

**CITY OF NORTHWOOD
WOOD COUNTY**



**CITY OF
NORTHWOOD
OHIO**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

PLATTENBURG
Certified Public Accountants



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Northwood, Wood County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 28, 2025

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**CITY OF NORTHWOOD
WOOD COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

City Council
City of Northwood, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Ohio (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 18, 2025. We noted the City adopted new accounting guidance in Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Cincinnati, Ohio
June 18, 2025

CITY OF NORTHWOOD
SCHEDULE OF AUDIT FINDINGS
December 31, 2024

2024– 001 Finding Type — Material Weakness — Controls Related to Financial Reporting

The presentation of financial statements and related footnotes that are free of material misstatement is the responsibility of the City’s management. Independent auditors are not part of an entity’s internal control structure and should not be relied upon by management to detect misstatements in the financial statements.

Thus, it is important that management develop control procedures related to preparing financial statements and footnotes that enable management to prevent and detect potential misstatements in the financial statements and footnotes in a timely manner prior to audit.

Our audit identified misstatements in the City’s financial statements that required adjustment in order to present the financial statements in accordance with accounting principles generally accepted in the United States of America.

We provided adjustments to the City which corrected the misstatements prior to the issuance of the financial statements. The misstatements related to the following:

- Income Taxes Revenue and Deferred Inflows of Resources – Unavailable Amounts (income taxes) in the Governmental Funds (General, Capital Improvement, and Capital Replacement).

Recommendation:

We recommend the City evaluate and implement improvements to internal control policies and procedures over financial reporting.

Management’s Response:

The City Agrees.

CITY OF NORTHWOOD, OHIO

Wood County, Ohio



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

Issued by:
Department of Finance
Kenneth A. Yant
Director



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INTRODUCTORY SECTION





City of Northwood, Ohio

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Northwood, Ohio 43619

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June 18, 2025

Introduction

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

I am pleased to present the twenty-seventh Annual Comprehensive Financial Report for the City of Northwood, Ohio for the fiscal year ended December 31, 2024. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Government Auditing Standards (GAGAS) by the Auditor of the State of Ohio. GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Report

State law, along with *Administrative Rules* of the Auditor of State, requires all city governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the ACFR of the City of Northwood, Ohio, for the fiscal year ended December 31, 2024.

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

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

Letter of Transmittal

For the Year Ended December 31, 2024

The City's financial statements have been audited by Plattenburg and Associates, Certified Public Accountants. The Auditor issued an unmodified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2024. The report from the Auditor is presented as the first component of the financial section of this report.

PROFILE OF THE CITY OF NORTHWOOD

Early History

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

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

Location

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

Form of Government

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

Letter of Transmittal

For the Year Ended December 31, 2024

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

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

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

City Services

Police:

The Northwood Police Department is a full-time department with an authorized strength of 19 sworn full-time positions. Current staffing includes the Chief, 4 sergeants, 12 patrol officers, a School Resource Officer and a seasonal crossing guard. The City received partial grant funding for the Bulletproof Vest Partnership Program, a DARE grant, Operating a Vehicle while Intoxicated Enforcement. The School Resource Officer with Northwood Local Schools resumed in 2021.

The department includes dispatching services for police, fire, and public works and is staffed by 5 full-time and 1 part-time dispatcher.

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

Fire:

The City of Northwood Fire Department operates out of two stations. An ambulance is staffed on a 24 hour basis by two trained personnel to ensure rapid response to emergencies in the city. The fire department is led by a part-time Fire Chief, 6 full-time Firefighter-Paramedics and is supported by 30 part-time firefighters. Three full-time paramedics were hired in 2024 and an additional three were hired in 2025 under a SAFER grant that will cover three years. The department provides a full range of fire, EMS and rescue services to its residents. Their equipment includes; 3 ambulances, 3 class A pumpers, 1 102' aerial ladder, 1 mini pumper and other support units. Northwood has a Class 4 ISO rating.

***Letter of Transmittal
For the Year Ended December 31, 2024***

Parks and Recreation:

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

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

The City opened the Northwood Community Center in May, 2024, a 24,000 square foot recreation center that includes a gymnasium, fitness areas, locker rooms, a running track, meeting rooms, administrative offices and a splash pad.

Public Works:

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

Water and Wastewater:

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

Budgetary and Accounting Controls

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2024***

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

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

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

INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Economic Outlook

In 2024, the economic conditions and state of the community continue to be strong, as we continued to provide our residents, businesses and students with excellent city services and examples of community reinvestment, bold vision and timely business incentives. Northwood's key location along I-75 and I-280, along with timely and streaming regulations and incentives helps to set out community apart from surrounding areas.

City officials continue to be resourceful and committed in embracing the community generated vision to redevelop our largest blemish (the abandoned Woodville Mall site) and refining programs that advance our economic stature and improve our quality of life by addressing pedestrian connectivity and traffic flow issues along our major thoroughfares.

