90,751</b>	<b>1,471</b>
<b>EXPENDITURES:</b>			
Current:			
Security of Persons and Property:			
Police	201,529	124,454	77,075
Debt Service:			
Principal Retirement	172	0	172
<b>Total Expenditures</b>	<b>201,701</b>	<b>124,454</b>	<b>77,247</b>
<b>Net Change in Fund Balance</b>	<b>(112,421)</b>	<b>(33,703)</b>	<b>78,718</b>
Fund Balance at Beginning of Year	112,436	112,436	0
Prior Year Encumbrances Appropriated	8,685	8,685	0
<b>Fund Balance at End of Year</b>	<b>\$8,700</b>	<b>\$87,418</b>	<b>\$78,718</b>

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

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>			
Intergovernmental	\$77,456	\$152	(\$77,304)
Other	10,000	0	(10,000)
<b>Total Revenues</b>	<b>87,456</b>	<b>152</b>	<b>(87,304)</b>
<b>EXPENDITURES:</b>			
Current:			
General Government:			
Legislative and Executive	750,000	0	750,000
Leisure Time Services	10,000	5,000	5,000
Community and Economic Development	105,995	91,448	14,547
<b>Total Expenditures</b>	<b>865,995</b>	<b>96,448</b>	<b>769,547</b>
<b>Net Change in Fund Balance</b>	<b>(778,539)</b>	<b>(96,296)</b>	<b>682,243</b>
Fund Balance at Beginning of Year	1,229,951	1,229,951	0
Prior Year Encumbrances Appropriated	1,941	1,941	0
<b>Fund Balance at End of Year</b>	<b>\$453,353</b>	<b>\$1,135,596</b>	<b>\$682,243</b>



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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$161,559	\$92,315	(\$69,244)
Intergovernmental	97,227	73,002	(24,225)
Contributions and Donations	22,682	22,096	(586)
Total Revenues	<u>281,468</u>	<u>187,413</u>	<u>(94,055)</u>
EXPENDITURES:			
Current:			
Leisure Time Services	392,731	272,442	120,289
Capital Outlay	5,279	5,269	10
Total Expenditures	<u>398,010</u>	<u>277,711</u>	<u>120,299</u>
Excess of Revenues Under Expenditures	<u>(116,542)</u>	<u>(90,298)</u>	<u>26,244</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	90,000	90,000	0
Advances In	(38,545)	(38,545)	0
Total Other Financing Sources (Uses)	<u>51,455</u>	<u>51,455</u>	<u>0</u>
Net Change in Fund Balance	(65,087)	(38,843)	26,244
Fund Balance at Beginning of Year	143,575	143,575	0
Prior Year Encumbrances Appropriated	<u>14,345</u>	<u>14,345</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$92,833</u></u>	<u><u>\$119,077</u></u>	<u><u>\$26,244</u></u>

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

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$9,000	\$13,700	\$4,700
Intergovernmental	84,512	63,383	(21,129)
Contributions and Donations	4,894	9,243	4,349
Total Revenues	98,406	86,326	(12,080)
EXPENDITURES:			
Current:			
Public Health Services	114,902	83,407	31,495
Net Change in Fund Balance	(16,496)	2,919	19,415
Fund Balance at Beginning of Year	83,804	83,804	0
Prior Year Encumbrances Appropriated	1,904	1,904	0
Fund Balance at End of Year	<u>\$69,212</u>	<u>\$88,627</u>	<u>\$19,415</u>

**CITY OF NORWOOD, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 PARKS AND RECREATION CAPITAL PROJECTS FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Other	\$10,055	\$0	(\$10,055)
EXPENDITURES:			
Current:			
Leisure Time Services	5,055	650	4,405
Net Change in Fund Balance	5,000	(650)	(5,650)
Fund Balance at Beginning of Year	5,055	5,055	0
Fund Balance at End of Year	<u>\$10,055</u>	<u>\$4,405</u>	<u>(\$5,650)</u>

**CITY OF NORWOOD, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL IMPROVEMENT CAPITAL PROJECTS FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

