



Dave Yost • Auditor of State

CITY OF NORWOOD
HAMILTON COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwood, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 31, 2012, wherein we noted the City is experiencing financial difficulties. We also noted the City adopted the provisions of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-001 and 2011-002 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-001 through 2011-004.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated October 31, 2012.

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, city council, and others within the City. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

October 31, 2012

CITY OF NORWOOD
HAMILTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2011

<i>Finding Number</i>	2011-001
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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 2011. The following issues were noted from review of the City's financial records and bank statements:

- At December 31, 2011 the City's reconciled payroll account had an unidentified bank balance of \$28,307.
- The City had three accounts in 2011, the Rockwood Exchange account (Balance at December 31, 2011 - \$40,699), the Retiree's Health Care account (Balance at December 31, 2011 – \$79,307) and the Linden Pointe Bond Service Charge Account (Balance at December 31, - \$119,587) 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.

Officials' Response:

Bullet 1: This balance is the result of payroll overfunding in 2007. As was discussed and suggested during the Post Audit meeting for 2009, the overfunded balance has been stepped down by "underfunding" payrolls. The alleged "unidentified" balance was \$96,605.69 on December 31, 2010 and reduced to a balance of \$28,307.41 on December 31, 2011. We continue to work with the Auditor's office to eliminate the "excess" balance.

Bullet 2: This has been discussed at the Post CAFR meetings for 2009 and 2010. The Rockwood Exchange, Retiree's Health Care and Cornerstone TIF Bond accounts are not reflected on the Auditor's book balance so while we do receive the bank statements there is no book balance to reconcile against.

<i>Finding Number</i>	2011-002
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Noncompliance/Material Weakness

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

<i>Finding Number</i>	2011-002 Continued
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Also, when designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The City's Basic Financial Statements and related notes disclosures for the year ended December 31, 2011 presented for audit had material errors. The following is a summary of the errors:

Governmental Funds

General Fund:

- Assets were understated by \$1,793,197; liabilities were understated by \$932,170; and fund balance was understated by \$860,967. These errors were due mainly to the City's incorrect posting of \$999,831 in taxes receivable to the Debt Service Fund instead of the General fund. This error also affected the Debt Service Fund balances.
- The City incorrectly restated the General Fund during their implementation of GASB 54 by \$803,363.

The Linden Pointe Fund:

- Assets were overstated by \$495,004, while the fund balance was understated by the same amount. This error occurred because the City did not reverse a prior year GAAP adjustment.

All Other Governmental Funds:

- Assets were overstated by \$785,760, liabilities were overstated by \$90,349 and fund balance was overstated by \$695,411. Expenditures and ending fund balances were overstated by \$67,610 and \$695,411 respectively. These errors were mainly due to the City's incorrect implementation of GASB 54.

Business Type Funds

The Water Fund:

- Non-Current Assets were overstated by \$17,625, liabilities were understated by \$26,494, non-current Liabilities were understated by \$431,086, and total net assets were overstated by \$475,205. This error occurred because the City did not accurately record a debt balance in the previous year, and incorrectly capitalized certain expenditures.

The Refuse Fund:

- Liabilities were understated by \$365,628 and total net assets were overstated by the same amount. This error occurred because the City did not accurately record accounts payable for overdue trash collection services.

Government-wide Financial Statements:

- The City depreciated a non-depreciable item (land) which resulted in depreciation expense being overstated by \$22,986 and accumulated depreciation being overstated in the total amount of \$114,931

<i>Finding Number</i>	2011-002 Continued
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Notes to the Financial Statements:

- The City properly recorded debt payments to the financial statements but omitted a \$30,000 payment for the Linden Pointe TIF debt from the debt note so that the note did not agree with the financial statements.
- The City did not properly disclose GASB 54 fund balance classifications and the restatement in the notes to the financial statements.
- Other note disclosures were inaccurate and incomplete.

The City has posted audit adjustments to the financial statements and ledgers where appropriate. The City has corrected the related notes to the financial statements.

We recommend due care be exercised when posting entries to the financial records and financial statement preparation to prevent errors and assist in properly reflecting the City's financial activity in the financial statements and properly disclose all activities of the financial statements as required. Failure to accurately post financial activity can lead to material misstatements in financial reporting.

Officials' Response:

The Auditor's office has increased oversight of the posting of financial activities to decrease the potential for posting errors.

<i>Finding Number</i>	2011-003
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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, 2011, actual receipts were below estimated receipts, and the deficiency reduced available resources below the current appropriations in the following funds:

	Unencumbered 1/1/11 Fund Balance Plus Actual Receipts	Current Year Appropriations	Variance
General	\$19,726,958	\$19,970,531	\$(243,573)
Water	3,547,534	3,727,914	(165,326)
Permissive Tax	250,777	299,302	(14,766)
Recreation Com	151,930	164,452	(12,420)
Linden Pointe TIF	334,065	356,565	(22,500)
Debt Service	1,183,191	1,239,456	(56,265)
Cornerstone TIF	1,757,684	1,759,392	(1,708)

<i>Finding Number</i>	2011-003 Continued
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Failure to monitor budgetary activity could result in overspending and negative fund balances. We recommend that the City monitor revenue and expenditures and obtain a reduced amended certificate when necessary if revenue is expected to be less than appropriations.

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.

<i>Finding Number</i>	2011-004
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Noncompliance

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

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

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

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

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

Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made need be certified.

<i>Finding Number</i>	2011-004 Continued
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During 2011, 17 of 32 (53%) of the transactions tested did not have certification prior to the obligation date and none of the exceptions provided above were utilized. We also noted that the City failed to properly encumber overdue trash collection bills in the amount of \$365,628 in the Refuse fund.

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 City has increased its use of Blanket Certificates and is enforcing the practice of issuing certification prior to obligations being made. Department heads are being held accountable for any obligation made prior to certification.

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**CITY OF NORWOOD
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-001	ORC 5705.41 (D)(1) No expenditure of money unless a certificate signed by the fiscal officer is attached.	No	Reissued as Finding 2011-004
2010-002	ORC 733.43 Treasurer shall keep accurate account of all moneys	No	Reissued as Finding 2011-001
2010-003	ORC 733.11 City Auditor shall accurately post the financial activity of the City.	No	Reissued as Finding 2011-002
2010-004	ORC 5705.36(A)(4) CY appro. plus PY carryover appro. greater than available resources plus begin fund cash balance	No	Reissued as Finding 2011-003

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Norwood



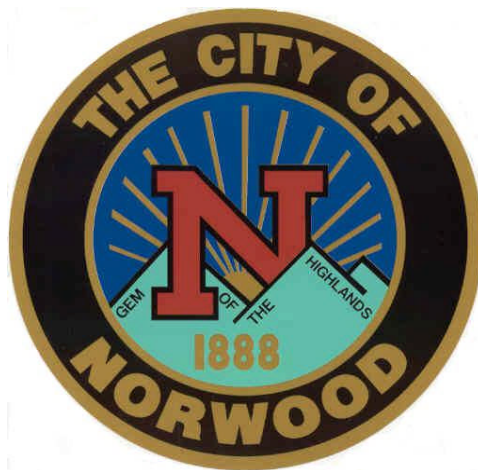
Gem Of The Highlands



City of Norwood, Ohio Comprehensive Annual Financial Report For the Year Ended December 31, 2011

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Introductory Section



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CITY OF NORWOOD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

Issued by:
Office of the Auditor

James P. Stith
Auditor

Marcus D. Patterson, MBA
Deputy Auditor



CITY OF NORWOOD, OHIO
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2011

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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

Oct. 31, 2012

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Norwood. This report for the year ended December 31, 2011, contains the financial statements and other financial and statistical information and conforms to generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the City of Norwood ("the City").

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

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

The Auditor of State of Ohio has issued an unqualified ("clean") opinion of the City of Norwood's financial statements for the year ended December 31, 2011. 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 decreased from 8.5 percent (2010) to 7.5 percent (2011). It is estimated that job cuts will increase in the region and globally due to economic instability in the financial markets. Due to economic downturns, the City of Norwood has delayed its efforts to come out of fiscal watch.

Major Initiatives

- 1) An ordinance authorizing the Safety Service Director to enter into a contract with the Section Road Development, LLC for the procurement of contractors to perform work specified in the Clean Ohio Revitalization Fund Grant. This authorizes the Safety Service Director to enter into contracts for all other professional services as specified in the Clean Ohio Revitalization Fund and to declare an emergency. The City of Norwood was granted \$730,600 in CORF for the purpose of mitigating environmental issues on the old NORCO property.
- 2) An ordinance authorizing the Mayor and Safety Service Director to enter into a Community Reinvestment area agreement with the Urology Group Real Estate Holding Company, LLC. The project will involve a total investment by the developer of approximately \$15,831,535 plus or minus 10% at the intersection of Section Avenue and Joseph E. Sanker Boulevard.

Future Projects

Accomplishments and significant capital projects to look forward to in 2012 include the following:

An ordinance authorizing the preliminary plan for the project known as Rookwood Exchange and the preliminary and final plans for Phase I of the project known as Rookwood Exchange.

An ordinance authorizing the Safety Service Director to advertise for bids and the enter into a contract in an amount not to exceed \$65,000 for the purchase of a 2012 handicapped accessible passenger vehicle to be used for the Norwood Senior Center.

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, 2010. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

Acknowledgements

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

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

James P. Stith II
City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norwood
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

City of Norwood, Ohio
List of Principal Officials

December 31, 2011

OFFICE HELD

NAME OF OFFICIAL

Executive:

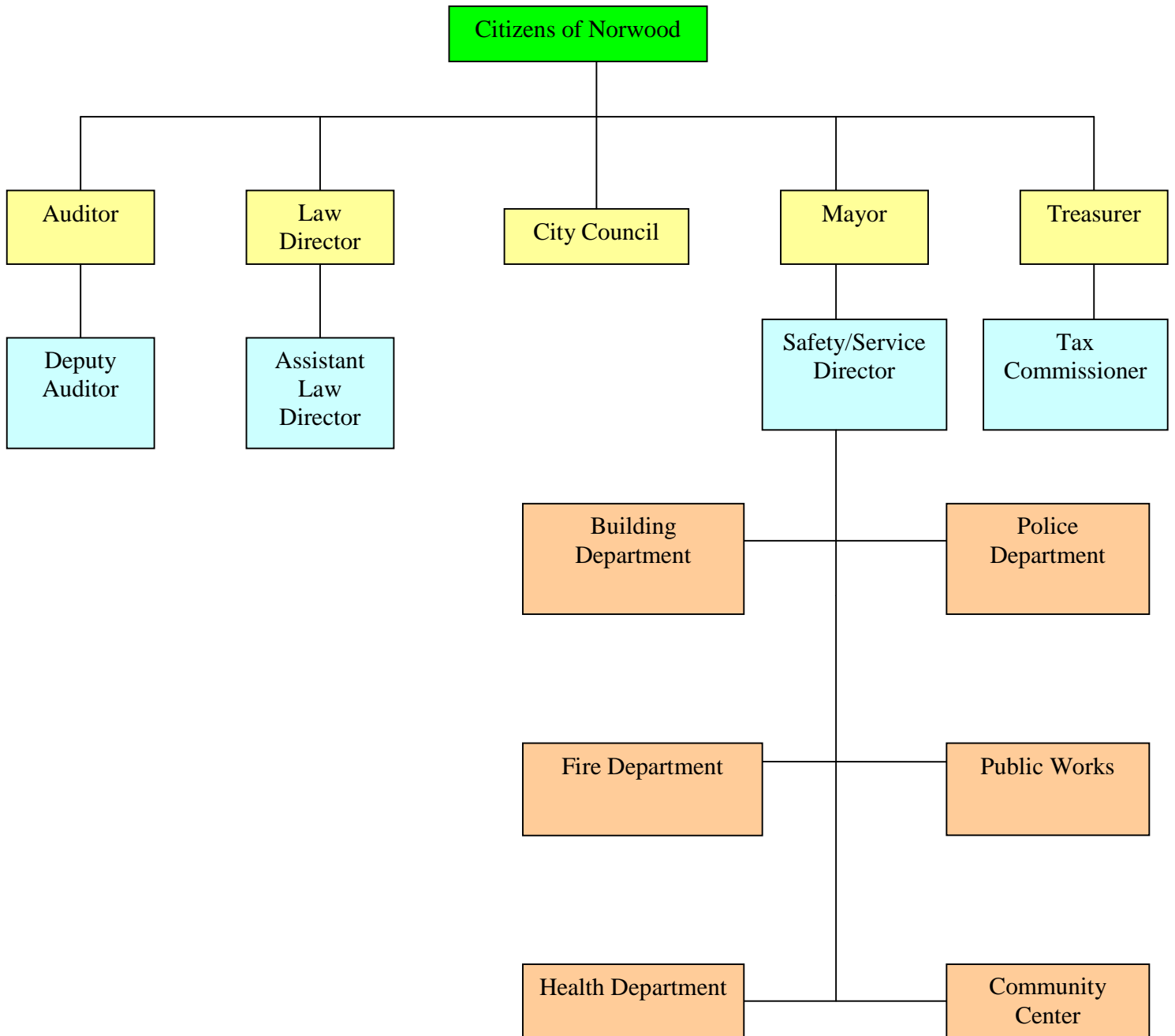
City Auditor	James P. Stith II
City Treasurer	Tim Molony
Law Director	Ted Kiser

Legislative:

Mayor	Thomas Williams
Council	Donna Laake – President of Council
	Sarah Allen – Ward 1
	Steve Thornbury – Ward 2
	Tom Whittington – Ward 3
	John Mumper – Ward 4
	Andrew Clark – Council-at-Large
	Joseph W. Sanker – Council-at-Large
	Keith Moore – Council-at-Large

Administrative:

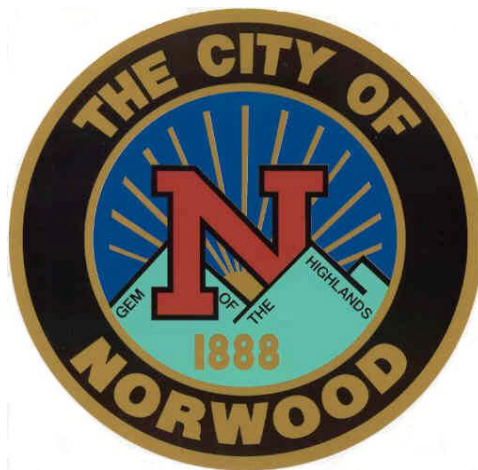
Clerk of Council	Joseph Geers
Income Tax Administrator	Chuck Barlow
Police Chief	William Kramer
Fire Chief	Curt Goodman
Safety Service Director	Joseph C. Geers
Public Works Superintendent	Pete Tepe
Development Director	Jerry Stoker



**City of Norwood
 Chart of Organization
 December 31, 2011**

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Financial Section



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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2011, 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, 2011, and the respective changes in financial position, 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.

As described in Note 3, during 2011, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

As discussed in Note 23 to the financial statements, the City's General fund has suffered recurring negative net changes in fund balance. The 2011 General fund experienced a net change in fund balance of (\$1,946,301), and a fund balance deficit at December 31, 2011 of (\$122,488); the Linden Pointe Construction fund experienced a net change in fund balance of (\$23,623) and a fund balance deficit at December 31, 2011 of (\$57,055), and the Refuse fund experienced a change in net assets of (\$608,503) and negative net assets at December 31, 2011 of (\$92,075). As noted in Note 23, management has no formal plan to address these losses and deficits. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

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



Dave Yost
Auditor of State

October 31, 2012

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2011
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, 2011. 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 2011 are as follows:

- The City's total governmental activities' net assets decreased \$1,804,330 which represents a 61 percent decrease from 2010. Business-type activities net assets decreased \$781,014 which represents a 23 percent decrease from 2010.
- For governmental activities, general receipts accounted for \$20,011,588 or 88 percent of all receipts. Program receipts in the form of charges for services, operating and capital grants, contributions, and interest accounted for \$2,684,185 or 12 percent of total revenues of \$22,695,773.
- The City had \$24,500,103 in expenses related to governmental activities; only \$2,684,185 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily property and municipal income taxes) were \$20,011,588.
- Enterprise funds reflected a total operating loss of (\$770,439). The Water and Refuse funds reflected an operating loss of (\$161,936) and (\$608,503) respectively. The water and refuse operations, decreased in net assets by \$781,014.

OVERVIEW OF THE FINANCIAL STATEMENTS

Report Components

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

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2011
Unaudited

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. 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.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2011
Unaudited

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds is presented later in the Management's Discussion and Analysis section. 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 use of grants. The City's major funds are the General Fund, the Debt Service Fund and the Linden Pointe Construction Fund.

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

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

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

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2011
Unaudited

THE CITY AS A WHOLE

Table 1 provides a summary of the City's net assets for 2011 compared to 2010:

	Governmental Activities		Business Type Activities		Total	
	2011	Restated 2010	2011	Restated 2010	2011	Restated 2010
Assets:						
Current & Other Assets	\$12,613,784	\$14,149,710	\$1,764,632	\$1,887,878	\$14,378,416	\$16,037,588
Nondepr. Capital Assets	6,376,146	6,376,146	0	0	6,376,146	6,376,146
Depr. Capital Assets, Net	13,297,451	13,850,917	2,090,215	2,164,161	15,387,666	16,015,078
Total Assets	32,287,381	34,376,773	3,854,847	4,052,039	36,142,228	38,428,812
Liabilities:						
Current & Other Liabilities	6,426,460	5,745,465	714,967	103,799	7,141,427	5,849,264
Long-Term Liabilities						
Due Within One Year	2,339,314	2,126,049	48,783	34,411	2,388,097	2,160,460
Due in More Than One Year	22,370,342	23,660,947	541,381	583,100	22,911,723	24,244,047
Total Liabilities	31,136,116	31,532,461	1,305,131	721,310	32,441,247	32,253,771
Net Assets:						
Invested in Capital Assets, Net of Related Debt	10,103,151	9,490,219	1,539,722	2,115,105	11,642,873	11,605,324
Restricted	3,982,444	5,447,972	0	0	3,982,444	5,447,972
Unrestricted	(12,934,330)	(11,982,596)	1,009,994	1,745,514	(11,924,336)	(10,237,082)
Total Net Assets	\$1,151,265	\$2,955,595	\$2,549,716	\$3,860,619	\$3,700,981	\$6,816,214

As mentioned previously, net assets of governmental activities decreased \$1,804,330 during 2011. An overall decrease in available cash balances related to general expenses exceeding revenues, and a significant decrease in income tax revenues were the main contributors to this decrease. Depreciation, net of additions to capital assets decreased invested in capital assets, net of related debt. However, payments related to debt exceeded new debt issuances, and therefore, invested in capital assets, net of related debt increased in 2011.