We began 2024 with yet another strong balance sheet. Income tax collections did decrease by 12% last year, but the City was able to draw upon approximately \$800,000 of reserve balances, while keeping overall reserve balances close to \$18MM, with levels unlike other communities our size in Northwest Ohio.

Economic Development Begins At Home

Northwood's "economic development begins at home" strategy helped the city to be productive in 2024. This holistic approach takes into consideration the improvement of all the city's systems from the improvement of neighborhoods, its transportation systems that connect people and products, and through economic development programs that incentivize individual initiative and investments. The city's dedication and devotion towards lean government allows Northwood officials to work faster and smarter, allowing the community to accommodate the eager and the industrious. The number of permits for commercial, industrial and residential totaled 363 in 2024.

Letter of Transmittal

For the Year Ended December 31, 2024

One of our community's most aggressive publicly-generated initiatives to date, "The Enclave", remains a special priority for the city. Due to close interaction between city and school officials, The Enclave is fortified with tax increment financing (TIF) with 100% of the new real property tax revenues being redirected back to the site for thirty years to develop a multitude of "age in place" amenities including a public park, walking trails and Northwood's first "Main Street". The city's zoning ordinance was also updated to provide the 120+ acre site with flexibility and a streamlined approval process. City officials worked closely with developers in the residential and senior living markets.

Infrastructure Conductive for Economic Growth

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

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

Key Incentive Programs

At the present time, Northwood offers residents and businesses every economic tool allowable under the Ohio Revised Code. The key to Northwood's growth is linked to the effective and timely deployment of the following incentive programs:

- **Community Reinvestment Area (CRA):** This economic development tool provides up to 100% - 15 year abatement for new real property valuation in conjunction with residential, commercial and industrial projects. New real property valuation caused from renovation is also eligible for a 100% - 12 year abatement. A huge benefit of the program is with residential CRA projects as school district taxes are not required and the developer/property owner can enjoy the full 100% tax abatement for 15 years.
- **Tax Increment Financing (TIF):** A 100% - 30 year TIF is present on the southern portion of the Enclave (Main Street area) to help finance public infrastructure improvements that directly serve the parcels involved with the project. Payments derived from the increased value of the improved real property beyond their original pre-TIF value are directed to a separate fund to maintain the public realm spaces and to finance the construction of public infrastructure projects on the Enclave that may include adding an Ice Arena and Aquatic Center onto or near the Community Center footprint.

Letter of Transmittal

For the Year Ended December 31, 2024

- Woodville Road Renewal Grant: The primary purpose of this program is to promote the revitalizing the exterior façades of income-producing commercial properties located in Northwood’s Central Business District along Woodville Road. The Grant is a 50% reimbursement of expenses directly related to qualifying building improvements to eligible commercial properties located within the target area. The maximum amount of matching assistance is \$20,000.
- Revitalization District: A Revitalization District was established in Northwood to help attract additional restaurants and entertainment venues to the area, most especially to the Great Eastern footprint (See city website for the Revitalization District Map). Entrepreneurs and investors looking to open restaurants would be eligible to apply for one of up to additional 15 D5 liquor licenses. Liquor licenses in Ohio are allocated based on population (1 per 2,000 residents) and no more D-5 licenses (beer, wine and spirituous liquor until 2:30 am) are allowed in Northwood unless a license is transferred from another location in Ohio through the TREX program. The Enclave is currently located in this district.
- Energy Special Improvement District: As a member of the “Special Energy District”, eligible property owners are able to participate in the Toledo-Lucas County Better Buildings Program. The program offers financing for projects that focus on conserving energy and generate savings through equipment upgrades to existing facilities, with lighting and building controls, HVAC, boilers and chillers, compressor, motors/drives, refrigeration, waste energy recovery, and electrical distribution being among some of the systems eligible for financing. Up to 100%- 15 year full-cycle flexible financing is available, with the loans repaid by special assessments tagged to the property. New development projects may be available for this Port financing.
- Job Creation and Retention Grant Program: Businesses located in Northwood that intend on creating or retaining jobs with a payroll of a minimum of \$500,000 may be eligible. The amount granted is an equivalent to one-third of the amount paid in municipal income taxes in the first year after the project is completed. The grant program can be requested for up to 10 years, and the business must have a payroll of \$500,000 or more to receive the rebate. While a preference is currently given to corporate offices, manufacturers, and professional office-type employers, but retail and service-related business may also be eligible.
- Wood County Northern Port Authority: The Port Authority can assist private developers in avoiding sales tax on their materials.