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

**CITY OF NORWOOD, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL ASSETS CAPITAL PROJECTS FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Capital Outlay	<u>40,151</u>	<u>44,723</u>	<u>(4,572)</u>
Excess of Revenues Under Expenditures	(40,151)	(44,723)	(4,572)
OTHER FINANCING SOURCES:			
Transfers In	<u>9,540</u>	<u>4,572</u>	<u>(4,968)</u>
Net Change in Fund Balance	(30,611)	(40,151)	(9,540)
Fund Balance at Beginning of Year	2,863	2,863	0
Prior Year Encumbrances Appropriated	<u>37,288</u>	<u>37,288</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$9,540</u></u>	<u><u>\$0</u></u>	<u><u>(\$9,540)</u></u>

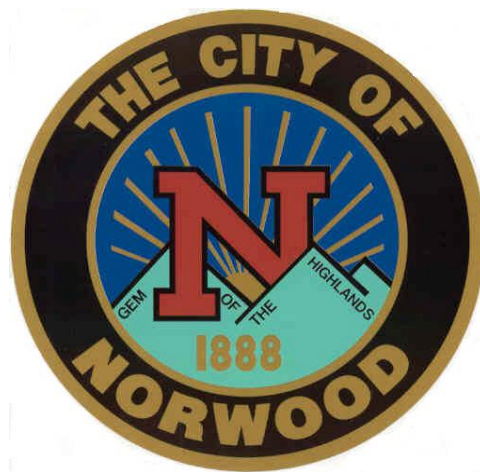
**CITY OF NORWOOD, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 MONTGOMERY ROAD CAPITAL PROJECTS FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$0	\$38,666	\$38,666
EXPENDITURES:			
Current:			
Transportation	24,209	0	24,209
Net Change in Fund Balance	(24,209)	38,666	62,875
Fund Balance at Beginning of Year	24,209	24,209	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$62,875</u>	<u>\$62,875</u>

**CITY OF NORWOOD, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LINDEN POINTE CONSTRUCTION CAPITAL PROJECTS FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Payments in Lieu of Taxes	\$0	\$50,903	\$50,903
Intergovernmental	205,752	154,790	(50,962)
Total Revenues	<u>205,752</u>	<u>205,693</u>	<u>(59)</u>
EXPENDITURES:			
Intergovernmental	52,000	50,903	1,097
Debt Service:			
Interest and Fiscal Charges	153,752	153,693	59
Total Expenditures	<u>205,752</u>	<u>204,596</u>	<u>1,156</u>
Net Change in Fund Balance	0	1,097	1,097
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$1,097</u></u>	<u><u>\$1,097</u></u>

# Statistical Section





## **STATISTICAL TABLES**

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

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

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

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

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

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

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

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

(continued)

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

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

(continued)

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

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

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

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

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

	2009	2008	2007
<b>Revenues</b>			
Property Taxes	\$2,711,543	\$2,693,759	\$2,857,017
Income Taxes	16,754,724	15,594,632	15,649,829
Other Local Taxes	193,217	124,800	126,034
Payments in Lieu of Taxes	1,096,882	1,284,418	872,964
Special Assessments	208,937	192,569	177,483
Charges for Services	704,466	721,812	812,001
Fines, Licenses and Permits	660,637	716,098	679,251
Intergovernmental	2,939,135	2,774,602	5,823,646
Interest	186,563	397,600	546,107
Rent	18,655	15,480	13,919
Contributions and Donations	224,549	247,434	604,583
Reimbursements	0	0	20,000
Other	45,632	207,898	74,018
<b>Total Revenues</b>	<b>25,744,940</b>	<b>24,971,102</b>	<b>28,256,852</b>
<b>Expenditures</b>			
Current:			
General Government	4,476,744	4,414,079	3,977,677
Security of Persons and Property:			
Police	7,467,928	6,687,822	6,590,125
Fire	7,561,824	7,588,904	7,403,494
Public Services	63,839	48,154	54,640
Public Health Services	1,058,252	1,035,537	1,037,098
Leisure Time Services	469,887	505,952	475,947
Community and Economic Development	91,246	91,606	95,996
Public Works	0	0	392,265
Transportation	2,189,443	1,489,157	1,479,571
Intergovernmental	420,765	0	87,322
Capital Outlay	501,983	1,120,303	5,633,475
Debt Service:			
Principal Retirement	1,237,743	1,148,882	605,900
Interest and Fiscal Charges	1,500,157	1,353,433	1,625,796
Bond Issuance Costs	0	0	72,253
<b>Total Expenditures</b>	<b>27,039,811</b>	<b>25,483,829</b>	<b>29,531,559</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(1,294,871)</b>	<b>(512,727)</b>	<b>(1,274,707)</b>
<b>Other Financing Sources (Uses)</b>			
General Obligation Bonds Issued	0	0	3,550,000
Transfers In	1,810,772	2,917,682	968,194
Inception of Capital Lease	62,971	686,611	385,745
Transfers Out	(1,810,772)	(3,342,682)	(1,041,924)
<b>Total Other Financing Sources (Uses)</b>	<b>62,971</b>	<b>261,611</b>	<b>3,862,015</b>
<b>Net Change in Fund Balances</b>	<b>(\$1,231,900)</b>	<b>(\$251,116)</b>	<b>\$2,587,308</b>
Debt Service as a Percentage of Noncapital Expenditures	10.44%	10.32%	9.67%