Table 2 shows the changes in net assets for the years ended December 31, 2011 and 2010.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Unaudited

Table 2
Changes in Net Assets

	Governmental		Business-Type		Total / Restated	
	Activities / Restated	Activities / Restated	Activities / Restated	Activities / Restated	2011	2010
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$1,770,035	\$1,389,580	\$4,220,587	\$4,659,282	\$5,990,622	\$6,048,862
Operating Grants, Contributions and Interest	914,150	1,042,860	0	529,890	914,150	1,572,750
Capital Grants, Contributions and Interest	0	0	0	0	0	0
Total Program Revenues	<u>2,684,185</u>	<u>2,432,440</u>	<u>4,220,587</u>	<u>5,189,172</u>	<u>6,904,772</u>	<u>7,621,612</u>
General Revenues:						
Property Taxes	2,867,605	2,620,666	0	0	2,867,605	2,620,666
Income Taxes	13,170,293	14,286,726	0	0	13,170,293	14,286,726
Other Local Taxes	171,342	418,657	0	0	171,342	418,657
Payments in Lieu of Taxes	1,324,928	1,218,770	0	0	1,324,928	1,218,770
Grants and Entitlements Not Restricted to Specific Programs	2,244,448	1,661,157	0	0	2,244,448	1,661,157
Unrestricted Contributions	1,042	77,663	0	0	1,042	77,663
Interest	137,735	163,732	0	0	137,735	163,732
Other	94,195	58,076	0	0	94,195	58,076
Total General Revenues	<u>20,011,588</u>	<u>20,505,447</u>	<u>0</u>	<u>0</u>	<u>20,011,588</u>	<u>20,505,447</u>
Total Revenues	<u>22,695,773</u>	<u>22,937,887</u>	<u>4,220,587</u>	<u>5,189,172</u>	<u>26,916,360</u>	<u>28,127,059</u>
Program Expenses:						
General Government	4,188,013	4,312,081	0	0	4,188,013	4,312,081
Security of Persons and Property:						
Police	7,284,982	7,361,336	0	0	7,284,982	7,361,336
Fire	8,030,690	7,771,995	0	0	8,030,690	7,771,995
Public Services	38,082	69,101	0	0	38,082	69,101
Public Health Services	1,058,286	1,175,166	0	0	1,058,286	1,175,166
Leisure Time Services	1,048,018	442,876	0	0	1,048,018	442,876
Community and Economic Development	106,006	577	0	0	106,006	577
Transportation	984,105	1,640,137	0	0	984,105	1,640,137
Intergovernmental	337,724	288,381	0	0	337,724	288,381
Interest and Fiscal Charges	1,424,197	1,428,434	0	0	1,424,197	1,428,434
Water	0	0	3,165,929	3,893,385	3,165,929	3,893,385
Refuse	0	0	1,835,672	1,104,172	1,835,672	1,104,172
Total Expenses	<u>24,500,103</u>	<u>24,490,084</u>	<u>5,001,601</u>	<u>4,997,557</u>	<u>29,501,704</u>	<u>29,487,641</u>
Increase (Decrease) in Net Assets	(1,804,330)	(1,552,197)	(781,014)	191,615	(2,585,344)	(1,360,582)
Net Assets Restated at Beginning of Year	<u>2,955,595</u>	<u>4,507,792</u>	<u>3,330,729</u>	<u>3,139,114</u>	<u>6,286,324</u>	<u>7,646,906</u>
Net Assets at End of Year	<u>\$1,151,265</u>	<u>\$2,955,595</u>	<u>\$2,549,715</u>	<u>\$3,330,729</u>	<u>\$3,700,980</u>	<u>\$6,286,324</u>

Governmental program revenues represent only 12 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 88 percent of the City's governmental receipts, and 81 percent of general revenues are local taxes. Property taxes make up 14 percent of the City's general revenues. The City's municipal income

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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taxes make up 66 percent of general revenue. Grants and Entitlements increased due to revenue derived from the CORF Fund that was added in 2011. Other revenues are very insignificant and somewhat unpredictable revenue sources.

General Government expense decreased \$203,781, due mainly to hourly wages being cut back. Security of Persons and Property: Fire expenses increased \$258,695 due mainly to increases in Personal Services payroll. Public Health Service expenses decreased \$116,680 due to a reduction of grant funds expended out. Leisure Time Service expenses increased \$605,142 due to expenditures that supported a clean up project from the CORF fund. Community and Economic Development expenses increased \$105,429 due to increase in contractual expenses. Transportation expenses decreased \$656,032 due to decreases in non-capitalized road resurfacing projects in 2011.

Operating Grants, Contributions in the governmental activities decreased \$128,710 in 2011. In 2011, no State assistance was received for making improvements to roads within the City.

The City's business-type activities, Water and Refuse Funds, account for 17 percent of the City's total revenues in 2011. Charges for Services and Sales in the business-type activities decreased \$438,695, due to decreases in water charges for services, and the loss of businesses in the area. Program expenses for the Water Fund decreased \$197,566, due to decreases in contractual services, while they increased \$731,500 in the Refuse Fund, due to increase in contractual services.

Governmental Activities

The two percent earnings tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 66 percent of the City's governmental activities revenue. The earnings tax is used to pay the cost of many city services including general government, security of persons and property, and public health services. In 2011, there was a 8 percent decrease in earnings tax revenue due primarily to the relocation of Medpace from the City to Madisonville Ohio.

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 63 percent of all governmental expenses. General government also represents a significant cost, about 17 percent. The next three columns of the Statement entitled Program Receipts 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 receipts 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

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2011
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presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
 Governmental Activities

	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
General Government	\$4,188,013	\$3,509,570	\$4,312,081	\$3,741,443
Security of Persons and Property				
Police	7,284,982	7,219,691	7,361,336	7,258,210
Fire	8,030,690	7,008,697	7,771,995	7,159,622
Public Services	38,082	38,082	69,101	69,101
Public Health	1,058,286	957,663	1,175,166	919,441
Leisure Time Activities	1,048,018	880,789	442,876	234,716
Community and Economic Development	106,006	106,000	577	498
Transportation	984,105	333,505	1,640,137	957,798
Intergovernmental	337,724	337,724	288,381	288,381
Interest & Fiscal Charges	1,424,197	1,424,197	1,428,434	1,428,434
Total Expenses	<u>\$24,500,103</u>	<u>\$21,815,918</u>	<u>\$24,490,084</u>	<u>\$22,057,644</u>

The dependence upon property and income tax receipts is apparent as 80 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 moneys 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.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2011
Unaudited

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 \$22,866,494 and expenditures of \$25,112,930.

Within the General Fund, there were revenues of \$18,910,717 and expenditures of \$20,112,514. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$1,946,301 as the result of a decreased revenues.

Within the Debt Service Fund, there were revenues of \$1,585,114 and expenditures of \$2,371,089. The fund balance of this fund decreased \$92,776 due to debt service expenditures and payments to Norwood City School District in accordance with tax increment financing agreements exceeding revenues

Within the Linden Pointe Construction Fund, there were revenues of \$438,410 and expenditures of \$462,033. The fund balance of this fund decreased \$23,623 due to total expenditures exceeding revenues.

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 2011, the City amended its General Fund budget several times to reflect changing circumstances. Final budgeted revenues were above original budgeted revenues by \$281,331 due to increases in estimated property taxes revenues. The difference between final budgeted revenues and actual revenues was \$511,020 which was due primarily to a decrease in income taxes and license and permits.

Final budgeted expenditures were above original budgeted expenditures by \$20,787 due to overall increases in estimated expenditures. Final expenditures were budgeted at \$18,594,969 for the General Fund. Actual expenditures were \$18,217,847 with a difference of \$377,122 due to expenditures being much lower than anticipated.

CITY OF NORWOOD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2011 amounts to \$21.5 million (net of accumulated depreciation).

	Governmental Activities		Business Type Activity		Total	
	2011	2010	2011	2010	2011	2010
Land	\$6,376,146	\$6,376,146	\$0	\$0	\$6,376,146	\$6,376,146
CIP			0	0	0	0
Buildings	2,330,389	2,382,374	0	0	2,330,389	2,382,374
Land Improvements	635,134	590,241	0	0	635,134	590,241
Vehicles	1,461,350	1,646,962	0	0	1,461,350	1,646,962
Furniture, Fixtures and Equipment	896,596	944,508	9,676	10,346	906,272	954,854
Infrastructure	7,973,982	8,286,832	2,098,164	2,153,815	10,072,146	10,440,647
Totals	\$19,673,597	\$20,227,063	\$2,107,840	\$2,164,161	\$21,781,437	\$22,391,224

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

For more information on capital assets, refer to note 10 of the notes to the basic financial statements.

Debt

Table 5 summarizes debt outstanding at December 31, 2011 and 2010:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$3,870,962	\$4,491,599	\$0	\$0	\$3,870,962	\$4,491,599
Special Assessment Debt	1,211,474	1,457,440	0	0	\$1,211,474	\$1,457,440
OPWC Loans	559,551	603,068	550,492	578,945	\$1,110,043	\$1,182,013
Tax Increment Financing Bonds	15,132,910	15,350,555	0	0	\$15,132,910	\$15,350,555
Capital Leases	363,459	648,448	0	0	\$363,459	\$648,448
	\$21,138,356	\$22,551,110	\$550,492	\$578,945	\$21,688,848	\$23,130,055

CITY OF NORWOOD, OHIO
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The City's overall unvoted legal debt margin was \$35,250,844 as of December 31, 2011. The more restrictive unvoted legal debt margin was \$16,354,962 as of the same date.

For more information regarding long-term obligations and capital leases, refer to notes 11 and 12 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, 2011**

	Governmental Activities	Business-Type Activities	Totals
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$3,504,442	\$674,897	\$4,179,339
Accounts Receivable	582,735	1,098,566	1,681,301
Interfund Receivable	0	(8,831)	(8,831)
Internal Balances	8,831	0	8,831
Intergovernmental Receivable	727,307	0	727,307
Income Taxes Receivable	1,870,290	0	1,870,290
Property Taxes Receivable	2,733,097	0	2,733,097
Payments in Lieu of Taxes Receivable	1,732,204	0	1,732,204
Special Assessments Receivable	1,211,474	0	1,211,474
Net Other Post Employment Benefits	131,098	0	131,098
Deferred Charges	112,306	0	112,306
Nondepreciable Capital Assets	6,376,146	0	6,376,146
Depreciable Capital Assets, Net	13,297,451	2,090,215	15,387,666
Total Assets	32,287,381	3,854,847	36,142,228
LIABILITIES:			
Accounts Payable	177,968	613,116	791,084
Accrued Wages Payable	462,808	15,692	478,500
Intergovernmental Payable	1,204,571	13,850	1,218,421
Contracts Payable	405,471	0	405,471
Deferred Revenue	4,017,523	0	4,017,523
Accrued Interest Payable	158,119	0	158,119
Refundable Deposits	0	72,309	72,309
Long-Term Liabilities:			
Due Within One Year	2,339,314	48,783	2,388,097
Due in More Than One Year	22,370,342	541,381	22,911,723
Total Liabilities	31,136,116	1,305,131	32,441,247
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	10,103,151	1,539,722	11,642,873
Restricted for:			
Debt Service	2,539,257	0	2,539,257
Capital Outlay	72,281	0	72,281
Security of Persons and Property	138,436	0	138,436
Leisure Time Services	87,768	0	87,768
Community and Economic Development	213,166	0	213,166
Transportation	375,429	0	375,429
Other Purposes	556,107	0	556,107
Unrestricted (Deficit)	(12,934,330)	1,009,994	(11,924,336)
Total Net Assets	\$1,151,265	\$2,549,716	\$3,700,981

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities:				
General Government	\$4,188,013	\$678,443	\$0	(\$3,509,570)
Security of Persons and Property				
Police	7,284,982	51,151	14,140	(7,219,691)
Fire	8,030,690	920,920	101,073	(7,008,697)
Public Services	38,082	0	0	(38,082)
Public Health Services	1,058,286	15,624	84,999	(957,663)
Leisure Time Services	1,048,018	96,184	71,045	(880,789)
Community and Economic Development	106,006	0	6	(106,000)
Transportation	984,105	7,713	642,887	(333,505)
Intergovernmental	337,724	0	0	(337,724)
Interest and Fiscal Charges	1,424,197	0	0	(1,424,197)
Total Governmental Activities	24,500,103	1,770,035	914,150	(21,815,918)
Business-Type Activities:				
Water	3,165,929	2,993,418	0	0
Refuse	1,835,672	1,227,169	0	0
Total Business-Type Activities	5,001,601	4,220,587	0	0
Total Activities	\$29,501,704	\$5,990,622	\$914,150	(21,815,918)
General Revenues:				
Taxes:				
Property Taxes Levied For General Purposes				2,867,605
Income Taxes				13,170,293
Other Local Taxes				171,342
Payments in Lieu of Taxes				1,324,928
Grants and Entitlements not Restricted to Specific Programs				2,244,448
Unrestricted Contributions				1,042
Interest				137,735
Other				94,195
Total General Revenues				20,011,588
Change in Net Assets				(1,804,330)
Net Assets at Beginning of Year - restated				2,955,595
Net Assets at End of Year				\$1,151,265

See accompanying notes to the basic financial statements

/Revenue and Changes in Net Assets

<u>Business-Type Activities</u>	<u>Total</u>
\$0	(\$3,509,570)
0	(7,219,691)
0	(7,008,697)
0	(38,082)
0	(957,663)
0	(880,789)
0	(106,000)
0	(333,505)
0	(337,724)
0	(1,424,197)
0	(21,815,918)
(172,511)	(172,511)
(608,503)	(608,503)
(781,014)	(781,014)
(781,014)	(22,596,932)
0	2,867,605
0	13,170,293
0	171,342
0	1,324,928
0	2,244,448
0	1,042
0	137,735
0	94,195
0	20,011,588
(781,014)	(2,585,344)
3,330,730	6,286,325
\$2,549,716	\$3,700,981

**CITY OF NORWOOD, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	General	Debt Service Fund	Linden Pointe Construction	All Other Governmental Funds	Total Governmental Funds
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	\$296,524	\$290,259	\$26,949	\$1,383,784	\$1,997,516
Cash and Cash Equivalents with Fiscal Agents	0	0	311,283	0	311,283
Accounts Receivable	582,735	0	0	0	582,735
Intergovernmental Receivable	422,134	0	0	305,173	727,307
Income Taxes Receivable	1,870,290	0	0	0	1,870,290
Property Taxes Receivable	2,724,356	0	0	8,741	2,733,097
Payments in Lieu of Taxes Receivable	0	1,249,170	483,034	0	1,732,204
Interfund Receivable	72,272	0	0	8,831	81,103
Special Assessments Receivable	0	1,211,474	0	0	1,211,474
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agents	0	1,195,643	0	0	1,195,643
Total Assets	<u>\$5,968,311</u>	<u>\$3,946,546</u>	<u>\$821,266</u>	<u>\$1,706,529</u>	<u>\$12,442,652</u>
LIABILITIES:					
Accounts Payable	\$123,969	\$0	\$0	\$53,999	\$177,968
Accrued Wages Payable	456,542	0	0	6,266	462,808
Contracts Payable	5,085	0	395,287	5,099	405,471
Intergovernmental Payable	1,183,087	0	0	21,484	1,204,571
Interfund Payable	0	0	0	72,272	72,272
Deferred Revenue	4,322,116	2,460,644	483,034	251,740	7,517,534
Total Liabilities	<u>6,090,799</u>	<u>2,460,644</u>	<u>878,321</u>	<u>410,860</u>	<u>9,840,624</u>
FUND BALANCES:					
Restricted	\$0	\$1,485,902	\$0	\$1,293,795	\$2,779,697
Committed	2,203	0	0	2,500	4,703
Assigned	54,638	0	0	0	54,638
Unassigned	<u>(179,329)</u>	<u>0</u>	<u>(57,055)</u>	<u>(626)</u>	<u>(237,010)</u>
Total Fund Balances (Deficit)	<u>(122,488)</u>	<u>1,485,902</u>	<u>(57,055)</u>	<u>1,295,669</u>	<u>2,602,028</u>
Total Liabilities and Fund Balances	<u>\$5,968,311</u>	<u>\$3,946,546</u>	<u>\$821,266</u>	<u>\$1,706,529</u>	<u>\$12,442,652</u>

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, 2011**

Total Governmental Fund Balances \$2,602,028

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	29,609,999	
Accumulated depreciation	<u>(16,312,548)</u>	
Total capital assets		19,673,597

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	421,928	
Special assessments	1,211,474	
Due from other governments:		
Charges for services	563,490	
Shared taxes and local government revenue assistance	623,300	
Income taxes	<u>679,819</u>	
		3,500,011

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.

112,306

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

Other Postemployment Benefits		131,098
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In the Statement of Activities, interest is accrued on outstanding bonds, whereas
in governmental funds, an interest expenditure is reported when due.