***Letter of Transmittal
For the Year Ended December 31, 2024***

2024 Community Development Projects

Notable economic & community development projects occurring during and since 2024 include:

- Construction on The Enclave’s \$5M infrastructure project including Northwood’s new Main Street was completed in 2022. In making the Enclave “Site-Site” Ready, a whole host of incentives have been created to spur the greatest amount of reinvestment and return on investment for the private sector.
- Construction continues at The Bridges, a \$30MM, 114 townhome residential development located on 25 acres. The four-phase project, complete with amenities like a lake and walking trail, is expected to be finalized in 2027.
- Implementing Phase One of the City’s Corridor Beautification Strategy working closely with employers and other property owners at the near the I-75, Wales Road area. The city’s position is that the visual appearance of the city’s primary corridors is linked to improved property investments. To help pay for these amenities, special improvement districts may be developed.
- Embraced pedestrian connectivity initiatives to improve the health and well-being of city residents and employees. This improvement includes:
 - Improving pedestrian safety and walkability along Woodville Road from Lemoyne Road to SR 579. City officials worked with the Ohio Department of Transportation and received close to \$1MM from the Systemic Safety Program. Construction on the improvements will begin in 2026.
 - The development of Oregon-Northwood Pedestrian Connectivity Plan to promote walking and biking between both communities and to assets like Lake Erie and their planned “downtown” areas.
- Implemented the Façade Grant Program working closely with property owners in the Central Business District.
- Pursuing the feasibility of creating a community improvement corporation to help frame, guide, and help monetize broad community initiatives.
- The year 2025 will see additional progress due to the City’s incremental and conservative, yet innovative approach to economic development.

***Letter of Transmittal
For the Year Ended December 31, 2024***

Unemployment Rates

According to the Ohio Bureau of Employment Services, the 2024 annual average unemployment rate for Wood County was 4.3% in comparison to the state at 4.4% and national rates of 4.1%.

Employee Relations

The City has 42 full-time and 47 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining. There are three bargaining units representing 30 full-time employees. The A.F.S.C.M.E. (American Federation of State, County and Municipal Employees) Local 755 Ohio represents 8 full-time employees. The O.P.B.A. (Ohio Patrolmen's Benevolent Association) represents 13 patrol officers and 5 police dispatchers. The FOP/OLC represents 4 sergeants.

The City negotiated in 2024 with A.F.S.C.M.E. for a 3-year term ending on March 31, 2027. The contract with O.P.B.A. was negotiated in 2023 for a 3-year term ending December 31, 2026. The City reached agreement with FOP/OLC in 2022 for a 3-year term ending June 30, 2025.

Major City Initiatives

During 2024, the City continued focusing on improving the quality of life and employment opportunities for its residents and taxpayers. The City pursued possible assistance such as federal, state and local grant funds. In 2024, the City received the following Police related grants; Bulletproof Vest, DARE and D.U.I. Task Force. The City also received grants from Wood County Recycling, Landfill Sponsorship along with FEMA equipment, training and EMS grants for the Fire Department. The City was awarded a SAFER grant that will cover 3 full-time Firefighter/Paramedic positions beginning in 2025.

Continuing and Future Projects

The former Woodville Mall property was renamed The Enclave and the City has envisioned an "Age in Place" type development containing commercial and residential components. Phases I and II for the infrastructure including water, sewers, decorative lighting and streetscape beautification are completed.

A residential development called The Bridges of Northwood located in The Enclave began construction of 114 townhomes on a 25 acre parcel including a lake and walking trail. Twenty-eight units are completed and 12 units are under construction.

The City will continue making infrastructure improvements throughout the City in 2025, including resurfacing projects on Curtice Road near I-280, West Andrus Road, Chantilly Rue and Anderson Street. Pavement resurfacing and storm sewers will be reconstructed on Wolf Creek Court. An aquatic restoration project will continue at Nature Trails Park.

***Letter of Transmittal
For the Year Ended December 31, 2024***

AWARDS AND ACKNOWLEDGEMENTS

Awards

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

Public Disclosure

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

Acknowledgements

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

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

Respectfully,



Kenneth A. Yant
Finance & Revenue Director

CITY OF NORTHWOOD, OHIO

List of Principal Officials For the Year Ended December 31, 2024

Elected Officials

<i>Name</i>	<i>Office</i>	<i>Term Expires</i>
Edward Schimmel	Mayor	12/31/27
Louis Fahrbach	City Council, President	12/31/25
James Barton	City Council	12/31/27
Patrick Huntermark	City Council	12/31/25
Randy Kozina	City Council	12/31/25
Mark Stoner	City Council	12/31/25
Dean Edwards	City Council	12/31/27
Michael Melnyk	City Council	12/31/27