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

<u>Tax Year (1)</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2009	2.00%	\$16,613,298	\$11,613,186	69.90%	\$3,669,570	22.09%	\$1,330,542	8.01%
2008	2.00	15,627,396	11,746,581	75.17	2,438,822	15.61	1,441,993	9.23
2007	2.00	15,577,888	11,233,235	72.11	3,020,279	19.39	1,324,374	8.50
2006	2.00	13,662,821	10,598,189	77.57	2,113,132	15.47	951,500	6.96
2005	2.00	12,703,014	9,648,940	75.96	2,176,574	17.13	877,500	6.91
2004	2.00	11,215,645	9,105,294	81.18	1,201,022	10.71	909,329	8.11
2003	2.00	10,408,106	8,368,290	80.40	1,163,910	11.18	875,906	8.42
2002	2.00	10,124,144	8,144,173	80.44	1,054,170	10.41	925,801	9.14
2001	2.00	10,674,957	8,602,998	80.59	1,116,867	10.46	955,092	8.95
2000	2.00	9,908,609	8,193,394	82.69	809,445	8.17	905,770	9.14

(1) All ten years are on a Cash Basis



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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capital
2009	21,675	\$1,108,503,253	\$5,082,958	0.46 %	\$234.51
2008	21,675	1,113,075,936	5,646,000	0.51	260.48
2007	21,675	1,145,812,172	6,195,752	0.54	285.85
2006	21,675	1,190,568,831	6,345,752	0.53	292.77
2005	21,675	1,099,175,470	6,495,752	0.59	299.69
2004	21,675	1,098,674,894	6,545,752	0.60	302.00
2003	21,675	1,100,265,362	6,595,752	0.60	304.30
2002	21,675	1,046,787,948	5,890,105	0.56	271.75
2001	21,675	1,043,243,828	6,423,544	0.62	296.36
2000	21,675	982,499,588	6,929,957	0.71	319.72

Sources:

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

(2) County Auditor

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

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

Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension	TIF
2009	\$5,082,958	\$1,684,137	\$624,826	\$694,237	\$0	\$15,478,200
2008	5,646,600	1,893,074	668,342	887,914	0	15,635,845
2007	6,195,752	2,085,643	711,858	439,948	0	15,753,490
2006	6,345,752	2,263,125	755,374	169,104	0	12,316,135
2005	6,495,752	2,426,705	798,892	0	0	10,335,000
2004	6,545,752	2,577,469	857,990	0	0	5,860,000
2003	6,595,752	2,716,422	418,879	0	2,611,167	0
2002	5,890,105	2,844,489	0	412,987	4,065,818	0
2001	6,423,544	2,962,522	0	762,558	4,315,771	0
2000	6,929,957	3,071,310	0	994,431	4,560,446	0

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

<u>Business-Type Activities</u>			
<u>OPWC Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$58,867	\$23,623,225	6.02%	\$1,090
118,393	24,850,168	6.33	1,146
144,299	25,330,990	6.45	1,169
116,236	21,965,726	5.60	1,013
152,730	20,209,079	5.15	932
188,154	16,029,365	4.08	740
222,538	12,564,758	3.20	580
255,913	13,469,312	3.43	621
288,310	14,752,705	3.76	681
319,756	15,875,900	4.04	732