(158,119)

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	147,090	
Capital leases	(363,459)	
Bonds	(20,362,436)	
Loans	(559,551)	
Compensated absences	<u>(3,571,300)</u>	
Total liabilities		<u>(24,709,656)</u>

Net Assets of Governmental Activities

1,151,265

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, 2011

	General	Debt Service Fund	Linden Pointe Construction	All Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property Taxes	\$2,727,581	\$0	\$0	\$0	\$2,727,581
Income Taxes	13,643,613	0	0	0	13,643,613
Other Local Taxes	9,684	0	0	161,658	171,342
Payments in Lieu of Taxes	0	1,204,170	120,758	0	1,324,928
Special Assessments	0	245,966	0	0	245,966
Charges for Services	684,191	0	0	16,509	700,700
Fines, Licenses and Permits	586,253	0	0	55,366	641,619
Intergovernmental	1,153,473	0	317,275	1,653,794	3,124,542
Interest	2,380	134,978	377	145	137,880
Rent	15,285	0	0	0	15,285
Contributions and Donations	4,512	0	0	34,331	38,843
Reimbursements	0	0	0	10,000	10,000
Other	83,745	0	0	450	84,195
Total Revenues	18,910,717	1,585,114	438,410	1,932,253	22,866,494
EXPENDITURES:					
Current:					
General Government	4,127,216	0	0	10,128	4,137,344
Security of Persons and Property:					
Police	7,102,013	0	0	84,734	7,186,747
Fire	7,514,604	0	0	203,890	7,718,494
Public Services	33,723	0	0	0	33,723
Public Health Services	966,004	0	0	74,498	1,040,502
Leisure Time Services	163,766	0	0	883,758	1,047,524
Community and Economic Development	0	0	0	105,429	105,429
Transportation	0	0	0	654,689	654,689
Intergovernmental	0	213,203	120,758	0	333,961
Capital Outlay	1,000	0	0	0	1,000
Debt Service:					
Principal Retirement	184,839	1,061,603	30,000	143,667	1,420,109
Interest and Fiscal Charges	19,349	1,096,283	311,275	6,501	1,433,408
Total Expenditures	20,112,514	2,371,089	462,033	2,167,294	25,112,930
Excess of Revenues Under Expenditures	(1,201,797)	(785,975)	(23,623)	(235,041)	(2,246,436)
OTHER FINANCING SOURCES (USES):					
Transfers In	0	693,199	0	51,305	744,504
Transfers Out	(744,504)	0	0	0	(744,504)
Total Other Financing Sources (Uses)	(744,504)	693,199	0	51,305	0
Net Change in Fund Balances	(1,946,301)	(92,776)	(23,623)	(183,736)	(2,246,436)
Restated Fund Balances at Beginning of Year	1,823,813	1,578,678	(33,432)	1,479,405	4,848,464
Fund Balances (Deficit) at End of Year	(\$122,488)	\$1,485,902	(\$57,055)	\$1,295,669	\$2,602,028

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, 2011**

Net Change in Fund Balances - Total Governmental Funds (\$2,246,436)

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	72,204	
Current Year Depreciation	<u>(625,670)</u>	(553,466)

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	140,024	
Special Assessments	(245,966)	
Due From Other Governments:		
Charges for Services	412,431	
Shared Taxes and Local Government Revenue Assistance	(3,890)	
Income Taxes	<u>(473,320)</u>	(170,721)

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	845,637	
Special assessment debt principal retirement	245,966	
Loan principal retirement	43,517	
Capital lease payments	<u>284,989</u>	
Total long-term obligation repayment		1,420,109

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	(4,319)	
Amortization of bond discount	(7,355)	
Accrued Interest	<u>20,885</u>	9,211

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	(335,414)	
Other Post Employment Benefits	<u>72,387</u>	
		<u>(263,027)</u>

Change in Net Assets of Governmental Activities (\$1,804,330)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES:				
Property Taxes	\$2,004,591	\$2,727,582	\$2,727,581	(\$1)
Income Taxes	14,145,714	13,780,000	13,668,825	(111,175)
Other Local Taxes	10,265	10,000	9,684	(316)
Charges for Services	635,428	619,000	616,633	(2,367)
Fines, Licenses and Permits	992,843	967,175	590,749	(376,426)
Intergovernmental	1,226,417	1,195,010	1,153,947	(41,063)
Interest	3,080	3,000	2,380	(620)
Rent	16,425	16,000	15,285	(715)
Contributions and Donations	1,335	1,300	942	(358)
Other	63,362	61,724	83,745	22,021
Total Revenues	<u>19,099,460</u>	<u>19,380,791</u>	<u>18,869,771</u>	<u>(511,020)</u>
EXPENDITURES:				
Current:				
General Government:				
Legislative and Executive	3,405,228	3,237,473	3,061,944	175,529
Judicial System	122,374	102,041	100,566	1,475
Security of Persons and Property:				
Police	6,816,657	6,952,013	6,851,655	100,358
Public Health Services				
Fire	7,128,553	7,276,190	7,175,636	100,554
Public Services	45,102	38,668	39,579	(911)
Public Health Services	1,075,089	1,007,405	988,467	18,938
Total Expenditures	<u>18,593,003</u>	<u>18,613,790</u>	<u>18,217,847</u>	<u>395,943</u>
Excess of Revenues Under Expenditures	<u>506,457</u>	<u>767,001</u>	<u>651,924</u>	<u>(115,077)</u>
OTHER FINANCING SOURCES (USES):				
Advances Out	59	59	4,832	4,773
Transfers Out	(1,284,653)	(1,610,110)	(1,547,229)	62,881
Total Other Financing Sources (Uses)	<u>(1,284,594)</u>	<u>(1,610,051)</u>	<u>(1,542,397)</u>	<u>67,654</u>
Net Change in Fund Balance	(778,137)	(843,050)	(890,473)	(47,423)
Fund Balance at Beginning of Year	578,084	578,084	578,084	0
Prior Year Encumbrances Appropriated	253,309	253,309	253,309	0
Fund Balance at End of Year	<u>\$53,256</u>	<u>(\$11,657)</u>	<u>(\$59,080)</u>	<u>(\$47,423)</u>

See accompanying notes to the basic financial statements

CITY OF NORWOOD, OHIO
STATEMENT OF FUND NET ASSETS
ENTERPRISE FUNDS
DECEMBER 31, 2011

	<u>Water</u>	<u>Refuse</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$448,461	\$154,127	\$602,588
Accounts Receivable	735,027	363,539	1,098,566
Total Current Assets	<u>1,183,488</u>	<u>517,666</u>	<u>1,701,154</u>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	72,309	0	72,309
Depreciable Capital Assets, Net	2,090,215	0	2,090,215
Total Noncurrent Assets	<u>2,162,524</u>	<u>0</u>	<u>2,162,524</u>
Total Assets	<u>3,346,012</u>	<u>517,666</u>	<u>3,863,678</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	3,375	609,741	613,116
Accrued Wages Payable	15,692	0	15,692
Intergovernmental Payable	13,850	0	13,850
Interfund Payable	8,831	0	8,831
Compensated Absences Payable	11,498	0	11,498
OPWC Loans Payable	37,285	0	37,285
Total Current Liabilities	<u>90,531</u>	<u>609,741</u>	<u>700,272</u>
Noncurrent Liabilities:			
Refundable Deposits	72,309	0	72,309
Compensated Absences Payable	28,174	0	28,174
OPWC Loans Payable	513,207	0	513,207
Total Noncurrent Liabilities	<u>541,381</u>	<u>0</u>	<u>613,690</u>
Total Liabilities	<u>704,221</u>	<u>609,741</u>	<u>1,313,962</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt Unrestricted	1,539,722	0	1,539,722
	<u>1,102,069</u>	<u>(92,075)</u>	<u>1,009,994</u>
Total Net Assets	<u>\$2,641,791</u>	<u>(\$92,075)</u>	<u>\$2,549,716</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, 2011**

	<u>Water</u>	<u>Refuse</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services	<u>\$2,993,418</u>	<u>\$1,227,169</u>	<u>\$4,220,587</u>
OPERATING EXPENSES:			
Personal Services	620,601	0	620,601
Contractual Services	2,425,317	1,834,627	4,259,944
Supplies and Materials	43,685	0	43,685
Depreciation	63,371	0	63,371
Refunds	1,147	0	1,147
Other	<u>1,233</u>	<u>1,045</u>	<u>2,278</u>
Total Operating Expenses	<u>3,155,354</u>	<u>1,835,672</u>	<u>4,991,026</u>
Operating Income	<u>(161,936)</u>	<u>(608,503)</u>	<u>(770,439)</u>
NON-OPERATING REVENUES (EXPENSES):			
Other Non-Operating Expenses	<u>(10,575)</u>	<u>0</u>	<u>(10,575)</u>
Total Non-Operating Revenues (Expenses)	<u>(10,575)</u>	<u>0</u>	<u>(10,575)</u>
Change in Net Assets	(172,511)	(608,503)	(781,014)
Net Assets at Beginning of Year - restated	<u>2,814,302</u>	<u>516,428</u>	<u>3,330,730</u>
Net Assets at End of Year	<u><u>\$2,641,791</u></u>	<u><u>(\$92,075)</u></u>	<u><u>\$2,549,716</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, 2011

	<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	\$3,418,110	\$1,261,387	\$4,679,497
Cash Payments for Employee Services and Benefits	(616,191)	0	(616,191)
Cash Payments to Suppliers for Goods and Services	(2,478,313)	(1,225,931)	(3,704,244)
Utility Deposits Received	5,205	0	5,205
Utility Deposits Returned	(150)	0	(150)
Net Cash Provided by (Used for) Operating Activities	<u>328,661</u>	<u>35,456</u>	<u>364,117</u>
Cash Flows from Noncapital Financing Activities:			
Short-Term Loan from Another Fund	<u>8,831</u>	<u>0</u>	<u>8,831</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Paid on OPWC Loans	<u>(28,453)</u>	<u>0</u>	<u>(28,453)</u>
Net Cash Provided By Capital and Related Financing Activities	<u>(28,453)</u>	<u>0</u>	<u>(28,453)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	309,039	35,456	344,495
Cash and Cash Equivalents at Beginning of Year	<u>211,731</u>	<u>118,671</u>	<u>330,402</u>
Cash and Cash Equivalents at End of Year	<u><u>\$520,770</u></u>	<u><u>\$154,127</u></u>	<u><u>\$674,897</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	(\$161,936)	(\$608,503)	(\$770,439)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	63,371	0	63,371
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	424,692	34,218	458,910
Increase (Decrease) in Accounts Payable	(7,275)	609,741	602,466
Increase (Decrease) in Accrued Wages Payable	1,777	0	1,777
Increase (Decrease) in Intergovernmental Payable	1,870	0	1,870
Increase (Decrease) Payable from Restricted Assets	5,055	0	5,055
Increase (Decrease) in Compensated Absences Payable	1,107	0	1,107
Net Cash Provided by (Used for) Operating Activities	<u><u>\$328,661</u></u>	<u><u>\$35,456</u></u>	<u><u>\$364,117</u></u>

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011**

	<u>Pension Trust</u>	<u>Agency</u>
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$18	\$1,313,498
Accounts Receivable	0	1,328,029
	<u>18</u>	<u>1,328,029</u>
Total Assets	<u>18</u>	<u>\$2,641,527</u>
LIABILITIES:		
Accounts Payable	0	\$503
Intergovernmental Payable	0	2,626,614
Undistributed Monies	0	14,410
	<u>0</u>	<u>14,410</u>
Total Liabilities	<u>0</u>	<u>\$2,641,527</u>
NET ASSETS:		
Held in Trust for OPEB	<u>18</u>	
Total Net Assets	<u>\$18</u>	

See accompanying notes to the basic financial statements

**CITY OF NORWOOD, OHIO
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Pension Trust</u>
ADDITIONS:	
Interest Income	\$2
Employer Contributions	<u>364,180</u>
Total Additions	364,182
DEDUCTIONS:	
Distributions to Participants	<u>364,180</u>
Change in Net Assets	2
Net Assets at Beginning of Year	<u>16</u>
Net Assets at End of Year	<u><u>\$18</u></u>

See accompanying notes to the basic financial statements

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 (PEP), which is defined as a shared risk pool. This organization is presented in Note 21 of the Basic Financial Statements.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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. Non-major 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 earnings taxes, property taxes and local government funds. The General Fund Balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary Fund

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.

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 (i.e., revenues) and decreases (i.e., expenses) in total net assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

means expected to be received within thirty-one 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/payments in lieu of taxes is recognized in the year for which the taxes are levied or would have been levied (See Notes 7 and 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but were levied to finance year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department and fund. Budgetary modifications may only be made by ordinance of Council.

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

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

Cash and Cash Equivalents

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

Certain trust accounts that are held by the City, which include bond accounts and reserve accounts, are used to accumulate future principal and interest payments on bonds. These amounts are represented by "Restricted Assets: Cash and Cash Equivalents with Fiscal Agents". The City also utilizes a financial institution to service

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

proceeds of debt. The balance in this account is presented as "Cash and Cash Equivalents with Fiscal Agents".

During 2011, investments were limited to money market mutual funds. 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 2011 amounted to \$2,380 which includes \$2,266 assigned from other City funds.

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

Capital Assets and Depreciation

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

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

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

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

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, except for any net residual amounts due between governmental and business-type activities, which are presented as "Internal Balances".

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 legislations. 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.

Operating Revenues and Expenses

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

Internal Activity

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

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include funds for court programs, telecommunications and public health programs.

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

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. The nonspendable fund balances for the City include the long-term amount of interfund loans, prepaid items, and inventory.

Restricted The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resources providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore,

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance.

Unassigned Unassigned fund balance is the residual classification for the General fund and includes all amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES / ACCOUNTING CHANGE / RESTATEMENT OF FUND BALANCE/NET ASSETS

Change in Accounting Principles

During 2011, the City has implemented *Governmental Accounting Standards Board (GASB) No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”* and *Governmental Accounting Standards Board (GASB) No. 59, “Financial Omnibus”*.

GASB Statement No. 54 establishes fund balance classification that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. It requires fund balance to be classified as nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The implementation of this statement resulted in the reclassification of certain funds and restatement of the City’s financial statements.

GASB Statement No. 59, “Financial Instruments Omnibus” addresses the changes to

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

several GASB Statements regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of this Statement did not result in any changes to the City’s financial statements.

Accounting Change

During 2011, the City determined that contracts and intergovernmental payables had been overstated in the All Other governmental funds and debt had been understated in the Water Fund.

The restatements for the change in accounting principle and accounting change had the following effect on fund balance/net assets:

	General	Debt Service	Linden Pointe	All Other	Total
Fund Balance at December 31, 2011					
as previously reported	\$1,020,450	\$1,578,678	(\$113,145)	\$2,251,198	\$4,737,181
Contracts Payable	0	0	79,713	0	79,713
Intergovernmental Payable	0	0	0	31,570	31,570
Fund Reclassification for GASB 54	803,363	0	0	(803,363)	0
Fund Balance at December 31, 2011, restated	<u>\$1,823,813</u>	<u>\$1,578,678</u>	<u>(\$33,432)</u>	<u>\$1,479,405</u>	<u>\$4,848,464</u>

	Governmental Activities	Water Fund	Business-Type Activities
Net Assets at December 31, 2010			
as previously reported	\$2,844,312	\$3,344,191	\$3,860,619
Debt	0	(529,890)	(529,890)
Contracts Payable	79,713	0	0
Intergovernmental Payable	31,570	0	0
Net Assets at December 31, 2010, restated	<u>\$2,955,595</u>	<u>\$2,814,301</u>	<u>\$3,330,729</u>

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 4 - FUND BALANCES

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

Fund Balances	General Fund	Debt Service	Linden Pointe TIF	All Other Governmental Funds	Total
Restricted for					
Community Programs	\$0	\$0	\$0	\$55,247	\$55,247
Court Program	0	0	0	66,262	66,262
Parks & Recreation	0	0	0	110,323	110,323
Capital Improvements	0	0	0	63,706	63,706
Road Improvements	0	0	0	457,597	457,597
Fire	0	0	0	92,008	92,008
Police	0	0	0	48,629	48,629
Economic Development	0	0	0	213,166	213,166
Health Programs	0	0	0	186,857	186,857
Debt Service	0	1,485,902	0	0	1,485,902
<i>Total Restricted</i>	<u>0</u>	<u>1,485,902</u>	<u>0</u>	<u>1,293,795</u>	<u>2,779,697</u>
Committed to					
Other Purposes	2,203	0	0	2,500	4,703
Assigned to					
Other Purposes	54,638	0	0	0	54,638
Unassigned (deficits):	(180,614)	0	(57,055)	(626)	(238,295)
<i>Total Fund Balances</i>	<u>(\$123,773)</u>	<u>\$1,485,902</u>	<u>(\$57,055)</u>	<u>\$1,295,669</u>	<u>\$2,600,743</u>

NOTE 5 – 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 for the General Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING (Continued)

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 restricted, committed, or assigned 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 are as follows:

Net Changes in Fund Balance

	General
GAAP Basis	(\$1,946,301)
Revenue Accruals	70,546
Expenditure Accruals	425,476
Encumbrances	(221,585)
Perspective Difference	782,676
Budget Basis	(\$889,188)

NOTE 6 – 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.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 6 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS
(Continued)

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;
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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 6 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS
(Continued)

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, 2011, the City's only investment was the First American Treasury Obligation Money Market Mutual Fund, which had a fair value of \$1,195,643 and an average maturity of 90 days at December 31, 2011.

Interest Rate Risk

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

Credit Risk

The First American Treasury Obligation Money Market Mutual Fund carries a rating of Aaa by Moody's. Ohio law requires that the money market mutual fund 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 7 – 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 distributed to the General Fund.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 8 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes. Property tax payments received during 2011 for tangible personal property (other than public utility property) are for 2011 taxes.