Administrative Personnel

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

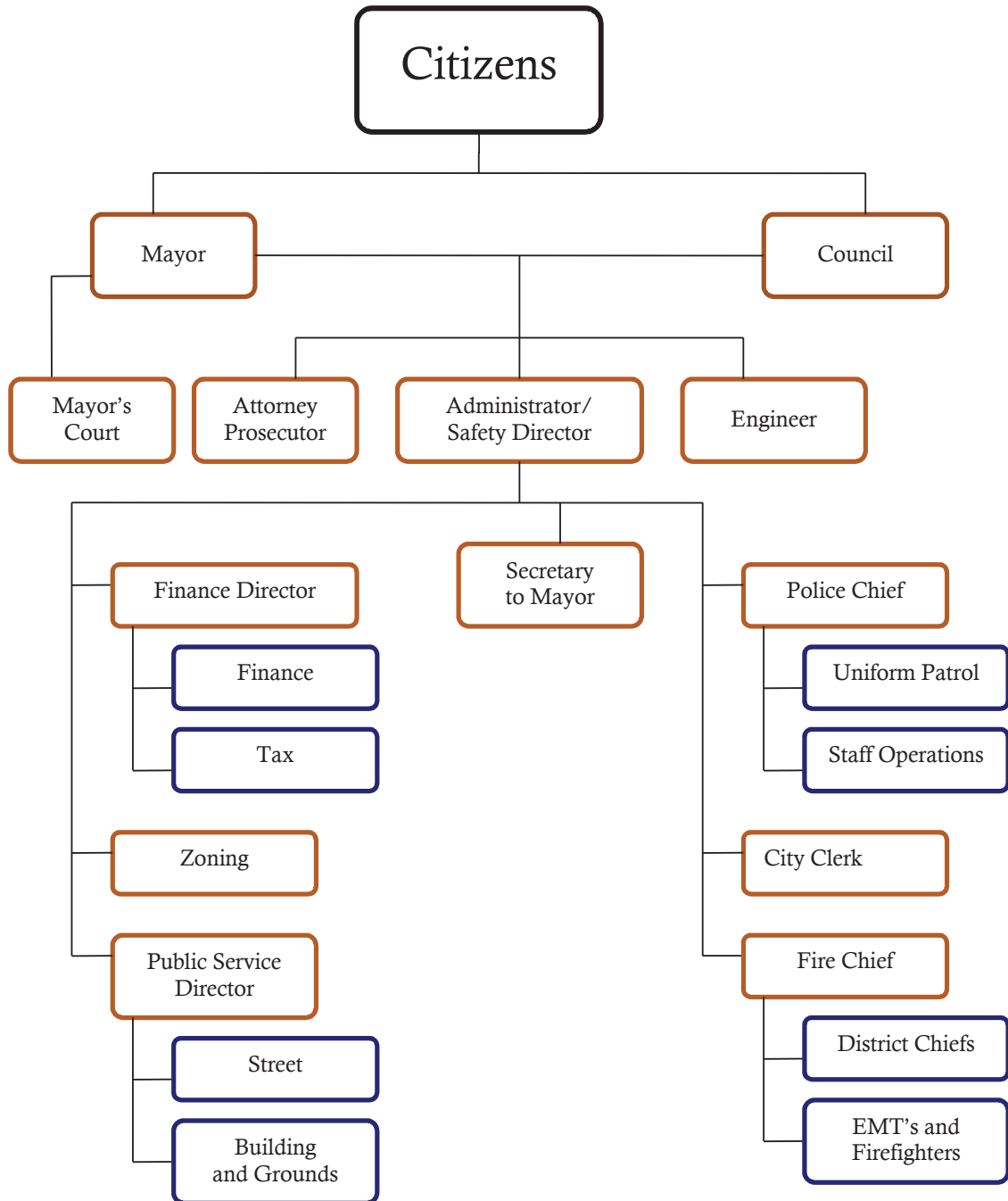
Applies to All Elected Officials

Public officials \$5 million/occurrence, \$7 million aggregate general liability.
Term July 9, 2024 to July 9, 2025

City Address:

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

***City Organizational Chart
For the Year Ended December 31, 2024***



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



Government Finance Officers Association

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

Presented to

**City of Northwood
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City Council
City of Northwood, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Northwood, Ohio (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position and respective budgetary comparison for the General Fund and Storm Water Management Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during 2024, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
June 18, 2025



***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

The discussion and analysis of the City of Northwood's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 are as follows:

- ❑ In total, net position increased \$397,529, which represents a 1.3% increase from 2023.
- ❑ General revenues accounted for \$8.4 million in revenue or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 22% of total revenues of \$10.7 million.
- ❑ The City had \$10.3 million in expenses related to governmental activities; only \$2.3 million of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$6.3 million in revenues and \$7.0 million in expenditures. The general fund's fund balance decreased \$1,031,618 to \$9,297,509.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net position between 2024 and 2023:

	Governmental Activities	
	2024	Restated 2023
Current and other assets	\$21,650,695	\$24,497,487
Capital assets, Net	32,736,694	29,922,684
Total assets	<u>54,387,389</u>	<u>54,420,171</u>
Deferred outflows of resources	<u>2,658,342</u>	<u>2,765,251</u>
Net pension liability	7,096,095	6,705,607
Net OPEB liability	359,584	371,510
Other long-term liabilities	15,974,940	16,558,508
Other liabilities	772,272	940,874
Total liabilities	<u>24,202,891</u>	<u>24,576,499</u>
Deferred inflows of resources	<u>1,035,409</u>	<u>1,199,021</u>
Net position:		
Net investment in capital assets	17,424,234	14,143,943
Restricted	1,553,271	2,730,848
Unrestricted	12,829,926	14,535,111
Total net position	<u>\$31,807,431</u>	<u>\$31,409,902</u>

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

**Management's Discussion and Analysis
For the Year Ended December 31, 2024****Unaudited**

Changes in Net position – The following table shows the changes in net position for the fiscal year 2024 and 2023:

	Governmental Activities	
	2024	2023
Revenues		
Program revenues:		
Charges for Services and Sales	\$1,278,319	\$923,918
Operating Grants and Contributions	635,283	597,362
Capital Grants and Contributions	395,490	891,212
General revenues:		
Property Taxes	311,852	250,319
Municipal Income Taxes	6,337,944	7,936,745
Other Local Taxes	34,042	31,818
Payments in Lieu of Taxes	220,395	215,860
Grants and Entitlements not Restricted to Specific Programs	302,325	557,735
Investment Earnings	1,177,249	643,756
Miscellaneous	20,686	25,315
Total revenues	10,713,585	12,074,040
Program Expenses		
Security of Persons and Property	4,867,213	4,417,817
Public Health and Welfare Services	5,706	5,706
Leisure Time Activities	521,535	126,473
Community Environment	271,998	345,911
Basic Utility Services	326,692	236,774
Transportation	1,498,272	2,380,356
General Government	2,230,966	1,875,250
Interest and Fiscal Charges	593,674	618,842
Total expenses	10,316,056	10,007,129
Total Change in Net Position	397,529	2,066,911
Net Position as Previously Reported	31,556,924	0
Change in Accounting Principle (GASB Statement 101)	(147,022)	0
Beginning Net Position, as Restated	31,409,902	29,490,013
Ending Net Position	\$31,807,431	\$31,556,924

***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

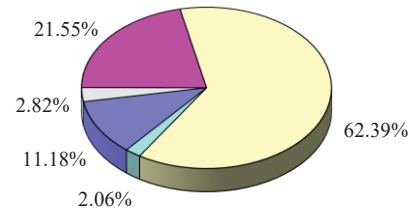
Governmental Activities

Net position of the City's governmental activities increased by \$397,529. Much of this increase was due to an increase in investment earnings along with lower spending of street improvement projects.

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

Property taxes and income taxes made up 3% and 59% respectively of revenues for governmental activities for the City in fiscal year 2024. The City's reliance upon tax revenues is demonstrated by the following graph indicating 62% of total revenues from general tax revenues:

Revenue Sources	2024	Percent of Total
General Shared Revenues	\$302,325	2.82%
Program Revenues	2,309,092	21.55%
General Tax Revenues	6,683,838	62.39%
Payments in Lieu of Taxes	220,395	2.06%
General Other	1,197,935	11.18%
Total Revenue	<u>\$10,713,585</u>	<u>100.00%</u>



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CITY OF NORTHWOOD, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2024

Unaudited

The City's governmental funds reported a combined fund balance of \$18,525,652, which is a decrease from last year's balance of \$21,567,640. The most significant factor contributing to this decrease was the decrease in income tax revenue. The City switched to using the Regional Income Tax Agency for tax collection during 2024, leading to a timing difference in income tax remittance to the City. The schedule below indicates the fund balance and the total change in fund balance by major and nonmajor fund as of December 31, 2024 and 2023:

	Fund Balance December 31, 2024	Fund Balance December 31, 2023	Increase (Decrease)
General	\$9,297,509	\$10,329,127	(\$1,031,618)
Storm Water Management	662,115	637,034	25,081
General Obligation Debt Retirement	732,281	772,513	(40,232)
Capital Improvement	3,284,029	4,592,932	(1,308,903)
Recreation/Community Center Building	324,933	1,208,336	(883,403)
Capital Replacement	3,304,154	3,258,138	46,016
Other Governmental	920,631	769,560	151,071
Total	<u>\$18,525,652</u>	<u>\$21,567,640</u>	<u>(\$3,041,988)</u>