**City of Norwood, Ohio**  
*Legal Debt Margin*  
*Last Ten Years*

	2009	2008	2007	2006	2005
Total Assessed Property Value	<u>\$394,807,030</u>	<u>\$392,102,410</u>	<u>\$397,405,920</u>	<u>\$410,646,810</u>	<u>\$372,394,400</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$41,454,738	\$41,170,753	\$41,727,622	\$43,117,915	\$39,101,412
Debt Outstanding:					
General Obligation Bonds	5,082,958	5,646,600	6,195,752	6,345,752	6,495,752
Tax Incremental Financing Bonds	15,640,000	15,805,000	15,930,000	12,500,000	0
Special Assessment Bonds	1,684,137	1,893,074	2,085,643	2,263,126	2,426,705
Bond Anticipation Notes	0	0	0	0	0
Tax Incremental Financing Notes	0	0	0	10,335,000	0
OPWC Loans	<u>683,693</u>	<u>786,735</u>	<u>856,157</u>	<u>871,610</u>	<u>951,622</u>
Total Gross Indebtedness	23,090,788	24,131,409	25,067,552	32,315,488	9,874,079
Less:					
Tax Incremental Financing Bonds	(15,640,000)	(15,805,000)	(15,930,000)	(12,500,000)	0
Special Assessment Bonds	(1,684,137)	(1,893,074)	(2,085,643)	(2,263,126)	(2,426,705)
Tax Incremental Financing Notes	0	0	0	(10,335,000)	0
OPWC Loans	<u>(58,867)</u>	<u>(118,393)</u>	<u>(144,299)</u>	<u>(116,236)</u>	<u>(152,730)</u>
Total Net Debt Applicable to Debt Limit	<u>5,707,784</u>	<u>6,314,942</u>	<u>6,907,610</u>	<u>7,101,126</u>	<u>7,294,644</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$35,746,954</u>	<u>\$34,855,811</u>	<u>\$34,820,012</u>	<u>\$36,016,789</u>	<u>\$31,806,768</u>
Legal Debt Margin as a Percentage of the Debt Limit	86.23%	84.66%	83.45%	83.53%	81.34%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$21,714,387</u>	<u>\$21,565,633</u>	<u>\$21,857,326</u>	<u>\$22,585,575</u>	<u>\$20,481,692</u>
Total Gross Indebtedness	23,090,788	24,131,409	25,067,552	32,315,488	9,874,079
Less:					
Tax Incremental Financing Bonds	(15,640,000)	(15,805,000)	(15,930,000)	(12,500,000)	0
Special Assessment Bonds	(1,684,137)	(1,893,074)	(2,085,643)	(2,263,126)	(2,426,705)
Tax Incremental Financing Notes	0	0	0	(10,335,000)	0
OPWC Loans	<u>(58,867)</u>	<u>(118,393)</u>	<u>(144,299)</u>	<u>(116,236)</u>	<u>(152,730)</u>
Net Debt Within 5 ½ % Limitations	<u>5,707,784</u>	<u>6,314,942</u>	<u>6,907,610</u>	<u>7,101,126</u>	<u>7,294,644</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$16,006,603</u>	<u>\$15,250,691</u>	<u>\$14,949,716</u>	<u>\$15,484,449</u>	<u>\$13,187,048</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	73.71%	70.72%	68.40%	68.56%	64.38%