2011 real property taxes were levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$11.40 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

Real Property	\$212,861,840
Public Utility Personal Property	15,255,730
Total	<u>\$228,117,570</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents tangible personal property, real, and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2011, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been deferred.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 9 – RECEIVABLES

Receivables at December 31, 2011, consisted of property taxes, other local taxes, municipal income taxes, payments in lieu of taxes, 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 \$944,601. The City had no delinquent special assessments at December 31, 2011.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Homestead and Rollback	\$98,224
State Local Government	323,910
Gasoline Excise Tax	158,239
Motor Vehicle License Tax	48,628
Cents per Gallon	<u>98,306</u>
Total Intergovernmental Receivable	<u><u>\$727,307</u></u>

Revenue in Lieu of Taxes

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

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance 12/31/2010	Additions	Deletions	Balance at 12/31/2011
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated				
Land	\$6,376,146	\$0	\$0	\$6,376,146
Construction in Progress	0	0	0	0
Total Capital Assets, Not Being Depreciated	<u>6,376,146</u>	<u>0</u>	<u>0</u>	<u>6,376,146</u>
Capital Assets Being Depreciated				
Buildings	4,720,294	12,735	(19,800)	4,713,229
Land Improvements	1,482,809	0	0	1,482,809
Vehicles	4,352,762	0	0	4,352,762
Furniture, Fixtures and Equipment	2,284,421	59,469	0	2,343,890
Infrastructure	16,866,517	0	(149,208)	16,717,309
Total Capital Assets Being Depreciated	<u>29,706,803</u>	<u>72,204</u>	<u>(169,008)</u>	<u>29,609,999</u>
Less Accumulated Depreciation				
Buildings	(2,337,920)	(64,720)	19,800	(2,382,840)
Land Improvements	(800,623)	(47,052)	0	(847,675)
Vehicles	(2,705,800)	(185,612)	0	(2,891,412)
Furniture, Fixtures and Equipment	(1,339,913)	(107,381)	0	(1,447,294)
Infrastructure	(8,671,630)	(220,905)	149,208	(8,743,327)
Total Accumulated Depreciation	<u>(15,855,886)</u>	<u>(625,670)</u>	<u>169,008</u>	<u>(16,312,548)</u>
Total Capital Assets Being Depreciated, Net	<u>13,850,917</u>	<u>(553,466)</u>	<u>0</u>	<u>13,297,451</u>
Governmental Activities Capital Assets, Net	<u>\$20,227,063</u>	<u>(\$553,466)</u>	<u>\$0</u>	<u>\$19,673,597</u>

Depreciation expense was charged to governmental programs as follows:

<u>Governmental Activities</u>	
General Government	\$58,300
Security of Persons and Property:	
Police	87,724
Fire	120,370
Public Services	4,359
Public Health Services	7,520
Leisure Time Services	17,391
Intergovernmental	3,763
Capital Outlay	0
Community and Economic Development	577
Transportation	325,666
Total Depreciation Expense	<u>\$625,670</u>

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 10 - CAPITAL ASSETS (Continued)

	Balance 12/31/10	Additions	Deletions	Balance at 12/31/11
<u>Business-Type Activities</u>				
Capital Assets Being Depreciated				
Buildings	\$54,890	0	0	\$54,890
Vehicles	163,198	0	0	163,198
Furniture, Fixtures and Equipment	111,326	0	0	111,326
Infrastructure	3,560,384	0	0	3,560,384
Total Capital Assets Being Depreciated	<u>3,889,798</u>	<u>0</u>	<u>0</u>	<u>3,889,798</u>
Less Accumulated Depreciation				
Buildings	(54,890)	0	0	(54,890)
Vehicles	(163,198)	0	0	(163,198)
Furniture, Fixtures and Equipment	(100,980)	(18,295)	0	(119,275)
Infrastructure	(1,406,569)	(55,651)	0	(1,462,220)
Total Accumulated Depreciation	<u>(1,725,637)</u>	<u>(73,946)</u>	<u>0</u>	<u>(1,799,583)</u>
Business-Type Activities, Net	<u>\$2,164,161</u>	<u>(\$73,946)</u>	<u>\$0</u>	<u>\$2,090,215</u>

NOTE 11 - LONG-TERM DEBT

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2011 follows:

Governmental Activities

Types/Issues	Balance 1/1/11	Increases	Decreases	Balance 12/31/11	Due Within One Year
General Obligation Refunding Bonds					
2006 - 4.48% - \$6,545,752	\$4,491,599	\$0	\$620,637	\$3,870,962	\$651,565
Special Assesment Debt 2003 - 8.5%					
\$3,500,000	1,457,440	0	245,966	1,211,474	266,873
OPWC Loan- Resurface					
Williams Ave 2003 - 0% - \$247,090	166,787	0	12,354	154,433	12,354
OPWC Loan - Montgomery Rd					
Phase II 2003 - 0% - \$623,255	436,281	0	31,163	405,118	31,162
Tax Increment Financing					
Bonds 2006 - 4%-5.75% - \$12,500,000	11,910,000	0	195,000	11,715,000	235,000
Discount on Debt Issue	(154,445)	0	(7,355)	(147,090)	0
Linden Pointe Tax Increment Financing					
Bonds 2010 - 5.00% - 7.00% - \$3,595,000	3,595,000	0	30,000	3,565,000	30,000
Capital Leases	648,448	0	284,989	363,459	201,914
Compensated Absences	3,235,886	1,455,576	1,120,162	3,571,300	910,446
Total	<u>\$25,786,996</u>	<u>\$1,455,576</u>	<u>\$2,532,916</u>	<u>\$24,709,656</u>	<u>\$2,339,314</u>

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 11 - LONG-TERM DEBT (Continued)

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

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

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

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

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

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

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

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

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

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 11 - LONG-TERM DEBT (Continued)

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 and the maturity date is January 1, 2013.

Business-Type Activities

Types/Issues	Balance 1/1/11	Increases	Decreases	Balance 12/31/11	Due Within One Year
2007 OPWC Water Distribution - 0%					
\$98,110	49,055	0	19,622	29,433	19,622
2009 OPWC Smith Road Waterline - 0%					
\$529,890	529,890	0	8,831	521,059	17,663
Compensated Absences	38,565	29,023	27,916	39,672	11,498
Total	<u>\$617,510</u>	<u>\$29,023</u>	<u>\$56,369</u>	<u>\$590,164</u>	<u>\$48,783</u>

As of December 31, 2011, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$35,250,844 and the unvoted debt margin was \$16,354,962.

Annual Long-Term Debt Requirements

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

Year	Governmental Activities						
	Special Assessment Bonds		OPWC Loans	Tax Increment Financing Bonds		Various Purpose Refinancing Bonds	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2012	\$266,873	\$102,975	\$43,516	\$265,000	\$944,959	\$651,565	\$157,922
2013	289,557	80,291	43,516	280,000	931,123	684,235	128,263
2014	314,170	55,679	43,516	295,000	916,498	486,014	103,663
2015	340,874	28,974	43,516	355,000	901,085	292,735	87,138
2016	0	0	43,516	375,000	882,448	292,735	73,379
2017-2021	0	0	217,580	2,470,000	4,049,138	1,463,677	160,517
2022-2026	0	0	124,391	3,770,000	3,154,865	0	0
2027-2031	0	0	0	5,665,000	1,754,038	0	0
2032-2036	0	0	0	1,180,000	480,550	0	0
2037	0	0	0	625,000	43,750	0	0
Totals	<u>\$1,211,474</u>	<u>\$267,919</u>	<u>\$559,551</u>	<u>\$15,280,000</u>	<u>\$14,058,451</u>	<u>\$3,870,962</u>	<u>\$710,882</u>

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 11 - LONG-TERM DEBT (Continued)

	Business Type Activities	
	OPWC Loans	
<u>Year</u>	<u>Principal</u>	
2012	\$37,284	
2013	27,473	
2014	17,662	
2015	17,662	
2016	17,662	
2017-2021	88,310	
2022-2026	88,310	
2027-2031	88,310	
2032-2036	88,310	
2037-2041	79,479	
	\$550,492	

NOTE 12 - CAPITAL LEASES – LESSEE DISCLOSURE

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

Capital assets acquired by leases have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$1,520,385. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2011 totaled \$284,989.

The assets acquired through capital leases are as follows:

	Asset Value	Accum. Depr.	Net Book Value Dec. 31, 2011
Vehicles	\$1,294,583	\$404,228	\$890,355
Furniture, Fixtures, and Equipment	225,802	45,160	180,642
Total	\$1,520,385	\$449,388	\$1,070,997

The following is a schedule of future minimum payments on capital leases and the present value of the minimum lease payments at December 31, 2011.

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 12 - CAPITAL LEASES – LESSEE DISCLOSURE (Continued)

Year	Governmental Activities
2012	\$217,663
2013	77,950
2014	47,017
2015	47,017
Total Minimum Lease Payments	\$389,647
Less: Amount Representing Interest	(26,188)
Present Value of Minimum Lease Payments	\$363,459

NOTE 13 - 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 14 - 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. 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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 14 - DEFINED BENEFIT PENSION PLANS (Continued)

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

The City's 2011 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$1,206,953, \$1,094,655, and \$1,036,713, respectively. For 2011, 96.83 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$19,628 made by the City and \$14,020 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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 14 - DEFINED BENEFIT PENSION PLANS (Continued)

required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$576,806 and \$781,566 for the year ended December 31, 2011, \$593,750 and \$786,168 for the year ended December 31, 2010, and \$626,633 and \$830,060 for the year ended December 31, 2009, respectively. For 2011, 76.21 percent for police and 79.34 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

NOTE 15 - POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

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

CITY OF NORWOOD
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For the Year Ended December 31, 2011

NOTE 15 - POST-EMPLOYMENT BENEFITS (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

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.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$482,781, \$708,306, and \$749,623, respectively. For 2011, 96.83 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

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

Ohio Police and Fire Pension Fund

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 15 - POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, 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).

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 15 - POST-EMPLOYMENT BENEFITS (Continued)

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 \$305,368 and \$305,830 for the year ended December 31, 2011, \$314,338 and \$307,631 for the year ended December 31, 2010, and \$331,747 and \$324,806 for the year ended December 31, 2009. For 2011, 76.21 percent has been contributed for police and 79.34 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

NOTE 16 - 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 income earned on it is not subject to federal and state income 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 17 – CITY ADMINISTERED OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 17 – CITY ADMINISTERED OTHER POST-EMPLOYMENT BENEFITS
(Continued)

separate financial statements.

Membership of the plan consisted of the following at December 31, 2011:

Retirees and beneficiaries receiving benefits	213
Active employee plan members	2
Total	215
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 postemployment benefit coverage was established under, and is administrated in accordance with, Internal Revenue Code 501 (c) 9.

Summary of Significant Accounting Policies

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

Funding Policy and Annual OPEB Cost

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

Rather than making advance funding contributions to the plan, the City pays allowable insurance premiums or reimbursements for uninsured expenses when due. For 2011, the City's total contribution to the plan was \$364,180, which exceeded the actuarially determined annual contribution.

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 17 – CITY ADMINISTERED OTHER POST-EMPLOYMENT BENEFITS
(Continued)

Schedule of Employer Contributions

Year Ended Dec. 31	Annual Required Contribution	Percentage Contributed
2011	\$289,880	125.63%
2010	\$289,497	112.28%
2009	\$311,754	107.74%

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

Valuation Date	ARC	Interest on Net OPEB Obligation	ARC Adjustment	Annual OPEB Cost	Annual Contribution	Change in Net OPEB Obligation (Asset)	Net OPEB Obligation (Asset) Balance
December 31, 2009	\$311,754	\$0	\$0	\$311,754	\$335,871	(\$24,117)	(\$24,117)
December 31, 2010	289,660	(1,688)	2,475	290,447	325,043	(34,596)	(58,713)
December 31, 2011	289,880	(4,110)	6,025	291,795	364,180	(72,385)	(131,098)

Funded Status and Funded Progress

**Schedule of Funding
Process**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Unit Credit	Unfunded Actuarial Accrued Liability	Funded Ratio
12/31/2011	\$18	\$3,207,762	\$3,207,744	0.00%
12/31/2010	\$16	\$2,821,286	\$2,821,270	0.00%
12/31/2009	\$3	\$3,036,485	\$3,036,482	0.00%

Actuarial valuations of an ongoing plan involve estimates of the value of reported

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 17 – CITY ADMINISTERED OTHER POST-EMPLOYMENT BENEFITS
(Continued)

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

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

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

Valuation Date	12/31/2011
Actuarial Cost Method	Unprojected Unit Credit
Asset Valuation Method	Market Value / No pre-funding
Amoritization Method	15 year amortization payment unfunded - level dollar open
Remaining Amoritization Period	15 years
Actuarial Assumptions:	
Mortality Table	RP-2000 Combined Mortality Table projected to 2012
Discount Rate (Interest Rate)	4.50% per annum compounded annually
Healthcare Cost Trend Rate	0% for uninsured reimbursement: thus we assume average annual claims will continue to remain level

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 18 - INTERFUND ACTIVITY

Interfund balances at December 31, 2011, consisted of the following amounts and result from moving unrestricted balances to support the programs and projects accounted for in other funds.

	Receivable		
	General Fund	All Other Governmental Funds	Total
Payable			
All Other Governmental Funds	\$72,272	\$0	\$72,272
Water Fund	0	8,831	8,831
Total	<u>\$ 72,272</u>	<u>\$ 8,831</u>	<u>\$ 81,103</u>

Transfers made during the year ended December 31, 2011, were as follows:

	Transfers From
	General Fund
Transfers To	
Debt Service	<u>\$693,199</u>
All Other Governmental Funds	<u>51,305</u>
	<u>\$744,504</u>

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

NOTE 19 - COMPLIANCE AND ACCOUNTABILITY

Compliance

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

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

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

CITY OF NORWOOD
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 19 - COMPLIANCE AND ACCOUNTABILITY (Continued)

Accountability

The General fund, 21st Century Grant, Linden Pointe TIF, and Refuse fund had deficit balances of \$122,488, \$678, \$57,055, and \$92,075 respectively. The deficit in the General fund is due to expenditures exceeding the amount of revenue that was generated. The deficit in the 21st Century Grant is due to adjustments for accrued liabilities which generate expenditures that are greater than those recognized on a cash basis. The deficit in the Linden Pointe TIF fund and Refuse fund are due to expenditures exceeding the amount of revenue that was generated.

NOTE 20 - CONTINGENCIES

Litigation

The City is party to legal proceedings. The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

For the period January 1, 2011 to December 31, 2011, the City received state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 21 – SHARED RISK POOL

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

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

CITY OF NORWOOD
 Hamilton County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2011

NOTE 22 - 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.

NOTE 23 – FISCAL DISTRESS/SUBSEQUENT EVENT

As of December 31, 2011, the City experienced deficits in the following major funds: General fund deficit - (\$122,488); Linden Pointe Construction fund deficit - (\$57,055); and Refuse fund deficit - (\$92,075). In 2011, the General fund and Linden Pointe construction funds experienced negative net changes in fund balances of (\$1,946,301) and (\$23,623) respectively. The Refuse fund experienced a negative change in net assets of (\$608,503).

During 2012 the City experienced budgetary basis unaudited deficits in certain funds. As of September 30, 2012, the following funds experienced significant budgetary basis deficits in the following funds:

Fund	Unaudited cash balance at September 30, 2012	Unaudited encumbrances at September 30,2012	Unaudited budget-basis (deficit) at September 30, 2012
General fund	\$84,553	(\$1,551,430)	(\$1,466,877)
Bond Retirement	1,500	(652,313)	(650,813)
Water	222,835	(330,559)	(107,724)

As of October 31, 2012, management has not adopted a plan to address these conditions nor determined when the situation will be resolved.

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>
12/31/2011	\$18	\$3,207,762	\$3,207,744	0.00%
12/31/2010	16	2,821,286	2,821,270	0.00%
12/31/2009	3	3,036,485	3,036,482	0.00%

Schedule of Employer's Contributions

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2011	\$289,880	125.63%
2010	289,660	112.22%
2009	311,754	107.74%

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CITY OF NORWOOD, OHIO
Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds

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

Permissive Tax

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

Mayor's Court Computerization

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

Pace Telecommunications

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

Council on Aging

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

Recycle

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

Homeland Security

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

21st Century Grant

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

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.

The following funds are budgetary statements only:

Tree Board

To account for revenues from the solicitation of donations from businesses and individuals for planting trees.

Recreation Commission

To account for revenues transferred from the general fund, grants, and fees generated for the general expense of operating pools, parks, and other recreation functions.

EMS

To account for revenues transferred from the general fund to be disbursed for payment of EMS training, supplies, equipment, and the medical director.

Seperation Pay

To account for revenues transferred from the general fund for retirement of City employees.

Police Vehicle Replacement

To account for revenues transferred from the general fund, grants, and donations for the repair and replacement of police vehicles.

Fixed Asset

To account for revenues transferred from the general fund to expense for fixed assets for the City.

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.

Development Impact

To account for revenues to be expensed out for the general operation of the City.

Community Reinvestment Area

To account for monies used for the implementation and administration of the community reinvestment area program.

CORE

To account for monies used to cleaning up properties for community improvement and construction.