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

	2024 Revenues	2023 Revenues	Increase (Decrease)
Property Taxes	\$297,580	\$253,561	\$44,019
Municipal Income Tax	3,768,209	5,538,588	(1,770,379)
Other Local Taxes	17,022	14,648	2,374
Intergovernmental Revenue	488,244	359,229	129,015
Charges for Services	243,161	224,323	18,838
Licenses and Permits	155,960	73,365	82,595
Investment Earnings	764,544	112,881	651,663
Special Assessments	96,079	68,228	27,851
Fines & Forfeitures	197,045	140,509	56,536
All Other Revenue	236,218	311,067	(74,849)
Total	<u>\$6,264,062</u>	<u>\$7,096,399</u>	<u>(\$832,337)</u>

General Fund revenues in 2024 decreased 12% compared to revenues in fiscal year 2023. The most significant factor contributing to this decrease was a decrease of \$1,770,379 in income tax during 2024 which was related to a timing difference in accruing income taxes receivable on a GAAP basis after the switch to the Regional Income Tax Agency (RITA) for income tax collections by the City during 2024. This decrease was offset by an increase in investment earnings during 2024.

	2024 Expenditures	2023 Expenditures	Increase (Decrease)
Security of Persons and Property	\$4,398,320	\$3,922,817	\$475,503
Public Health and Welfare Services	5,706	5,706	0
Leisure Time Activities	470,044	120,144	349,900
Community Environment	228,164	288,477	(60,313)
General Government	1,935,461	1,885,130	50,331
Total	<u>\$7,037,695</u>	<u>\$6,222,274</u>	<u>\$815,421</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2024******Unaudited***

General Fund expenditures increased by \$815,421 or about 13% from the prior year mostly due to the increase in both security of persons and property and leisure time activities.

The General Obligation Debt Retirement Fund balance decreased by \$40,232 in 2024, mostly related to the increase in principal retirement of long-term debt.

The Capital Improvement Fund balance decreased by \$1,308,903 in 2024. This decrease was due to an increase in capital expenditures during 2024.

The Recreation/Community Building Fund balance decreased by \$883,403 in 2024. This decrease was due to the spending of current fund balance for construction during 2024.

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

For the General Fund, final budget basis revenue of \$7.3 million didn't change from the original budget estimates of \$7.3 million. There were no significant variances between the final budget and actual results for the General Fund. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION***Capital Assets***

At the end of fiscal 2024 the City had \$32,736,694 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, vehicles and machinery and equipment. The following table shows fiscal year 2024 and 2023 balances:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Land	\$1,860,011	\$1,860,011	\$0
Construction in Progress	1,179,005	13,435,260	(12,256,255)
Land Improvements	592,025	531,653	60,372
Buildings and Improvements	14,982,347	4,932,959	10,049,388
Machinery and Equipment	2,765,085	2,397,024	368,061
Vehicles	4,434,642	4,316,569	118,073
Infrastructure	19,128,807	13,469,525	5,659,282
Less: Accumulated Depreciation	(12,205,228)	(11,020,317)	(1,184,911)
Totals	<u>\$32,736,694</u>	<u>\$29,922,684</u>	<u>\$2,814,010</u>

The primary decrease occurred in construction in progress. This decrease is the result of the construction of the Northwood Community Center which is now in the Buildings and Improvements above, resulting in the large increase in this category of capital assets.

As of December 31, 2024, the City had contractual commitments of \$2,037,897. This is primarily related to street improvements and resurfacing projects. Additional information on the City's capital assets can be found in Note 8.

**Management's Discussion and Analysis
For the Year Ended December 31, 2024****Unaudited**

Debt

The following table summarizes the City's debt outstanding as of December 31, 2024 and 2023:

	2024	Restated 2023
Governmental Activities:		
General Obligation Bonds	\$14,570,476	\$14,967,490
Ohio Water Development Authority	593,224	753,707
Compensated Absences	811,240	756,441
Financing Obligation Payable	0	57,544
Net Pension Liability	7,096,095	6,705,607
Net OPEB Liability	359,584	371,510
Totals	<u>\$23,430,619</u>	<u>\$23,612,299</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Northwood lies, is limited to 11.5 mills. At December 31, 2024, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

The City's original budget for 2024 utilized conservative revenue estimates with limited increases in base operating costs. Original General Fund revenues were projected to be 6.2% higher than actual receipts for 2023. This difference was due to estimated income tax revenue projections for 2024.

General Fund expenditures were originally budgeted at 15.9% more than 2023 actual expenditures. Department requests were reduced from original submissions and in general, departments closely monitored spending, resulting in actual expenditures being less than the final budget by \$310,179.

City Council continues to pursue new revenue sources, while reviewing the possibility of increasing existing sources, in addition to a continued review of reducing expenditures. The City's conservative approach and sound financial management has allowed the City government to financially sustain services.