Source: City Financial Records

2004	2003	2002	2001	2000
<u>\$373,408,480</u>	<u>\$374,985,400</u>	<u>\$350,823,250</u>	<u>\$349,937,220</u>	<u>\$330,963,300</u>
\$39,207,890	\$39,373,467	\$36,836,441	\$36,743,408	\$34,751,147
6,545,752	6,595,752	5,890,105	6,423,544	6,929,957
0	0	0	0	0
2,577,469	2,716,422	2,844,489	2,962,522	307,310
5,860,000	0	0	0	0
0	0	0	0	0
1,046,144	641,417	255,913	288,310	319,756
16,029,365	9,953,591	8,990,507	9,674,376	7,557,023
0	0	0	0	0
(2,577,469)	(2,716,422)	(2,844,489)	(2,962,522)	(307,310)
0	0	0	0	0
(188,154)	(222,538)	(255,913)	(288,310)	(319,756)
13,263,742	7,014,631	5,890,105	6,423,544	6,929,957
<u>\$25,944,148</u>	<u>\$32,358,836</u>	<u>\$30,946,336</u>	<u>\$30,319,864</u>	<u>\$27,821,190</u>
66.17%	82.18%	84.01%	82.52%	80.06%
<u>\$20,537,466</u>	<u>\$20,624,197</u>	<u>\$19,295,279</u>	<u>\$19,246,547</u>	<u>\$18,202,982</u>
16,029,365	9,953,591	8,990,507	9,674,376	7,557,023
0	0	0	0	0
(2,577,469)	(2,716,422)	(2,844,489)	(2,962,522)	(307,310)
0	0	0	0	0
(188,154)	(222,538)	(255,913)	(288,310)	(319,756)
13,263,742	7,014,631	5,890,105	6,423,544	6,929,957
<u>\$7,273,724</u>	<u>\$13,609,566</u>	<u>\$13,405,174</u>	<u>\$12,823,003</u>	<u>\$11,273,025</u>
35.42%	65.99%	69.47%	66.62%	61.93%

**City of Norwood, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2009*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of</b>			
General Obligation Bonds	\$5,082,958	100.00%	\$5,082,958
Special Assessment Bonds	1,684,137	100.00	1,684,137
OPWC Loans	624,826	100.00	624,826
Capital Leases	694,237	100.00	694,237
Tax Increment Financing Bonds	<u>15,478,200</u>	100.00	<u>15,478,200</u>
<i>Total Direct Debt</i>	<u>23,564,358</u>		<u>23,564,358</u>
<b>Overlapping</b>			
Norwood City School District (2)	4,719,000	100.00	471,900,000
Hamilton County	<u>113,210,000</u>	1.95	<u>2,207,595</u>
<i>Total Overlapping Debt</i>	<u>117,929,000</u>		<u>474,107,595</u>
<b>Total</b>	<u><u>\$141,493,358</u></u>		<u><u>\$497,671,953</u></u>

Source: County Auditor

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

(2) The debt outstanding is as of June 30, 2009 and is a capital lease.

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

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

Year	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
2009	\$369,848	\$208,937	\$160,911	1.00
2008	369,848	192,569	177,280	1.00
2007	369,848	177,483	192,366	1.00
2006	369,848	163,578	206,270	1.00
2005	369,848	150,763	219,085	1.00
2004	369,848	138,953	230,896	1.00
2003	369,848	128,067	241,781	1.00
2002	369,848	118,034	251,814	1.00
2001	369,848	108,787	261,061	1.00
2000	369,848	100,265	269,584	1.00

(1) Net of Auditor and Treasurer Fees

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

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<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2009	21,675	\$392,490,900	\$18,108	\$32,223	34
2008	21,675	392,490,900	18,108	32,223	34
2007	21,675	392,490,900	18,108	32,223	34
2006	21,675	392,490,900	18,108	32,223	34
2005	21,675	392,490,900	18,108	32,223	34
2004	21,675	392,490,900	18,108	32,223	34
2003	21,675	392,490,900	18,108	32,223	34
2002	21,675	392,490,900	18,108	32,223	34
2001	21,675	392,490,900	18,108	32,223	34
2000	21,675	392,490,900	18,108	32,223	34

(1) Source: U. S. Census

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

(3) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

(4) Source: County Planning Commission

(5) Source: County Auditor

N/A - Information not available



<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (3)</u>	<u>Hamilton County Unemployment Rate (4)</u>	<u>Average Sales Price of Residential Property (5)</u>	<u>Total Assessed Property Value (5)</u>
1,494	2,332	9.5%	N/A	\$394,807,030
1,494	2,407	7.1	224,204	382,102,410
1,494	2,323	5.2	273,636	397,405,920
1,494	2,304	5.2	311,853	410,646,810
1,494	2,527	5.6	296,544	372,394,100
1,494	2,620	5.8	232,211	373,408,480
1,494	2,809	5.7	229,431	374,985,400
1,494	2,850	5.9	231,654	350,823,250
1,494	2,947	4.3	182,871	349,937,200
1,494	3,055	4.0	248,376	330,963,300