**CITY OF NORWOOD, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$1,254,448	\$129,336	\$1,383,784
Interfund Receivable	8,831	0	\$8,831
Intergovernmental Receivable	305,173	0	305,173
Other Local Taxes Receivable	8,741	0	8,741
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$1,577,193</u>	<u>\$129,336</u>	<u>\$1,706,529</u>
LIABILITIES:			
Accounts Payable	\$53,999	\$0	\$53,999
Accrued Wages Payable	6,266	0	6,266
Contracts Payable	5,099	0	5,099
Intergovernmental Payable	21,484	0	21,484
Interfund Payable	72,272	0	72,272
Deferred Revenue	251,740	0	251,740
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>410,860</u>	<u>0</u>	<u>410,860</u>
FUND BALANCES:			
Restricted	1,166,959	126,836	1,293,795
Committed		2,500	2,500
Unassigned	(626)	0	(626)
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,166,333</u>	<u>129,336</u>	<u>1,295,669</u>
Total Liabilities and Fund Balances	<u>\$1,577,193</u>	<u>\$129,336</u>	<u>\$1,706,529</u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF REVENUES,
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES:			
Other Local Taxes	\$161,658	\$0	\$161,658
Charges for Services	16,509	0	16,509
Fines, Licenses and Permits	55,366	0	55,366
Intergovernmental	1,651,294	2,500	1,653,794
Interest	145	0	145
Contributions and Donations	34,331	0	34,331
Reimbursements	10,000	0	10,000
Other	450	0	450
Total Revenues	<u>1,929,753</u>	<u>2,500</u>	<u>1,932,253</u>
EXPENDITURES:			
Current:			
General Government	10,128	0	10,128
Security of Persons and Property:			
Police	84,734	0	84,734
Fire	203,890	0	203,890
Public Health Services	74,498	0	74,498
Leisure Time Services	883,758	0	883,758
Community and Economic Development	105,429	0	105,429
Transportation	654,689	0	654,689
Debt Service:			
Principal Retirement	143,667	0	143,667
Interest and Fiscal Charges	6,501	0	6,501
Total Expenditures	<u>2,167,294</u>	<u>0</u>	<u>2,167,294</u>
Excess of Revenues Over / (Under) Expenditures	(237,541)	2,500	(235,041)
OTHER FINANCING SOURCES:			
Transfers In	<u>51,305</u>	<u>0</u>	<u>51,305</u>
Net Change in Fund Balances	(186,236)	2,500	(183,736)
Fund Balances at Beginning of Year	<u>1,352,569</u>	<u>126,836</u>	<u>1,479,405</u>
Fund Balances at End of Year	<u><u>\$1,166,333</u></u>	<u><u>\$129,336</u></u>	<u><u>\$1,295,669</u></u>

**CITY OF NORWOOD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011**

	Permissive Tax	Mayor's Court Computerization
	<u> </u>	<u> </u>
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$228,594	\$66,556
Interfund Receivable	8,831	0
Intergovernmental Receivable	0	0
Other Local Taxes Receivable	8,741	0
	<u> </u>	<u> </u>
Total Assets	<u>\$246,166</u>	<u>\$66,556</u>
LIABILITIES:		
Accounts Payable	\$0	\$294
Accrued Wages Payable	0	0
Contracts Payable	0	0
Intergovernmental Payable	0	0
Interfund Payable	0	0
Deferred Revenue	0	0
	<u> </u>	<u> </u>
Total Liabilities	<u>0</u>	<u>294</u>
FUND BALANCES		
Restricted	246,166	66,262
Unassigned	0	0
	<u> </u>	<u> </u>
Total Fund Balances (Deficit)	<u>246,166</u>	<u>66,262</u>
Total Liabilities and Fund Balances	<u>\$246,166</u>	<u>\$66,556</u>

<u>Pace Telecommunications</u>	<u>Council on Aging</u>	<u>Recycle</u>	<u>Homeland Security</u>	<u>21st Century Grant</u>
\$51,471	\$30,618	\$3,776	\$2,201	\$2
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$51,471</u>	<u>\$30,618</u>	<u>\$3,776</u>	<u>\$2,201</u>	<u>\$2</u>
\$0	\$149	\$0	\$0	\$0
0	410	0	0	544
0	0	0	0	0
0	604	0	0	84
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>1,163</u>	<u>0</u>	<u>0</u>	<u>628</u>
51,471	29,455	3,776	2,201	0
0	0	0	0	(626)
<u>51,471</u>	<u>29,455</u>	<u>3,776</u>	<u>2,201</u>	<u>(626)</u>
<u>\$51,471</u>	<u>\$30,618</u>	<u>\$3,776</u>	<u>\$2,201</u>	<u>\$2</u>

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

	<u>Transportation</u>	<u>Fire</u>	<u>Police</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$145,858	\$141,104	\$57,258
	0	0	0
Intergovernmental Receivable	305,173	0	0
Other Local Taxes Receivable	0	0	0
Total Assets	<u><u>\$451,031</u></u>	<u><u>\$141,104</u></u>	<u><u>\$57,258</u></u>
LIABILITIES:			
Accounts Payable	\$5,521	\$12,946	\$8,649
Accrued Wages Payable	0	0	0
Contracts Payable	0	0	0
Intergovernmental Payable	8,414	6,589	2,181
Interfund Payable	32,000	29,561	0
Deferred Revenue	251,740	0	0
Total Liabilities	<u><u>297,675</u></u>	<u><u>49,096</u></u>	<u><u>10,830</u></u>
Fund Balances:			
Restricted	153,356	92,008	46,428
Unassigned	0	0	0
Total Fund Balances (Deficit)	<u><u>153,356</u></u>	<u><u>92,008</u></u>	<u><u>46,428</u></u>
Total Liabilities and Fund Balances	<u><u>\$451,031</u></u>	<u><u>\$141,104</u></u>	<u><u>\$57,258</u></u>

<u>Economic Development</u>	<u>Parks</u>	<u>Health</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$236,392	\$125,967	\$164,651	\$1,254,448
0	0	0	\$8,831
0	0	0	305,173
0	0	0	8,741
<u>\$236,392</u>	<u>\$125,967</u>	<u>\$164,651</u>	<u>\$1,577,193</u>
\$18,127	\$1,064	\$7,249	\$53,999
0	5,312	0	6,266
5,099	0	0	5,099
0	3,612	0	21,484
0	10,711	0	72,272
0	0	0	251,740
<u>23,226</u>	<u>20,699</u>	<u>7,249</u>	<u>410,860</u>
213,166	105,268	157,402	1,166,959
0	0	0	(626)
<u>213,166</u>	<u>105,268</u>	<u>157,402</u>	<u>1,166,333</u>
<u>\$236,392</u>	<u>\$125,967</u>	<u>\$164,651</u>	<u>\$1,577,193</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, 2011**

	Permissive Tax	Mayor's Court Computerization
REVENUES:		
Property Taxes		
Income Taxes		
Permissive Motor Vehicle License Tax	\$110,187	\$0
Other Local Taxes	0	0
Charges for Services	0	0
Fines, Licenses and Permits	0	15,002
Intergovernmental	0	0
Interest	0	0
Contributions and Donations	0	0
Reimbursements	0	0
Other	0	0
Total Revenues	110,187	15,002
EXPENDITURES:		
Current:		
General Government	0	10,128
Security of Persons and Property:		
Police	0	0
Fire	0	0
Public Health Services	0	0
Leisure Time Services	0	0
Community and Economic Development	0	0
Transportation	3,600	0
Debt Service:		
Principal Retirement	43,517	0
Interest and Fiscal Charges	0	0
Total Expenditures	47,117	10,128
Excess of Revenues Over (Under) Expenditures	63,070	4,874
OTHER FINANCING SOURCES:		
Transfers In	0	0
Net Change in Fund Balances	63,070	4,874
Fund Balances (Deficit) at Beginning of Year	183,096	61,388
Fund Balances (Deficit) at End of Year	<u>\$246,166</u>	<u>\$66,262</u>

<u>Pace Telecommunications</u>	<u>Council on Aging</u>	<u>Recycle</u>	<u>Homeland Security</u>	<u>21st Century Grant</u>	<u>CORF</u>
\$0	\$0	\$0	\$0	\$0	\$0
51,471	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	18,585	0	1,000	2,664	762,513
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>51,471</u>	<u>18,585</u>	<u>0</u>	<u>1,000</u>	<u>2,664</u>	<u>762,513</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	24,846	0	0	0	0
68,664	0	0	0	780	762,513
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>68,664</u>	<u>24,846</u>	<u>0</u>	<u>0</u>	<u>780</u>	<u>762,513</u>
(17,193)	(6,261)	0	1,000	1,884	0
0	0	0	0	0	0
(17,193)	(6,261)	0	1,000	1,884	0
68,664	35,716	3,776	1,201	(2,510)	0
<u>\$51,471</u>	<u>\$29,455</u>	<u>\$3,776</u>	<u>\$2,201</u>	<u>(\$626)</u>	<u>\$0</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, 2011
(Continued)**

	<u>Transportation</u>	<u>Fire</u>	<u>Police</u>
REVENUES:			
Property Taxes			
Income Taxes			
Permissive Motor Vehicle License Tax	\$0	\$0	\$0
Other Local Taxes	\$0	0	0
Charges for Services	0	16,509	0
Fines, Licenses and Permits	7,713	0	32,651
Intergovernmental	661,225	97,154	13,590
Interest	145	0	0
Contributions and Donations	0	0	550
Reimbursements	10,000	0	0
Other	450	0	0
	<u>679,533</u>	<u>113,663</u>	<u>46,791</u>
Total Revenues			
EXPENDITURES:			
Current:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	84,734
Fire	0	186,256	0
Public Health Services	0	0	0
Leisure Time Services	0	0	0
Community and Economic Development	0	0	0
Transportation	651,089	0	0
Debt Service:			
Principal Retirement	62,608	37,542	0
Interest and Fiscal Charges	4,432	2,069	0
	<u>718,129</u>	<u>225,867</u>	<u>84,734</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(38,596)	(112,204)	(37,943)
OTHER FINANCING SOURCES:			
Transfers In	30,000	19,945	0
	<u>30,000</u>	<u>19,945</u>	<u>0</u>
Net Change in Fund Balances	(8,596)	(92,259)	(37,943)
Fund Balances (Deficit) at Beginning of Year	161,952	184,267	84,371
	<u>161,952</u>	<u>184,267</u>	<u>84,371</u>
Fund Balances (Deficit) at End of Year	<u>\$153,356</u>	<u>\$92,008</u>	<u>\$46,428</u>

<u>Economic Development</u>	<u>Parks</u>	<u>Health</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$110,187
0	0	0	51,471
0	0	0	16,509
0	0	0	55,366
6	35,000	59,557	1,651,294
0	0	0	145
0	26,924	6,857	34,331
0	0	0	10,000
0	0	0	450
<u>6</u>	<u>61,924</u>	<u>66,414</u>	<u>1,929,753</u>
0	0	0	10,128
0	0	0	84,734
17,634	0	0	203,890
0	0	49,652	74,498
0	51,801	0	883,758
105,429	0	0	105,429
0	0	0	654,689
0	0	0	143,667
0	0	0	6,501
<u>123,063</u>	<u>51,801</u>	<u>49,652</u>	<u>2,167,294</u>
(123,057)	10,123	16,762	(237,541)
<u>0</u>	<u>0</u>	<u>1,360</u>	<u>51,305</u>
(123,057)	10,123	18,122	(186,236)
<u>336,223</u>	<u>95,145</u>	<u>139,280</u>	<u>1,352,569</u>
<u>\$213,166</u>	<u>\$105,268</u>	<u>\$157,402</u>	<u>\$1,166,333</u>

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**CITY OF NORWOOD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2011**

	<u>Parks and Recreation</u>	<u>General Improvement</u>	<u>Community Reinvestment Area Fund</u>	<u>Montgomery Road</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	<u>\$5,055</u>	<u>\$63,706</u>	<u>\$2,500</u>	<u>\$58,075</u>	<u>\$129,336</u>
FUND BALANCES:					
Restricted	5,055	63,706	0	58,075	126,836
Committed	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Total Fund Balances	<u>5,055</u>	<u>63,706</u>	<u>2,500</u>	<u>58,075</u>	<u>129,336</u>
Total Liabilities and Fund Balances	<u>\$5,055</u>	<u>\$63,706</u>	<u>\$2,500</u>	<u>\$58,075</u>	<u>\$129,336</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, 2011**

	<u>Parks and Recreation</u>	<u>General Improvement</u>	<u>Community Reinvestment Area Fund</u>
REVENUES:	\$0	\$0	\$2,500
EXPENDITURES:			
Current:			
Transportation	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	2,500
Fund Balances at Beginning of Year	<u>5,055</u>	<u>63,706</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$5,055</u></u>	<u><u>\$63,706</u></u>	<u><u>\$2,500</u></u>

<u>Montgomery Road</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$0
<u>0</u>	<u>0</u>
0	2,500
<u>58,075</u>	<u>126,836</u>
<u><u>\$58,075</u></u>	<u><u>\$129,336</u></u>

CITY OF NORWOOD, OHIO

Agency Fund Descriptions

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

Fire Agency

To account for monies to be used for securing the renovation, demolition, and securing of properties damaged due to fire.

Building Assessment

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

Sewage

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

**CITY OF NORWOOD, OHIO
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2011**

	<u>Fire Agency</u>	<u>Building Assessment</u>	<u>Sewage</u>	<u>Total</u>
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	9,360	\$5,425	\$1,298,713	\$1,313,498
Accounts Receivable	<u>0</u>	<u>0</u>	<u>1,328,029</u>	<u>1,328,029</u>
Total Assets	<u><u>\$9,360</u></u>	<u><u>\$5,425</u></u>	<u><u>\$2,626,742</u></u>	<u><u>\$2,641,527</u></u>
LIABILITIES:				
Accounts Payable	\$0	\$0	\$503	\$503
Intergovernmental Payable	\$0	375	2,626,239	2,626,614
Undistributed Monies	<u>9,360</u>	<u>5,050</u>	<u>0</u>	<u>14,410</u>
Total Liabilities	<u><u>\$9,360</u></u>	<u><u>\$5,425</u></u>	<u><u>\$2,626,742</u></u>	<u><u>\$2,641,527</u></u>

**CITY OF NORWOOD, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance 1/1/11	Additions	Reductions	Balance 12/31/11
BUILDING ASSESSMENT				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$5,412	\$6,731	\$6,718	\$5,425
LIABILITIES:				
Intergovernmental Payable	\$0	\$375	\$0	\$375
Undistributed Monies	5,412	0	0	\$5,050
Total Liabilities	\$5,412	\$375	\$0	\$5,425
FIRE AGENCY FUND				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$9,360	\$0	\$9,360
Total Assets	\$0	\$9,360	\$0	\$9,360
LIABILITIES:				
Undistributed Monies	\$0	\$0	\$0	\$9,360
Total Liabilities	\$0	\$0	\$0	\$9,360
SEWAGE				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$1,029,767	\$5,021,872	\$4,752,926	\$1,298,713
Accounts Receivable	1,729,460	1,328,029	1,729,460	1,328,029
Total Assets	\$2,759,227	\$6,349,901	\$6,482,386	\$2,626,742
LIABILITIES:				
Accounts Payable	\$0	\$503	\$0	\$503
Intergovernmental Payable	2,759,227	0	0	2,626,239
Total Liabilities	\$2,759,227	\$503	\$0	\$2,626,742
TOTAL - ALL AGENCY FUNDS				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	1,035,179	5,107,963	4,829,644	1,313,498
Accounts Receivable	1,729,460	1,328,029	1,729,460	1,328,029
Total Assets	\$2,764,639	\$6,435,992	\$6,559,104	\$2,641,527
LIABILITIES:				
Intergovernmental Payable	\$2,759,227	\$375	\$0	\$2,626,614
Accounts Payable	0	503	0	503
Undistributed Monies	5,412	0	0	14,410
Total Liabilities	\$2,764,639	\$878	\$0	\$2,641,527

**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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property Taxes	\$2,004,591	\$2,727,582	\$2,727,581	(\$1)
Income Taxes	14,145,714	13,780,000	13,668,825	(111,175)
Other Local Taxes	10,265	10,000	9,684	(316)
Charges for Services	635,428	619,000	616,633	(2,367)
Fines, Licenses and Permits	992,843	967,175	590,749	(376,426)
Intergovernmental	1,226,417	1,195,010	1,153,947	(41,063)
Interest	3,080	3,000	2,380	(620)
Rent	16,425	16,000	15,285	(715)
Contributions and Donations	1,335	1,300	942	(358)
Refunds	0	0	0	0
Other	63,362	61,724	83,745	22,021
Total Revenues	19,099,460	19,380,791	18,869,771	(511,020)
EXPENDITURES:				
Current:				
General Government				
Legislative and Executive				
City Council				
Personal Services	77,161	75,536	71,637	3,899
Contractual Services	932	1,084	851	233
Supplies and Materials	0	0	0	0
Other	40,776	10,697	(107,648)	118,345
Total City Council	137,690	106,138	(35,160)	122,477
Clerk of Council				
Personal Services	35,812	31,048	27,681	3,367
Contractual Services	7,910	18,219	18,397	(178)
Supplies and Materials	172	172	154	18
Total Clerk of Council	43,894	49,439	46,232	3,207
Mayor				
Personal Services	61,100	61,840	58,103	3,737
Contractual Services	2,681	2,648	2,715	(67)
Supplies and Materials	607	586	579	7
Total Mayor	64,388	65,074	61,397	3,677
Law Director				
Personal Services	208,790	206,137	200,676	5,461
Contractual Services	5,757	4,708	4,693	15
Supplies and Materials	700	700	0	700
Other	51,397	12,843	12,109	734
Total Law Director	266,644	224,388	217,478	6,910
Auditor				
Personal Services	253,024	243,932	238,023	5,909
Contractual Services	7,024	2,028	2,004	24
Supplies and Materials	4,532	2,676	2,723	(47)
Other	127,008	113,886	112,871	1,015
Total Auditor	391,588	362,522	355,621	6,901
Treasurer				
Personal Services	87,987	85,157	81,142	4,015
Contractual Services	42,716	62,716	58,940	3,776
Supplies and Materials	1,000	350	74	276
Other	177,241	184,461	184,275	186
Total Treasurer	308,944	332,684	324,431	8,067
Income Tax				
Personal Services	219,851	228,916	223,181	5,735
Contractual Services	75,765	67,595	76,257	(8,662)
Supplies and Materials	1,511	1,026	939	87
Other	256,986	279,268	276,295	2,973
Total Income Tax	\$554,113	\$576,805	\$576,672	\$133