REQUESTS FOR INFORMATION

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

CITY OF NORTHWOOD, OHIO

**Statement of Net Position
December 31, 2024**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$ 18,177,203
Receivables:	
Taxes	2,116,157
Accounts	166,058
Intergovernmental	489,469
Interest	90,076
Special Assessments	80,919
Settlements	25,413
Loans	230,842
Inventory of Supplies at Cost	118,590
Prepaid Items	73,397
Net OPEB Asset	82,571
Capital Assets:	
Capital Assets Not Being Depreciated	3,039,016
Capital Assets Being Depreciated, Net	29,697,678
Total Assets	54,387,389
Deferred Outflows of Resources:	
Pension	2,409,130
OPEB	249,212
Total Deferred Outflows of Resources	2,658,342
Liabilities:	
Accounts Payable	328,825
Accrued Wages and Benefits	312,922
Intergovernmental Payable	75,119
Accrued Interest Payable	55,406
Noncurrent liabilities:	
Due Within One Year	828,643
Due in More than One Year:	
Other Amounts Due in More than One Year	15,146,297
Net Pension Liability	7,096,095
Net OPEB Liability	359,584
Total Liabilities	24,202,891
Deferred Inflows of Resources:	
Property Tax Levy for Next Fiscal Year	380,938
Pension	268,366
OPEB	386,105
Total Deferred Inflows of Resources	1,035,409

(Continued)

	Governmental Activities
Net Position:	
Net Investment in Capital Assets	17,424,234
Restricted For:	
OPEB	82,571
Capital Projects	136,947
Debt Service	694,497
Street Construction, Maintenance and Repair	301,815
State Highway Improvement	213,037
Other Purposes	206,975
Unrestricted	12,747,355
Total Net Position	\$ 31,807,431

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

**Statement of Activities
For the Year Ended December 31, 2024**

					Net (Expense) Revenue and Changes in Net Position
		Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Security of Persons and Property	\$ 4,867,213	\$ 202,898	\$ 128,762	\$ 1,735	\$ (4,533,818)
Public Health and Welfare Services	5,706	0	0	0	(5,706)
Leisure Time Activities	521,535	683,708	0	344,755	506,928
Community Environment	271,998	21,007	0	0	(250,991)
Basic Utility Services	326,692	27,661	0	49,000	(250,031)
Transportation	1,498,272	10,503	495,816	0	(991,953)
General Government	2,230,966	332,542	10,705	0	(1,887,719)
Interest and Fiscal Charges	593,674	0	0	0	(593,674)
Total Governmental Activities	\$ 10,316,056	\$ 1,278,319	\$ 635,283	\$ 395,490	(8,006,964)
General Revenues					
Property Taxes					311,852
Municipal Income Taxes					6,337,944
Other Local Taxes					34,042
Payments in Lieu of Taxes					220,395
Grants and Entitlements not Restricted to Specific Programs					302,325
Investment Earnings					1,177,249
Miscellaneous					20,686
Total General Revenues					8,404,493
Change in Net Position					397,529
Net Position as Previously Reported					31,556,924
Change in Accounting Principle (GASB Statement 101)					(147,022)
Net Position Beginning of Year, as Restated					31,409,902
Net Position End of Year					\$ 31,807,431

See accompanying notes to the basic financial statements



CITY OF NORTHWOOD, OHIO

Balance Sheet Governmental Funds December 31, 2024

	General	Storm Water Management	General Obligation Debt Retirement	Capital Improvement
Assets:				
Equity in Pooled Cash and Investments	\$ 9,010,215	\$ 798,426	\$ 732,281	\$ 3,247,846
Receivables:				
Taxes	1,511,434	0	89,231	342,914
Accounts	80,405	83,538	0	0
Intergovernmental	218,334	0	0	47,874
Interest	90,076	0	0	0
Special Assessments	80,919	0	0	0
Settlements	0	0	0	0
Loans	0	0	0	230,842
Inventory of Supplies, at Cost	53,612	0	0	0
Prepaid Items	73,098	0	0	0
Total Assets	<u>\$ 11,118,093</u>	<u>\$ 881,964</u>	<u>\$ 821,512</u>	<u>\$ 3,869,476</u>
Liabilities:				
Accounts Payable	\$ 40,123	\$ 136,214	\$ 0	\$ 136,126
Accrued Wages and Benefits Payable	283,652	97	0	0
Intergovernmental Payable	75,119	0	0	0
Total Liabilities	<u>398,894</u>	<u>136,311</u>	<u>0</u>	<u>136,126</u>
Deferred Inflows of Resources:				
Unavailable Amounts	1,129,983	83,538	0	449,321
Property Tax for Next Fiscal Year	291,707	0	89,231	0
Total Deferred Inflows of Resources	<u>1,421,690</u>	<u>83,538</u>	<u>89,231</u>	<u>449,321</u>
Fund Balances:				
Nonspendable	126,710	0	0	0
Restricted	0	0	732,281	0
Committed	0	662,115	0	3,284,029
Assigned	99,562	0	0	0
Unassigned	9,071,237	0	0	0
Total Fund Balances	<u>9,297,509</u>	<u>662,115</u>	<u>732,281</u>	<u>3,284,029</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,118,093</u>	<u>\$ 881,964</u>	<u>\$ 821,512</u>	<u>\$ 3,869,476</u>