**City of Norwood, Ohio**

Principal Employers

2009 and 2000

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**2009**

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

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**2000**

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<u>Employer</u>	<u>Nature of Business</u>	<u>Rank</u>
Convergys	Service	1
U.S. Playing Card Co.	Consumer Goods Manufacturing	2
Siemens Automation	Capital Goods	3
Star Bank	Banking	4
United Dairy Farmers, Inc.	Consumer Goods Manufacturing	5
Norwood Board of Education	Education	6
Zumbiel Box Company	Packaging Manufacturing	7
City of Norwood	Municipal Government	8
American Laundry	Capital Goods Manufacturing	9
EM Industries	Chemical Manufacturing	10

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

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

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

Function/Program	2009	2008	2007	2006	2005
<b>General Government</b>					
Council	8	8	8	9	6
Clerk of Council	2	2	1	1	1
Mayor	1	1	1	1	1
Mayor's Clerk of Court	2	2	2	2	2
Finance	4	4	6	6	4
Tax	1	1	2	2	2
Treasurer	2	2	2	2	2
City Manager	1	1	1	1	1
Law	2	2	3	2	2
Administration	25	27	27	25	25
Civil Service	4	4	4	4	3
Public Building	1	1	1	1	1
<b>Security of Persons and Property</b>					
Police Administration	1	1	1	1	1
Police	55	51	53	52	48
Police - Auxiliary/Guards	4	5	6	7	7
Police - Dispatchers/Office/Other	8	7	8	12	7
Crossing Guards	19	19	13	19	13
Fire	56	58	57	57	57
Fire - Secretary - Other	1	1	1	1	1
<b>Public Health Services</b>					
Health Administration	1	1	1	1	1
<b>Leisure Time Services</b>					
Recreation	53	30	37	32	25
Community Center	1	1	1	1	1
<b>Community and Economic Development</b>					
Economic Development	1	1	1	1	1
<b>Transportation</b>					
Service	1	1	1	1	1
Street Maintenance and Repair	18	20	20	19	18
<b>Basic Utility Services</b>					
Water	3	3	3	3	3
Totals:	<u>275</u>	<u>254</u>	<u>261</u>	<u>263</u>	<u>234</u>

**Source:** City Payroll Department W-2 Audit Listing

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

2004	2003	2002	2001	2000
6	4	4	3	3
1	0	0	0	0
1	1	1	1	1
2	1	2	2	1
4	4	4	4	4
1	0	0	0	0
2	2	2	2	2
1	1	1	0	0
2	2	1	0	0
24	22	23	20	20
2	3	3	2	2
1	1	1	1	0
1	1	1	1	1
48	53	42	39	35
7	7	7	7	6
2	1	1	1	1
10	9	8	7	7
57	57	56	52	46
1	1	1	1	1
1	1	2	1	5
17	17	35	31	16
1	1	1	1	1
1	1	1	1	1
1	1	3	3	2
17	16	6	5	4
3	3	3	5	5
<u>214</u>	<u>210</u>	<u>209</u>	<u>190</u>	<u>164</u>

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

Function/Program	2009	2008	2007	2006	2005
<b>General Government</b>					
<i><b>Finance Department</b></i>					
Number of checks/ vouchers issued	3,472	3,104	2,726	2,700	2,500
Amount of checks written	\$39,953,482	\$25,820,163	\$27,683,727	\$28,677,852	\$25,012,588
Number of Reciepts issued	1,228	1,259	1,327	1,430	1,357
General Fund Receipts (cash basis)	\$22,067,258	\$21,284,479	\$21,200,444	\$22,426,635	\$18,654,279
General Fund Expenditures (cash basis)	\$22,448,636	\$22,668,728	\$18,735,747	\$21,665,892	\$18,084,471
General Fund Cash Balances	2,170,048	2,237,959	3,922,070	1,418,146	762,229
<i><b>Municipal Court</b></i>					
Number of Civil Cases	N/A	N/A	N/A	N/A	N/A
<i><b>Building Department Indicators</b></i>					
Number of Building Permits	823	893	696	404	457
Number of Building Inspections	1,662	1,813	2,491	1,461	N/A
<b>Security of Persons &amp; Property</b>					
<i><b>Police</b></i>					
Total Calls for Services	0	0	34,240	33,800	31,834
Number of traffic citations issued	753	0	804	1,784	2,870
Number of parking citations issued	403	375	357	2,818	2,715
Number of criminal arrests	4,200	3,500	3,394	3,286	4,172
DUI Arrests	0	0	0	104	120
Prisoner meal costs	\$60	\$138	\$153	\$394	\$370
Gasoline Gallons Used	49,220	32,079	32,239	30,191	N/A
<i><b>Fire</b></i>					
EMS Calls	3,260	3,302	N/A	2,635	3,000
Fire Calls	1,143	1,319	N/A	1,078	500
Fire Safety Inspections	3,600	3,504	3,504	4,971	3,412
<b>Leisure Time Activities</b>					
<i><b>Recreation</b></i>					
Number of Programs	22	23	23	22	25
Number of Pool Passes Issued	16,665	22,070	16,665	16,209	19,078