(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, 2011
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Civil Service Commission				
Personal Services	\$25,752	\$34,417	\$31,006	\$3,411
Contractual Services	20,095	2,095	7,782	(5,687)
Supplies and Materials	1,006	698	683	15
Total Civil Service Commission	<u>46,853</u>	<u>37,210</u>	<u>39,471</u>	<u>(2,261)</u>
Safety/Service Director's Office				
Personal Services	108,743	111,076	106,751	4,325
Contractual Services	1,304	310	306	4
Supplies and Materials	1,207	515	606	(91)
Total Safety/Service Director's Office	<u>111,254</u>	<u>111,901</u>	<u>107,663</u>	<u>4,238</u>
Transportation Unassigned Vehicle				
Contractual Services	0	0	0	0
Supplies and Materials	(183)	(183)	(15,079)	14,896
Total Transportation Unassigned Vehicle	<u>(183)</u>	<u>(183)</u>	<u>(15,079)</u>	<u>14,896</u>
Division of Buildings				
Personal Services	325,357	318,653	311,641	7,012
Contractual Services	13,087	19,019	20,723	(1,704)
Supplies and Materials	505	413	462	(49)
Refund	3	327	324	3
Other	0	0	0	0
Total Division of Buildings	<u>338,952</u>	<u>338,412</u>	<u>333,150</u>	<u>5,262</u>
Public Works				
Personal Services	128,042	127,125	122,605	4,520
Contractual Services	6,050	3,983	4,513	(530)
Supplies and Materials	2,410	1,106	937	169
Total Public Works	<u>136,502</u>	<u>132,214</u>	<u>128,055</u>	<u>4,159</u>
Garage				
Personal Services	179,995	176,133	171,006	5,127
Contractual Services	1,517	1,517	1,507	10
Supplies and Materials	7,077	6,390	6,636	(246)
Total Garage	<u>188,589</u>	<u>184,040</u>	<u>179,149</u>	<u>4,891</u>
Community Center				
Personal Services	96,932	103,996	99,755	4,241
Contractual Services	85,303	17,170	19,263	(2,093)
Supplies and Materials	3,632	3,158	3,139	19
Other	53	53	4,385	(4,332)
Total Community Center	<u>185,920</u>	<u>124,377</u>	<u>126,542</u>	<u>(2,165)</u>
Public Lands and Buildings				
Contractual Services	232,595	233,683	234,430	(747)
Supplies and Materials	26,141	16,093	14,553	1,540
Other	397	397	32,623	(32,226)
Total Public Lands and Buildings	<u>259,133</u>	<u>250,173</u>	<u>281,606</u>	<u>(31,433)</u>
Parks and Playgrounds				
Personal Services	349,241	323,340	316,466	6,874
Contractual Services	1,508	1,257	1,111	146
Supplies and Materials	20,198	17,682	17,139	543
Total Parks and Playgrounds	<u>370,947</u>	<u>342,279</u>	<u>334,716</u>	<u>7,563</u>
Prisoner Housing				
Contractual Services	0	0	0	0
Total Legislative and Executive	<u>\$3,405,228</u>	<u>\$3,237,473</u>	<u>\$3,061,944</u>	<u>\$175,529</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, 2011
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Judicial				
Mayor's Court				
Personal Services	\$81,006	\$71,810	\$70,954	\$856
Contractual Services	40,355	29,128	28,523	605
Supplies and Materials	1,013	1,103	1,089	14
Total Judicial	<u>122,374</u>	<u>102,041</u>	<u>100,566</u>	<u>1,475</u>
Total General Government	<u>3,527,602</u>	<u>3,339,514</u>	<u>3,162,510</u>	<u>177,004</u>
Security of Persons and Property				
Police				
Personal Services	6,311,149	6,444,416	6,348,660	95,756
Contractual Services	85,846	83,640	77,390	6,250
Supplies and Materials	68,872	70,367	75,299	(4,932)
Other	350,790	353,590	350,306	3,284
Total Police	<u>6,816,657</u>	<u>6,952,013</u>	<u>6,851,655</u>	<u>100,358</u>
Fire				
Personal Services	6,934,744	7,203,064	7,099,717	103,347
Contractual Services	80,999	56,968	55,209	1,759
Supplies and Materials	30,911	16,100	15,951	149
Other	81,899	58	4,759	(4,701)
Total Fire	<u>7,128,553</u>	<u>7,276,190</u>	<u>7,175,636</u>	<u>100,554</u>
Total Security of Persons and Property	<u>13,945,210</u>	<u>14,228,203</u>	<u>14,027,291</u>	<u>200,912</u>
Public Services				
Personal Services	36,248	29,812	26,454	3,358
Other	8,854	8,856	13,125	(4,269)
Total Public Services	<u>45,102</u>	<u>38,668</u>	<u>39,579</u>	<u>(911)</u>
Public Health Services				
Personal Services	471,016	469,334	454,719	14,615
Contractual Services	23,328	28,577	28,288	289
Supplies and Materials	1,953	780	1,122	(342)
Refunds	1	69	68	1
Other	578,791	508,645	504,270	4,375
Total Public Health Services	<u>1,075,089</u>	<u>1,007,405</u>	<u>988,467</u>	<u>18,938</u>
Total Expenditures	<u>18,593,003</u>	<u>18,613,790</u>	<u>18,217,847</u>	<u>395,943</u>
Excess of Revenues Under Expenditures	<u>506,457</u>	<u>767,001</u>	<u>651,924</u>	<u>(115,077)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	0	0	0	0
Advances Out	59	59	4,832	4,773
Transfers Out	(1,284,653)	(1,610,110)	(1,547,229)	62,881
Total Other Financing Sources (Uses)	<u>(1,284,594)</u>	<u>(1,610,051)</u>	<u>(1,542,397)</u>	<u>67,654</u>
Net Change in Fund Balance	(778,137)	(843,050)	(890,473)	(47,423)
Fund Balance at Beginning of Year	578,084	578,084	578,084	0
Prior Year Encumbrances Appropriated	253,309	253,309	253,309	0
Fund Balance at End of Year	<u>\$53,256</u>	<u>(\$11,657)</u>	<u>(\$59,080)</u>	<u>(\$47,423)</u>

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**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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Payments in Lieu of Taxes	\$1,764,619	\$1,204,170	(\$560,449)
Special Assessments	1,068,272	380,944	(687,328)
Intergovernmental	0	0	0
Interest	0	0	0
Other	0	720	720
Total Revenues	2,832,891	1,585,834	(1,247,057)
EXPENDITURES:			
Intergovernmental	1,418,404	213,203	1,205,201
Debt Service:			
Principal Retirement	1,279,066	1,061,603	217,463
Interest and Fiscal Charges	1,697,768	1,096,294	601,474
Total Expenditures	4,395,238	2,371,100	2,024,138
Excess of Revenues Under Expenditures	(1,562,347)	(785,266)	777,081
OTHER FINANCING SOURCES:			
Advances Out	0	0	0
Notes Issued	0	0	0
Transfers In	0	693,199	693,199
Total Other Financing Sources	0	693,199	693,199
Net Change in Fund Balance	(1,562,347)	(92,067)	1,470,280
Fund Balance at Beginning of Year	1,577,796	1,577,796	0
Fund Balance (Deficit) at End of Year	<u>\$15,449</u>	<u>\$1,485,729</u>	<u>\$1,470,280</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, 2011**

	Final Budget	Actual	Variance with Final Budget
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Payments in Lieu of Taxes	\$98,259	\$120,758	\$22,499
Intergovernmental	339,775	317,275	(22,500)
Other	441	377	(64)
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	438,475	438,410	(65)
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES:			
Intergovernmental	120,758	120,758	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	30,000	(30,000)
Interest and Fiscal Charges	762,761	309,560	453,201
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	883,519	460,318	423,201
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balance	(445,044)	(21,908)	423,136
Fund Balance at Beginning of Year	360,140	360,140	0
	<u> </u>	<u> </u>	<u> </u>
Fund Balance (Deficit) at End of Year	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$3,582,861	\$3,418,110	(\$164,751)
Utility Deposits Received	4,500	5,205	705
Intergovernmental	0	0	0
Total Revenues	<u>3,587,361</u>	<u>3,423,315</u>	<u>(164,046)</u>
EXPENSES:			
Personal Services	623,630	620,650	2,980
Contractual Services	3,030,062	2,434,515	595,547
Supplies and Materials	61,925	54,671	7,254
Refunds	1,153	1,147	6
Capital Outlay	0	0	0
Other	72,993	1,233	71,760
Total Expenses	<u>3,789,763</u>	<u>3,112,216</u>	<u>677,547</u>
Operating Income (Loss)	<u>(202,402)</u>	<u>311,099</u>	<u>513,501</u>
NON-OPERATING REVENUES (EXPENSES):			
Debt Service:			
Principal Retirement	(9,906)	(19,622)	9,716
Total Non-Operating Revenues (Expenses):	<u>(9,906)</u>	<u>(19,622)</u>	<u>(9,716)</u>
Net Change in Fund Equity	(212,308)	291,477	503,785
Fund Equity at Beginning of Year	196,678	196,678	0
Prior Year Encumbrances Appropriated	15,054	15,054	0
Fund Equity at End of Year	<u><u>(\$576)</u></u>	<u><u>\$503,209</u></u>	<u><u>\$503,785</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Charges for Services	<u>\$1,300,000</u>	<u>\$1,261,387</u>	<u>(\$38,613)</u>
EXPENSES:			
Contractual Services	1,304,887	1,353,122	(48,235)
Other	<u>1,113</u>	<u>1,045</u>	<u>68</u>
Total Expenses	<u>1,306,000</u>	<u>1,354,167</u>	<u>(48,167)</u>
Net Change in Fund Equity	(6,000)	(92,780)	(86,780)
Fund Equity at Beginning of Year	112,672	112,672	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$106,672</u></u>	<u><u>\$19,892</u></u>	<u><u>(\$86,780)</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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Other Local Taxes	\$225,000	\$110,234	(\$114,766)
EXPENDITURES:			
Current:			
Transportation	50,845	106,600	(55,755)
Debt Service:			
Principal Retirement	248,456	52,348	196,108
Total Expenditures	299,301	158,948	140,353
Net Change in Fund Balance	(74,301)	(48,714)	25,587
Fund Balance at Beginning of Year	140,542	140,542	0
Prior Year Encumbrances Appropriated	33,759	33,759	0
Fund Balance at End of Year	<u>\$100,000</u>	<u>\$125,587</u>	<u>\$25,587</u>

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAYOR'S COURT COMPUTERIZATION SPECIAL REVENUE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$19,000	\$15,002	(\$3,998)
EXPENDITURES:			
Current:			
General Government:			
Judicial System	80,387	10,521	69,866
Net Change in Fund Balance	(61,387)	4,481	65,868
Fund Balance at Beginning of Year	59,750	59,750	0
Prior Year Encumbrances Appropriated	1,637	1,637	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$65,868</u>	<u>\$65,868</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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Other Local Taxes	\$102,810	\$51,471	(\$51,339)
EXPENDITURES:			
Current:			
Leisure Time Services	120,136	68,664	51,472
Net Change in Fund Balance	(17,326)	(17,193)	133
Fund Balance at Beginning of Year	68,664	68,664	0
Fund Balance at End of Year	<u>\$51,338</u>	<u>\$51,471</u>	<u>\$133</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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Contributions and Donations	\$100	\$100	\$0
Total Revenues	100	100	0
EXPENDITURES:			
Current:			
Leisure Time Services	2,254	223	2,031
Total Expenditures	2,254	223	2,031
Excess of Revenues Under Expenditures	(2,154)	(123)	2,031
Net Change in Fund Balance	(2,154)	(123)	2,031
Fund Balance at Beginning of Year	2,154	2,154	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$2,031</u>	<u>\$2,031</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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$38,500	\$18,585	(\$19,915)
EXPENDITURES:			
Current:			
Public Health Services	55,024	24,568	30,456
Net Change in Fund Balance	(16,524)	(5,983)	10,541
Fund Balance at Beginning of Year	36,489	36,489	0
Fund Balance at End of Year	<u>\$19,965</u>	<u>\$30,506</u>	<u>\$10,541</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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$3,774	\$0	(\$3,774)
EXPENDITURES:			
Current:			
Public Health Services	3,774	0	3,774
Net Change in Fund Balance	(3,774)	0	3,774
Fund Balance at Beginning of Year	3,774	3,774	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$3,774</u>	<u>\$3,774</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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$1,000	\$1,000
EXPENDITURES:			
Current:			
Security of Persons and Property:			
Fire	<u>1,201</u>	<u>0</u>	<u>1,201</u>
Net Change in Fund Balance	(1,201)	1,000	2,201
Fund Balance at Beginning of Year	<u>1,201</u>	<u>1,201</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$2,201</u></u>	<u><u>\$2,201</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
21ST CENTURY GRANT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$0	\$0	\$0
Intergovernmental	4,541	2,664	(1,877)
Contributions and Donations	0	0	0
Total Revenues	4,541	2,664	(1,877)
EXPENDITURES:			
Current:			
Leisure Time Services	6,331	1,266	5,065
Excess of Revenues Under Expenditures	(1,790)	1,398	3,188
Other Financing Sources:			
Advances In	0	(3,547)	(3,547)
Net Change in Fund Balance	(1,790)	(2,149)	(359)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	2,150	2,150	0
Fund Balance at End of Year	\$360	\$1	(\$359)

**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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Current:			
General Government:			
Legislative and Executive Personnel	<u>650,382</u>	<u>613,137</u>	<u>37,245</u>
Excess of Revenues Under Expenditures	(650,382)	(613,137)	37,245
OTHER FINANCING SOURCES:			
Transfer In	<u>649,948</u>	<u>612,703</u>	<u>(37,245)</u>
Net Change in Fund Balance	(434)	(434)	0
Fund Balance at Beginning of Year	<u>434</u>	<u>434</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$10,168	\$7,713	(\$2,455)
Intergovernmental	882,181	664,221	(217,960)
Interest	210	145	(65)
Reimbursement	13,183	10,000	(3,183)
Other	593	450	(143)
Total Revenues	906,335	682,529	(223,806)
EXPENDITURES:			
Current:			
Transportation	973,600	845,556	128,044
Excess of Revenues Under Expenditures	(67,265)	(163,027)	(95,762)
OTHER FINANCING SOURCES:			
Transfers In	0	30,000	30,000
Advances In	0	0	0
Total Other Financing Sources	0	30,000	30,000
Net Change in Fund Balance	(67,265)	(133,027)	(65,762)
Fund Balance at Beginning of Year	101,358	101,358	0
Prior Year Encumbrances Appropriated	104,562	104,562	0
Fund Balance at End of Year	\$138,655	\$72,893	(\$65,762)

**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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$13,696	\$16,509	\$2,813
Intergovernmental	169,348	97,154	(72,194)
Total Revenues	183,044	113,663	(69,381)
EXPENDITURES:			
Current:			
Security of Persons and Property:			
Fire	394,866	227,230	167,636
Excess of Revenues Under Expenditures	(211,822)	(113,567)	98,255
OTHER FINANCING SOURCES:			
Transfers In	0	19,945	19,945
Advances In	0	(1,285)	(1,285)
Total other Financing Sources	0	18,660	18,660
Net Change in Fund Balance	(211,822)	(94,907)	116,915
Fund Balance at Beginning of Year	172,384	172,384	0
Prior Year Encumbrances Appropriated	50,016	50,016	0
Fund Balance at End of Year	\$10,578	\$127,493	\$116,915

**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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$66,104	\$32,651	(\$33,453)
Intergovernmental	1,000	13,590	12,590
Contributions and Donations	2,055	550	(1,505)
	<u>69,159</u>	<u>46,791</u>	<u>(22,368)</u>
EXPENDITURES:			
Current:			
Security of Persons and Property:			
Police	132,350	86,691	45,659
Debt Service:			
Principal Retirement	0	0	0
	<u>132,350</u>	<u>86,691</u>	<u>45,659</u>
Net Change in Fund Balance	(63,191)	(39,900)	23,291
Fund Balance at Beginning of Year	81,263	81,263	0
Prior Year Encumbrances Appropriated	3,106	3,106	0
Fund Balance at End of Year	<u>\$21,178</u>	<u>\$44,469</u>	<u>\$23,291</u>

**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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$3,642	\$6	(\$3,636)
EXPENDITURES:			
Current:			
General Government:			
Legislative and Executive	0	0	0
Leisure Time Services	5,000	0	5,000
Community and Economic Development	334,864	105,846	229,018
Total Expenditures	339,864	105,846	234,018
Net Change in Fund Balance	(336,222)	(105,840)	230,382
Fund Balance at Beginning of Year	332,586	332,586	0
Prior Year Encumbrances Appropriated	3,637	3,637	0
Fund Balance at End of Year	<u>\$1</u>	<u>\$230,383</u>	<u>\$230,382</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$0	\$0	\$0
Intergovernmental	35,000	35,000	0
Contributions and Donations	31,699	26,924	(4,775)
Total Revenues	66,699	61,924	(4,775)
EXPENDITURES:			
Current:			
Leisure Time Services	181,378	57,143	124,235
Excess of Revenues Under Expenditures	(114,679)	4,781	119,460
OTHER FINANCING SOURCES:			
Transfers In	0	0	0
Advances In	0	0	0
Total Other Financing Sources	0	0	0
Net Change in Fund Balance	(114,679)	4,781	119,460
Fund Balance at Beginning of Year	109,881	109,881	0
Prior Year Encumbrances Appropriated	4,800	4,800	0
Fund Balance at End of Year	\$2	\$119,462	\$119,460

**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, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines, Licenses and Permits	\$0	\$0	\$0
Intergovernmental	81,841	59,557	(22,284)
Other	0	0	0
Contributions and Donations	9,360	6,857	(2,503)
Total Revenues	91,201	66,414	(24,787)
EXPENDITURES:			
Current:			
Public Health Services	230,488	60,985	169,503
Other Financing Sources:			
Transfer In	0	1,360	1,360
Total Other Financing Sources	0	1,360	1,360
Net Change in Fund Balance	(139,287)	6,789	146,076
Fund Balance at Beginning of Year	132,865	132,865	0
Prior Year Encumbrances Appropriated	6,420	6,420	0
Fund Balance at End of Year	(\$2)	\$146,074	\$146,076

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION COMMISSION SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for Services	\$169,203	\$96,184	(\$73,019)
Intergovernmental	5,255	2,987	(2,268)
Contributions and Donations	6,104	3,470	(2,634)
Total Revenues	180,562	102,641	(77,921)
EXPENDITURES:			
Current:			
Leisure Time Service	164,452	164,399	53
Excess of Revenues Under Expenditures	16,110	(61,758)	(77,868)
OTHER FINANCING SOURCES:			
Transfer In	0	60,000	60,000
Net Change in Fund Balance	16,110	(1,758)	(17,868)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	102	102	102
Fund Balance at End of Year	\$16,212	(\$1,656)	(\$17,766)