N/A - Information not available

2004	2003	2002	2001	2000
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
1,365	1,228	1,128	N/A	N/A
\$16,627,452	\$15,846,663	\$17,901,746	\$16,664,235	\$15,533,735
\$16,904,824	\$16,350,773	\$18,114,298	\$16,295,998	\$15,667,239
63,352	128,319	448,483	577,302	391,115
N/A	N/A	N/A	N/A	N/A
487	541	N/A	N/A	868
1,015	1,505	N/A	N/A	2,375
31,796	31,478	N/A	59,882	38,578
1,642	2,331	N/A	4,236	3,398
2,400	2,193	N/A	2,011	2,256
3,266	2,738	N/A	2,593	2,624
117	213	N/A	205	76
\$194	\$290	\$525	\$341	\$375
N/A	N/A	N/A	N/A	N/A
3,000	3,020	N/A	N/A	N/A
500	604	N/A	N/A	N/A
3,482	N/A	3,482	3,376	3,480
25	24	20	26	27
14,634	15,197	23,033	28,531	31,163

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

Function/Program	2009	2008	2007	2006	2005
<b>General Government</b>					
Square Footage Occupied	9,860	9,860	9,860	9,860	9,860
Administrative Vehicles	11	11	11	11	11
Lands and Buildings Vehicles	8	8	7	7	7
<b>Police</b>					
Stations	1	1	1	1	1
Square Footage of Building	2,809	2,809	2,809	2,809	2,809
Vehicles	42	39	39	35	35
<b>Fire</b>					
Stations	1	1	1	1	1
Square Footage of Building	5,770	5,770	5,770	5,770	5,770
Vehicles	14	14	14	14	13
<b>Recreation</b>					
Number of Parks	11	11	11	11	9
Libraries	1	1	1	1	1
Number of Pools	3	3	3	3	3
Number of Tennis Courts	1	1	1	1	1
Number of Baseball Diamonds	8	8	8	8	8
Number of Basketball Courts	2	2	2	2	2
Number of Soccer Fields	5	5	5	5	5
Square Footage of Building	3,772	3,772	3,772	3,772	3,772
Vehicles	2	2	2	1	1
<b>Other Public Works</b>					
Streets (miles)	142	142	n/a	n/a	n/a
Number of Streetlights (per light bill)	42	42	42	42	42
Service Vehicles	7	7	7	3	3
<b>Wastewater</b>					
Storm Sewers (miles)	100,000	100,000	100,000	100,000	100,000
<b>Water Department</b>					
Water Lines (miles)	302,000	302,000	302,000	302,000	302,000



2004	2003	2002	2001	2000
9,860	9,860	9,860	9,860	9,860
11	11	11	11	11
7	7	7	7	5
1	1	1	1	1
2,809	2,809	2,809	2,809	2,809
30	30	28	25	23
1	1	1	1	1
5,770	5,770	5,770	5,770	5,770
13	13	13	13	13
9	9	9	9	9
1	1	1	1	1
3	3	4	4	4
1	1	1	1	1
8	8	8	8	8
2	2	2	2	2
5	5	5	5	5
3,772	3,772	3,772	3,772	3,772
1	1	1	1	1
n/a	n/a	60	60	60
42	42	42	30	30
3	3	3	3	3
100,000	100,000	100,000	100,000	100,000
302,000	302,000	302,000	302,000	302,000

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**Mary Taylor, CPA**  
Auditor of State

**CITY OF NORWOOD**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 19, 2010**