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMS SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$155,611	\$3,919	(\$151,692)
Total Revenues	<u>155,611</u>	<u>3,919</u>	<u>(151,692)</u>
EXPENDITURES:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection	196,033	170,911	(151,692)
Excess of Revenues Under Expenditures	(40,422)	(166,992)	(151,692)
OTHER FINANCING SOURCES:			
Transfer In	0	128,737	128,737
Net Change in Fund Balance	(40,422)	(38,255)	(22,955)
Fund Balance at Beginning of Year	25,281	25,281	0
Prior Year Encumbrances Appropriated	17,751	17,751	0
Fund Balance at End of Year	<u>\$2,610</u>	<u>\$4,777</u>	<u>(\$22,955)</u>

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE VEHICLE REPLACEMENT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Total Revenues	\$0	\$0	\$0
EXPENDITURES:			
Current:			
Debt Service:			
Principal Retirement	172	0	0
Total Expenditures	172	0	0
Excess of Revenues Under Expenditures	(172)	0	172
Net Change in Fund Balance	(172)	0	172
Fund Balance at Beginning of Year	172	172	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	\$0	\$172	\$172

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIXED ASSET SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Other	\$7,467	\$0	(\$7,467)
Total Revenues	\$7,467	\$0	(\$7,467)
EXPENDITURES:			
Current:			
Capital Outlay	14,934	7,467	7,467
Total Expenditures	14,934	7,467	7,467
Excess of Revenues Under Expenditures	(7,467)	(7,467)	0
Net Change in Fund Balance	(7,467)	(7,467)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	7,467	7,467	0
Fund Balance at End of Year	\$0	\$0	\$0

**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEVELOPMENT IMPACT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:	\$0	\$0	\$0
EXPENDITURES:			
Current:			
General Government:			
Legislative and Executive	\$440,659	\$519,061	(\$78,402)
Security of Persons and Property			
Police	162,000	80,989	\$81,011
Fire Fighting, Prevention and Inspection	49,000	39,284	\$9,716
Public Health	16,500	13,825	\$2,675
Debt Service:			
Principal Retirement	81,841	74,810	6,859
Interest and Fiscal Charges	0	6,670	(6,842)
 Total Expenditures	 <u>750,000</u>	 <u>734,639</u>	 <u>15,361</u>
Excess of Revenues Under Expenditures	(750,000)	(734,639)	15,361
OTHER FINANCING SOURCES:			
Transfer In	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(750,000)	(734,639)	15,361
Fund Balance at Beginning of Year	<u>750,000</u>	<u>750,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$15,361</u></u>	<u><u>\$15,361</u></u>

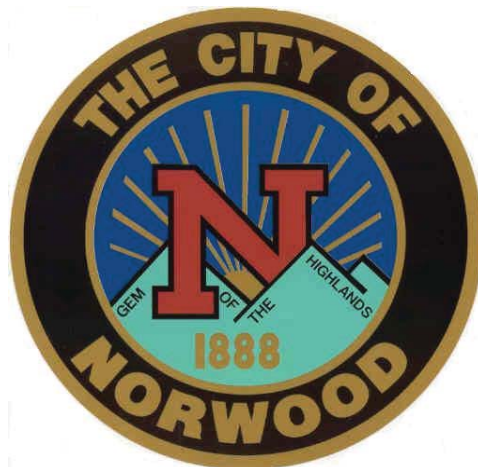
**CITY OF NORWOOD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REINVESTMENT AREA FUND SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$2,500	\$2,500	\$0
Contributions and Donations	0	0	0
Total Revenues	\$2,500	\$2,500	\$0
EXPENDITURES:			
Current:			
Leisure Time	\$2,500	\$0	2,500
Net Change in Fund Balance	0	2,500	2,500
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	\$0	\$2,500	\$2,500

**CITY OF NORWOOD, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CORF FUND SPECIAL REVENUE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Other	\$762,513	\$762,513	\$0
Contributions and Donations	0	0	0
Total Revenues	<u>\$762,513</u>	<u>\$762,513</u>	<u>\$0</u>
EXPENDITURES:			
Current:			
Leisure Time	\$762,513	\$762,513	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Statistical Section



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STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	S2-S7
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	S8
These schedules contain information to help the reader assess the City's most significant local revenue source, municipal income taxes.	
Debt Capacity	S9-S14
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	S15-S20
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	S21
These schedules contain service and capital assets data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	2011	2010	2009	2008	2007
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt (Deficit)	\$10,103,151	\$9,490,219	\$8,828,832	\$8,937,229	\$8,280,277
Restricted for:					
Debt Service	2,539,257	2,857,114	3,806,183	4,106,532	2,859,140
Capital Outlay	72,281	134,304	417,509	(341,878)	143,385
Security of Persons and Property	138,436	311,842	273,016	267,469	0
Leisure Time Services	87,768	79,318	99,256	92,950	0
Community and Economic Development	213,166	1,086,223	1,048,726	1,140,219	0
Transportation	375,429	406,258	20,654	510,046	0
Other Purposes (1)	556,107	461,630	443,733	649,739	2,792,188
Unrestricted (Deficit)	<u>(12,934,330)</u>	<u>(11,982,596)</u>	<u>(10,430,117)</u>	<u>(9,592,896)</u>	<u>(9,705,845)</u>
Total Governmental Activities Net Assets	<u>1,151,265</u>	<u>2,844,312</u>	<u>4,507,792</u>	<u>5,769,410</u>	<u>4,369,145</u>
Business - Type Activities:					
Invested in Capital Assets, Net of Related Debt	1,539,722	2,115,105	1,686,227	1,747,681	1,747,399
Unrestricted	<u>1,009,994</u>	<u>1,745,514</u>	<u>1,452,887</u>	<u>942,344</u>	<u>1,010,075</u>
Total Business-Type Activities Net Assets	<u>2,549,716</u>	<u>3,860,619</u>	<u>3,139,114</u>	<u>2,690,025</u>	<u>2,757,474</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt (Deficit)	11,642,873	11,605,324	10,515,059	10,684,910	10,027,676
Restricted	3,982,444	5,336,689	6,109,077	6,425,077	5,794,713
Unrestricted (Deficit)	<u>(11,924,336)</u>	<u>(10,237,082)</u>	<u>(8,977,230)</u>	<u>(8,650,552)</u>	<u>(8,695,770)</u>
Total Primary Government Net Assets	<u>\$3,700,981</u>	<u>\$6,704,931</u>	<u>\$7,646,906</u>	<u>\$8,459,435</u>	<u>\$7,126,619</u>

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008 (1)</u>	<u>2007</u>
Program Revenues					
Governmental Activities:					
Charges for Services and Sales:					
General Government	\$678,443	\$570,638	\$689,194	\$693,459	\$635,896
Security of Persons and Property:					
Police	51,151	101,116	79,562	93,659	112,556
Fire	920,920	505,317	274,489	569,358	430,339
Public Health Services	15,624	70,053	79,543	59,898	67,660
Leisure Time Services	96,184	141,216	132,379	192,013	275,589
Transportation	7,713	1,240	8,841	12,399	8,199
Subtotal - Charges for Services	<u>1,770,035</u>	<u>1,389,580</u>	<u>1,264,008</u>	<u>1,620,786</u>	<u>1,530,239</u>
Operating, Grants, Contributions and Interest	914,150	1,042,860	1,043,193	1,128,039	1,189,062
Capital Grants, Contributions and Interest	<u>0</u>	<u>0</u>	<u>352,970</u>	<u>306,813</u>	<u>3,546,556</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,684,185</u>	<u>2,432,440</u>	<u>2,660,171</u>	<u>3,055,638</u>	<u>6,265,857</u>
Business-Type Activities:					
Charges for Services:					
Water	2,993,418	3,373,602	3,591,259	3,305,623	3,089,958
Refuse	<u>1,227,169</u>	<u>1,285,680</u>	<u>1,331,272</u>	<u>1,282,655</u>	<u>1,250,592</u>
Subtotal - Charges for Services	<u>4,220,587</u>	<u>4,659,282</u>	<u>4,922,531</u>	<u>4,588,278</u>	<u>4,340,550</u>
Operating, Grants, Contributions and Interest					
Water	<u>0</u>	<u>529,890</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>4,220,587</u>	<u>5,189,172</u>	<u>4,922,531</u>	<u>4,588,278</u>	<u>4,340,550</u>
<i>Total Primary Government Program Revenues</i>	<u>\$6,904,772</u>	<u>\$7,621,612</u>	<u>\$7,582,702</u>	<u>\$7,643,916</u>	<u>\$10,606,407</u>

(continued)

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

	2011	2010	2009	2008 (1)	2007
Expenses					
Governmental Activities:					
General Government	\$4,188,013	\$4,391,794	\$4,417,404	\$4,419,288	\$4,224,972
Security of Persons and Property:					
Police	7,284,982	7,361,336	7,630,831	6,550,466	6,514,479
Fire	8,030,690	7,771,995	7,703,754	7,739,810	7,324,613
Public Services	38,082	69,101	71,369	55,684	69,114
Public Health Services	1,058,286	1,175,166	1,031,047	1,045,310	1,059,730
Leisure Time Services	1,048,018	442,876	481,943	465,298	492,524
Community and Economic Development	106,006	577	87,222	96,214	111,048
Public Works	0	0	0	0	392,265
Transportation	984,105	1,640,137	2,496,555	1,805,625	1,832,601
Intergovernmental	337,724	319,951	420,765	0	56,521
Interest and Fiscal Charges	1,424,197	0	0	0	0
Debt Service					
Interest and Fiscal Charges	0	1,428,434	1,511,449	1,366,982	1,627,876
<i>Total Governmental Activities Expenses</i>	<u>24,500,103</u>	<u>24,601,367</u>	<u>25,852,339</u>	<u>23,544,677</u>	<u>23,705,743</u>
Business-Type Activities:					
Water	3,165,929	3,363,495	3,142,523	3,650,452	3,367,657
Refuse	1,835,672	1,104,172	1,330,919	1,433,012	1,206,583
<i>Total Business-Type Activities Expenses</i>	<u>5,001,601</u>	<u>4,467,667</u>	<u>4,473,442</u>	<u>5,083,464</u>	<u>4,574,240</u>
<i>Total Primary Government Program Expenses</i>	<u>29,501,704</u>	<u>29,069,034</u>	<u>30,325,781</u>	<u>28,628,141</u>	<u>28,279,983</u>
Net (Expense)/Revenue					
Governmental Activities	(21,815,918)	(22,168,927)	(23,192,168)	(20,489,039)	(17,439,886)
Business-Type Activities	(781,014)	721,505	449,089	(495,186)	(233,690)
<i>Total Primary Government Net Expense</i>	<u>(22,596,932)</u>	<u>(21,447,422)</u>	<u>(22,743,079)</u>	<u>(20,984,225)</u>	<u>(17,673,576)</u>
General Revenues and Transfers					
Governmental Activities:					
Taxes:					
Property Taxes Levied for General Purposes	2,867,605	2,620,666	2,583,802	2,691,282	2,839,462
Income Taxes	13,170,293	14,286,726	16,035,144	16,133,313	15,692,244
Other Local Taxes	171,342	418,657	193,217	124,800	126,034
Payments in Lieu of Taxes	1,324,928	1,218,770	1,096,882	1,284,418	872,964
Grants and Entitlements not Restricted to					
Specific Programs	2,244,448	1,661,157	1,640,740	1,359,809	1,381,070
Unrestricted Contributions	1,042	77,663	149,387	138,646	1,261,003
Interest	137,735	163,732	185,746	374,138	279,015
Other	94,195	58,076	45,632	207,898	74,018
Transfers	0	0	0	(425,000)	(357,209)
<i>Total Governmental Activities</i>	<u>\$20,011,588</u>	<u>\$20,505,447</u>	<u>\$21,930,550</u>	<u>\$21,889,304</u>	<u>\$22,168,601</u>

(continued)

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

	2011	2010	2009	2008 (1)	2007
Business-Type Activities:					
Other	\$0	\$0	\$0	\$2,737	\$8,276
Transfers	0	0	0	425,000	357,209
<i>Total Business-Type Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>427,737</u>	<u>365,485</u>
<i>Total Primary Government General Revenues and Transfers</i>	<u>20,011,588</u>	<u>20,505,447</u>	<u>21,930,550</u>	<u>22,317,041</u>	<u>22,534,086</u>
Change in Net Assets					
Governmental Activities	(1,804,330)	(1,663,480)	(1,261,618)	1,400,265	4,728,715
Business-Type Activities	(781,014)	721,505	449,089	(67,449)	131,795
<i>Total Primary Government Change in Net Assets</i>	<u>(\$2,585,344)</u>	<u>(\$941,975)</u>	<u>(\$812,529)</u>	<u>\$1,332,816</u>	<u>\$4,860,510</u>

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

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

	2011	2010	2009	2008	2007
General Fund					
Restricted	0	0	0	0	0
Committed	2,203	0	0	0	0
Assigned	54,638	0	0	0	0
Unassigned	(179,329)	0	0	0	0
Unreserved, Undesignated, Reported in:	0	0	0	0	0
Reserved	0	199,648	202,758	406,899	188,699
Unreserved	0	820,802	2,491,027	2,214,810	3,700,938
Total General Fund	<u>(122,488)</u>	<u>1,020,450</u>	<u>2,693,785</u>	<u>2,621,709</u>	<u>3,889,637</u>
All Other Governmental Funds					
Restricted	2,779,697	0	0	0	0
Reserved		145,058	120,573	191,612	223,979
Committed	4,703	0	0	0	0
Assigned	54,638	0	0	0	0
Unassigned	(237,010)	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Fund	0	1,979,304	1,600,756	2,384,629	2,336,848
Debt Service Fund	0	1,578,678	2,319,742	2,382,977	1,204,809
Capital Projects Funds	0	13,691	409,391	795,220	971,990
Total All Other Governmental Funds	<u>2,602,028</u>	<u>3,716,731</u>	<u>4,450,462</u>	<u>5,754,438</u>	<u>4,737,626</u>
Total Governmental Funds	<u><u>\$2,479,540</u></u>	<u><u>\$4,737,181</u></u>	<u><u>\$7,144,247</u></u>	<u><u>\$8,376,147</u></u>	<u><u>\$8,627,263</u></u>

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

	2011	2010	2009	2008	2007
Revenues					
Property Taxes	\$2,727,581	\$2,601,753	\$2,711,543	\$2,693,759	\$2,857,017
Income Taxes	13,643,613	14,477,543	16,754,724	15,594,632	15,649,829
Other Local Taxes	171,342	418,657	193,217	124,800	126,034
Payments in Lieu of Taxes	1,324,928	1,218,770	1,096,882	1,284,418	872,964
Special Assessments	245,966	226,697	208,937	192,569	177,483
Charges for Services	700,700	773,982	704,466	721,812	812,001
Fines, Licenses and Permits	641,619	593,713	660,637	716,098	679,251
Intergovernmental	3,124,542	2,700,423	2,939,135	2,774,602	5,823,646
Interest	137,880	164,014	186,563	397,600	546,107
Rent	15,285	15,908	18,655	15,480	13,919
Contributions and Donations	38,843	130,241	224,549	247,434	604,583
Reimbursements	10,000	0	0	0	20,000
Other	84,195	58,076	45,632	207,898	74,018
<i>Total Revenues</i>	<u>22,866,494</u>	<u>23,379,777</u>	<u>25,744,940</u>	<u>24,971,102</u>	<u>28,256,852</u>
Expenditures					
Current:					
General Government	4,137,344	4,359,962	4,476,744	4,414,079	3,977,677
Security of Persons and Property:					
Police	7,186,747	7,417,854	7,467,928	6,687,822	6,590,125
Fire	7,718,494	7,704,464	7,561,824	7,588,904	7,403,494
Public Services	33,723	61,571	63,839	48,154	54,640
Public Health Services	1,040,502	1,156,731	1,058,252	1,035,537	1,037,098
Leisure Time Services	1,047,524	429,452	469,887	505,952	475,947
Community and Economic Development	105,429	45,552	91,246	91,606	95,996
Public Works	0	0	0	0	392,265
Transportation	654,689	1,300,069	2,189,443	1,489,157	1,479,571
Intergovernmental	333,961	316,189	420,765	0	87,322
Capital Outlay	1,000	439,073	501,983	1,120,303	5,633,475
Debt Service:					
Principal Retirement	1,420,109	4,831,558	1,237,743	1,148,882	605,900
Interest and Fiscal Charges	1,433,408	1,416,578	1,500,157	1,353,433	1,625,796
Issuance Costs	0	118,745	0	0	72,253
<i>Total Expenditures</i>	<u>25,112,930</u>	<u>29,597,798</u>	<u>27,039,811</u>	<u>25,483,829</u>	<u>29,531,559</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,246,436)</u>	<u>(6,218,021)</u>	<u>(1,294,871)</u>	<u>(512,727)</u>	<u>(1,274,707)</u>
Other Financing Sources (Uses)					
General Obligation Bonds Issued	0	0	0	0	3,550,000
Transfers In	744,504	1,310,049	1,810,772	2,917,682	968,194
Inception of Capital Lease	0	215,955	62,971	686,611	385,745
Tax Increment Financing Bonds Issued	0	3,595,000	0	0	0
Transfers Out	(744,504)	(1,310,049)	(1,810,772)	(3,342,682)	(1,041,924)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>3,810,955</u>	<u>62,971</u>	<u>261,611</u>	<u>3,862,015</u>
<i>Net Change in Fund Balances</i>	<u>(\$2,246,436)</u>	<u>(\$2,407,066)</u>	<u>(\$1,231,900)</u>	<u>(\$251,116)</u>	<u>\$2,587,308</u>
Debt Service as a Percentage of Noncapital Expenditures	11.61%	21.49%	10.44%	10.32%	9.37%

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>
2011	2.00%	\$13,668,825	\$10,235,893	74.88%	\$2,177,632	9.18%	\$1,255,301	9.18%
2010	2.00	14,706,143	10,838,643	73.70%	2,660,872	18.09%	1,206,628	8.20%
2009	2.00	16,613,298	11,613,186	69.90	3,669,570	22.09	1,330,542	8.01
2008	2.00	15,627,396	11,746,581	75.17	2,438,822	15.61	1,441,993	9.23
2007	2.00	15,577,888	11,233,235	72.11	3,020,279	19.39	1,324,374	8.50
2006	2.00	13,662,821	10,598,189	77.57	2,113,132	15.47	951,500	6.96
2005	2.00	12,703,014	9,648,940	75.96	2,176,574	17.13	877,500	6.91
2004	2.00	11,215,645	9,105,294	81.18	1,201,022	10.71	909,329	8.11
2003	2.00	10,408,106	8,368,290	80.40	1,163,910	11.18	875,906	8.42
2002	2.00	10,124,144	8,144,173	80.44	1,054,170	10.41	925,801	9.14

(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*

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>General Obligation Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capital</u>
2011	19,207	1,053,084,571	\$3,870,962	0.37 %	\$201.54
2010	20,483	1,107,576,195	4,491,599	0.41	\$219.28
2009	21,675	1,108,503,253	5,082,958	0.46	234.51
2008	21,675	1,113,075,936	5,646,000	0.51	260.48
2007	21,675	1,145,812,172	6,195,752	0.54	285.85
2006	21,675	1,190,568,831	6,345,752	0.53	292.77
2005	21,675	1,099,175,470	6,495,752	0.59	299.69
2004	21,675	1,098,674,894	6,545,752	0.60	302.00
2003	21,675	1,100,265,362	6,595,752	0.60	304.30
2002	21,675	1,046,787,948	5,890,105	0.56	271.75

Sources:

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

(2) County Auditor

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

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

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension
2011	\$3,870,962	\$1,211,474	\$559,551	\$363,459	\$0
2010	4,491,599	1,457,440	603,068	648,448	0
2009	5,082,958	1,684,137	624,826	694,237	0
2008	5,646,600	1,893,074	668,342	887,914	0
2007	6,195,752	2,085,643	711,858	439,948	0
2006	6,345,752	2,263,125	755,374	169,104	0
2005	6,495,752	2,426,705	798,892	0	0
2004	6,545,752	2,577,469	857,990	0	0
2003	6,595,752	2,716,422	418,879	0	2,611,167
2002	5,890,105	2,844,489	0	412,987	4,065,818

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

	Business-Type Activities			
TIF Bonds	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
\$15,132,910	\$550,492	\$21,688,848	5.41%	\$1,129
15,350,555	49,056	22,600,166	5.16	1,103
15,478,200	58,867	23,623,225	6.02	1,090
15,635,845	118,393	24,850,168	6.33	1,146
15,753,490	144,299	25,330,990	6.45	1,169
12,316,135	116,236	21,965,726	5.60	1,013
10,335,000	152,730	20,209,079	5.15	932
5,860,000	188,154	16,029,365	4.08	740
0	222,538	12,564,758	3.20	580
0	255,913	13,469,312	3.43	621

City of Norwood, Ohio
Legal Debt Margin
Last Ten Years

	2011	2010	2009	2008	2007
Total Assessed Property Value	<u>\$377,917,640</u>	<u>\$395,337,730</u>	<u>\$394,807,030</u>	<u>\$392,102,410</u>	<u>\$397,405,920</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$39,681,352	\$41,510,462	\$41,454,738	\$41,170,753	\$41,727,622
Debt Outstanding:					
General Obligation Bonds	3,870,962	4,491,599	5,082,958	5,646,600	6,195,752
Tax Incremental Financing Bonds	15,280,000	15,505,000	15,640,000	15,805,000	15,930,000
Special Assessment Bonds	1,211,474	1,457,440	1,684,137	1,893,074	2,085,643
Bond Anticipation Notes	0	0	0	0	0
Tax Incremental Financing Notes	0	0	0	0	0
OPWC Loans	<u>1,110,038</u>	<u>652,124</u>	<u>683,693</u>	<u>786,735</u>	<u>856,157</u>
Total Gross Indebtedness	21,472,474	22,106,163	23,090,788	24,131,409	25,067,552
Less:					
Tax Incremental Financing Bonds	(15,280,000)	(15,505,000)	(15,640,000)	(15,805,000)	(15,930,000)
Special Assessment Bonds	(1,211,474)	(1,457,440)	(1,684,137)	(1,893,074)	(2,085,643)
Tax Incremental Financing Notes	0	0	0	0	0
OPWC Loans	<u>(550,492)</u>	<u>(49,056)</u>	<u>(58,867)</u>	<u>(118,393)</u>	<u>(144,299)</u>
Total Net Debt Applicable to Debt Limit	<u>4,430,508</u>	<u>5,094,667</u>	<u>5,707,784</u>	<u>6,314,942</u>	<u>6,907,610</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$35,250,844</u>	<u>\$36,415,795</u>	<u>\$35,746,954</u>	<u>\$34,855,811</u>	<u>\$34,820,012</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.83%	87.73%	86.23%	84.66%	83.45%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$20,785,470</u>	<u>\$21,743,575</u>	<u>\$21,714,387</u>	<u>\$21,565,633</u>	<u>\$21,857,326</u>
Total Gross Indebtedness	21,472,474	22,106,163	23,090,788	24,131,409	25,067,552
Less:					
Tax Incremental Financing Bonds	(15,280,000)	(15,505,000)	(15,640,000)	(15,805,000)	(15,930,000)
Special Assessment Bonds	(1,211,474)	(1,457,440)	(1,684,137)	(1,893,074)	(2,085,643)
Tax Incremental Financing Notes	0	0	0	0	0
OPWC Loans	<u>(550,492)</u>	<u>(49,056)</u>	<u>(58,867)</u>	<u>(118,393)</u>	<u>(144,299)</u>
Net Debt Within 5 ½ % Limitations	<u>4,430,508</u>	<u>5,094,667</u>	<u>5,707,784</u>	<u>6,314,942</u>	<u>6,907,610</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$16,354,962</u>	<u>\$16,648,908</u>	<u>\$16,006,603</u>	<u>\$15,250,691</u>	<u>\$14,949,716</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	78.68%	76.57%	73.71%	70.72%	68.40%

Source: City Financial Records

2006	2005	2004	2003	2002
<u>\$410,646,810</u>	<u>\$372,394,400</u>	<u>\$373,408,480</u>	<u>\$374,985,400</u>	<u>\$350,823,250</u>
\$43,117,915	\$39,101,412	\$39,207,890	\$39,373,467	\$36,836,441
6,345,752	6,495,752	6,545,752	6,595,752	5,890,105
12,500,000	0	0	0	0
2,263,126	2,426,705	2,577,469	2,716,422	2,844,489
0	0	5,860,000	0	0
10,335,000	0	0	0	0
871,610	951,622	1,046,144	641,417	255,913
32,315,488	9,874,079	16,029,365	9,953,591	8,990,507
(12,500,000)	0	0	0	0
(2,263,126)	(2,426,705)	(2,577,469)	(2,716,422)	(2,844,489)
(10,335,000)	0	0	0	0
(116,236)	(152,730)	(188,154)	(222,538)	(255,913)
7,101,126	7,294,644	13,263,742	7,014,631	5,890,105
<u>\$36,016,789</u>	<u>\$31,806,768</u>	<u>\$25,944,148</u>	<u>\$32,358,836</u>	<u>\$30,946,336</u>
83.53%	81.34%	66.17%	82.18%	84.01%
<u>\$22,585,575</u>	<u>\$20,481,692</u>	<u>\$20,537,466</u>	<u>\$20,624,197</u>	<u>\$19,295,279</u>
32,315,488	9,874,079	16,029,365	9,953,591	8,990,507
(12,500,000)	0	0	0	0
(2,263,126)	(2,426,705)	(2,577,469)	(2,716,422)	(2,844,489)
(10,335,000)	0	0	0	0
(116,236)	(152,730)	(188,154)	(222,538)	(255,913)
7,101,126	7,294,644	13,263,742	7,014,631	5,890,105
<u>\$15,484,449</u>	<u>\$13,187,048</u>	<u>\$7,273,724</u>	<u>\$13,609,566</u>	<u>\$13,405,174</u>
68.56%	64.38%	35.42%	65.99%	69.47%

City of Norwood, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2011

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Direct - City of			
General Obligation Bonds	\$3,870,962	100.00%	\$3,870,962
Special Assessment Bonds	1,211,474	100.00	1,211,474
OPWC Loans	\$559,551	100.00	559,551
Capital Leases	363,459	100.00	363,459
Tax Increment Financing Bonds	<u>15,132,910</u>	100.00	<u>15,132,910</u>
<i>Total Direct Debt</i>	<u>21,138,356</u>		<u>21,138,356</u>
Overlapping			
Norwood City School District (2)	5,130,825	100.00	5,130,825
Hamilton County	<u>90,042,000</u>	1.95	<u>1,755,819</u>
<i>Total Overlapping Debt</i>	<u>95,172,825</u>		<u>6,886,644</u>
Total	<u><u>\$116,311,181</u></u>		<u><u>\$28,025,000</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, 2011 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	
2011	\$369,848	\$245,966	\$123,882	1.00
2010	\$369,848	226,697	143,151	1.00
2009	369,848	208,937	160,911	1.00
2008	369,848	192,569	177,280	1.00
2007	369,848	177,483	192,366	1.00
2006	369,848	163,578	206,270	1.00
2005	369,848	150,763	219,085	1.00
2004	369,848	138,953	230,896	1.00
2003	369,848	128,067	241,781	1.00
2002	369,848	118,034	251,814	1.00

(1) Net of Auditor and Treasurer Fees

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

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (3)	Hamilton County Unemployment Rate (4)	Average Sales Price of Residential Property (5)	Total Assessed Property Value (5)
2011	19,207	\$400,658,020	\$20,860	\$ 36,126	34	1,494	2,226	7.5%	N/A	\$377,917,640
2010	20,483	437,660,261	21,367	39,224	34	1,494	2,239	8.5	N/A	395,337,730
2009	21,675	392,490,900	18,108	32,223	34	1,494	2,332	9.5	N/A	394,807,030
2008	21,675	392,490,900	18,108	32,223	34	1,494	2,407	7.1	224,204	382,102,410
2007	21,675	392,490,900	18,108	32,223	34	1,494	2,323	5.2	273,636	397,405,920
2006	21,675	392,490,900	18,108	32,223	34	1,494	2,304	5.2	311,853	410,646,810
2005	21,675	392,490,900	18,108	32,223	34	1,494	2,527	5.6	296,544	372,394,100
2004	21,675	392,490,900	18,108	32,223	34	1,494	2,620	5.8	232,211	373,408,480
2003	21,675	392,490,900	18,108	32,223	34	1,494	2,809	5.7	229,431	374,985,400
2002	21,675	392,490,900	18,108	32,223	34	1,494	2,850	5.9	231,654	350,823,250

(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

City of Norwood, Ohio

Principal Employers

2011 and 2002

2011

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

2002

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

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

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

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Council	8	8	8	8	8	9	6	6	4	4
Clerk of Council	2	2	2	2	1	1	1	1	0	0
Mayor	2	2	1	1	1	1	1	1	1	1
Mayor's Clerk of Court	2	2	2	2	2	2	2	2	1	2
Finance	4	5	4	4	6	6	4	4	4	4
Tax	1	2	1	1	2	2	2	1	0	0
Treasurer	2	2	2	2	2	2	2	2	2	2
City Manager	1	1	1	1	1	1	1	1	1	1
Law	2	2	2	2	3	2	2	2	2	1
Administration	27	24	25	27	27	25	25	24	22	23
Civil Service	4	4	4	4	4	4	3	2	3	3
Public Building	1	1	1	1	1	1	1	1	1	1
Security of Persons and Property										
Police Administration	1	1	1	1	1	1	1	1	1	1
Police	48	50	55	51	53	52	48	48	53	42
Police - Auxiliary/Guards	2	4	4	5	6	7	7	7	7	7
Police - Dispatchers/Office/Other	6	7	8	7	8	12	7	2	1	1
Crossing Guards	0	13	19	19	13	19	13	10	9	8
Fire	49	51	56	58	57	57	57	57	57	56
Fire - Secretary - Other	1	1	1	1	1	1	1	1	1	1
Public Health Services										
Health Administration	1	1	1	1	1	1	1	1	1	2
Leisure Time Services										
Recreation	13	48	53	30	37	32	25	17	17	35
Community Center	1	1	1	1	1	1	1	1	1	1
Community and Economic Development										
Economic Development	0	0	1	1	1	1	1	1	1	1
Transportation										
Service	1	1	1	1	1	1	1	1	1	3
Street Maintenance and Repair	16	16	18	20	20	19	18	17	16	6
Basic Utility Services										
Water	3	3	3	3	3	3	3	3	3	3
Totals:	198	252	275	254	261	263	234	214	210	209

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.

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

Function/Program	2011	2010	2009	2008
General Government				
<i>Finance Department</i>				
Number of checks/ vouchers issued	2435	3,017	3,472	3,104
Amount of checks written	\$36,198,841	\$36,843,157	\$39,953,482	\$25,820,163
Number of Receipts issued	1619	1,291	1,228	1,259
General Fund Receipts (cash basis)	\$18,869,768	\$19,917,682	\$22,067,258	\$21,284,479
General Fund Expenditures (cash basis)	\$19,538,661	\$21,493,993	\$22,448,636	\$22,668,728
General Fund Cash Balances	\$162,500	\$831,394	\$2,170,049	\$2,237,959
<i>Municipal Court</i>				
Number of Civil Cases	N/A	N/A	N/A	N/A
<i>Building Department Indicators</i>				
Number of Building Permits	762	581	823	893
Number of Building Inspections	1,236	1,338	1,662	1,813
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	0	0	0	0
Number of traffic citations issued	N/A	1,091	753	0
Number of parking citations issued	N/A	408	403	375
Number of criminal arrests	N/A	3,291	4,200	3,500
DUI Arrests	0	0	0	0
Prisoner meal costs	\$74	\$87	\$60	\$138
Gasoline Gallons Used		49,220	49,220	32,079
<i>Fire</i>				
EMS Calls	3,429	3,450	3,260	3,302
Fire Calls	1,236	1,380	1,143	1,319
Fire Safety Inspections	4,462	4,990	3,600	3,504
Leisure Time Activities				
<i>Recreation</i>				
Number of Programs	23	23	22	23
Number of Pool Passes Issued	N/A	22,060	16,665	22,070

City Financial Records

2007	2006	2005	2004	2003	2002
2,726	2,700	2,500	N/A	N/A	N/A
\$27,683,727	\$28,677,852	\$25,012,588	N/A	N/A	N/A
1,327	1,430	1,357	1,365	1,228	1,128
\$21,200,444	\$22,426,635	\$18,654,279	\$16,627,452	\$15,846,663	\$17,901,746
\$18,735,747	\$21,665,892	\$18,084,471	\$16,904,824	\$16,350,773	\$18,114,298
\$3,922,070	\$1,418,146	\$762,229	\$63,352	\$128,319	\$448,483
N/A	N/A	N/A	N/A	N/A	N/A
696	404	457	487	541	N/A
2,491	1,461	N/A	1,015	1,505	N/A
34,240	33,800	31,834	31,796	31,478	N/A
804	1,784	2,870	1,642	2,331	N/A
357	2,818	2,715	2,400	2,193	N/A
3,394	3,286	4,172	3,266	2,738	N/A
0	104	120	117	213	N/A
\$153	\$394	\$370	\$194	\$290	\$525
32,239	30,191	N/A	N/A	N/A	N/A
N/A	2,635	3,000	3,000	3,020	N/A
N/A	1,078	500	500	604	N/A
3,504	4,971	3,412	3,482	N/A	3,482
23	22	25	25	24	20
16,665	16,209	19,078	14,634	15,197	23,033

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

Function/Program	2011	2010	2009	2008
General Government				
Square Footage Occupied	9,860	9,860	9,860	9,860
Administrative Vehicles	11	11	11	11
Lands and Buildings Vehicles	8	8	8	8
Police				
Stations	1	1	1	1
Square Footage of Building	2,809	2,809	2,809	2,809
Vehicles	42	42	42	39
Fire				
Stations	1	1	1	1
Square Footage of Building	5,770	5,770	5,770	5,770
Vehicles	14	14	14	14
Recreation				
Number of Parks	11	11	11	11
Libraries	1	1	1	1
Number of Pools	3	3	3	3
Number of Tennis Courts	1	1	1	1
Number of Baseball Diamonds	8	8	8	8
Number of Basketball Courts	2	2	2	2
Number of Soccer Fields	5	5	5	5
Square Footage of Building	3,772	3,772	3,772	3,772
Vehicles	2	2	2	2
Other Public Works				
Streets (miles)	142	142	142	142
Number of Streetlights (per light bill)	42	42	42	42
Service Vehicles	7	7	7	7
Wastewater				
Storm Sewers (miles)	100,000	100,000	100,000	100,000
Water Department				
Water Lines (miles)	302,000	302,000	302,000	302,000

2007	2006	2005	2004	2003	2002
9,860	9,860	9,860	9,860	9,860	9,860
11	11	11	11	11	11
7	7	7	7	7	7
1	1	1	1	1	1
2,809	2,809	2,809	2,809	2,809	2,809
39	35	35	30	30	28
1	1	1	1	1	1
5,770	5,770	5,770	5,770	5,770	5,770
14	14	13	13	13	13
11	11	9	9	9	9
1	1	1	1	1	1
3	3	3	3	3	4
1	1	1	1	1	1
8	8	8	8	8	8
2	2	2	2	2	2
5	5	5	5	5	5
3,772	3,772	3,772	3,772	3,772	3,772
2	1	1	1	1	1
n/a	n/a	n/a	n/a	n/a	60
42	42	42	42	42	42
7	3	3	3	3	3
100,000	100,000	100,000	100,000	100,000	100,000
302,000	302,000	302,000	302,000	302,000	302,000

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Dave Yost • Auditor of State

CITY OF NORWOOD

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 18, 2012**