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

Recreation/ Community Center Building	Capital Replacement	Other Governmental Funds	Total Governmental Funds
\$ 324,933	\$ 3,254,570	\$ 808,932	\$ 18,177,203
0	171,457	1,121	2,116,157
0	0	2,115	166,058
0	0	223,261	489,469
0	0	0	90,076
0	0	0	80,919
0	0	25,413	25,413
0	0	0	230,842
0	0	64,978	118,590
0	0	299	73,397
<u>\$ 324,933</u>	<u>\$ 3,426,027</u>	<u>\$ 1,126,119</u>	<u>\$ 21,568,124</u>
\$ 0	\$ 12,634	\$ 3,728	\$ 328,825
0	0	29,173	312,922
0	0	0	75,119
<u>0</u>	<u>12,634</u>	<u>32,901</u>	<u>716,866</u>
0	109,239	172,587	1,944,668
0	0	0	380,938
<u>0</u>	<u>109,239</u>	<u>172,587</u>	<u>2,325,606</u>
0	0	64,978	191,688
324,933	0	824,618	1,881,832
0	3,304,154	31,035	7,281,333
0	0	0	99,562
0	0	0	9,071,237
<u>324,933</u>	<u>3,304,154</u>	<u>920,631</u>	<u>18,525,652</u>
<u>\$ 324,933</u>	<u>\$ 3,426,027</u>	<u>\$ 1,126,119</u>	<u>\$ 21,568,124</u>



***Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024***

Total Governmental Fund Balances \$ 18,525,652

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 32,736,694

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

Municipal Income Taxes	1,092,394	
Property Taxes	14,272	
Charges for Services	109,921	
Settlements	25,413	
Loan Revenue	230,842	
Interest Revenues	63,700	
Special Assessments	80,919	
Intergovernmental	<u>327,207</u>	1,944,668

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

Net OPEB Asset	82,571	
Deferred Outflows - Pension	2,409,130	
Deferred Inflows - Pension	(268,366)	
Deferred Outflows - OPEB	249,212	
Deferred Inflows - OPEB	(386,105)	
Net Pension Liability	(7,096,095)	
Net OEPB Liability	<u>(359,584)</u>	(5,369,237)

Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds: it is reported when due. (55,406)

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

General Obligation Bonds Payable	(14,005,000)	
Ohio Water Development Authority Loan Payable	(593,224)	
Premium on General Obligation Bonds Payable	(565,476)	
Compensated Absences Payable	<u>(811,240)</u>	<u>(15,974,940)</u>

Net Position of Governmental Activities \$ 31,807,431

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

		Formerly Nonmajor		
	General	Storm Water Management	General Obligation Debt Retirement	Capital Improvement
Revenues:				
Property Taxes	\$ 297,580	\$ 0	\$ 0	\$ 0
Municipal Income Tax	3,768,209	0	0	1,076,631
Other Local Taxes	17,022	0	0	0
Intergovernmental Revenues	488,244	0	0	96,874
Payments in Lieu of Taxes	0	0	131,803	0
Charges for Services	243,161	265,836	0	0
Licenses and Permits	155,960	0	0	0
Investment Earnings	764,544	22,680	0	181,435
Special Assessments	96,079	0	0	10,503
Fines and Forfeitures	197,045	0	0	0
Donations	0	0	0	8,403
All Other Revenue	236,218	0	0	8,028
Total Revenue	6,264,062	288,516	131,803	1,381,874
Expenditures:				
Current:				
Security of Persons and Property	4,398,320	0	0	0
Public Health and Welfare Services	5,706	0	0	0
Leisure Time Activities	470,044	0	0	0
Community Environment	228,164	0	0	0
Basic Utility Services	0	263,435	0	0
Transportation	0	0	0	0
General Government	1,935,461	0	0	0
Capital Outlay	0	0	0	1,688,938
Debt Service:				
Principal Retirement	0	0	115,000	473,027
Interest & Fiscal Charges	0	0	57,035	566,391
Total Expenditures	7,037,695	263,435	172,035	2,728,356
Excess (Deficiency) of Revenues Over Expenditures	(773,633)	25,081	(40,232)	(1,346,482)

CITY OF NORTHWOOD, OHIO

<u>Recreation/ Community Center Building</u>	<u>Capital Replacement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 0	\$ 0	\$ 297,580
0	538,316	0	5,383,156
0	0	17,020	34,042
599,227	0	842,432	2,026,777
0	0	88,592	220,395
0	0	0	508,997
0	0	1,600	157,560
2,759	120,958	60,481	1,152,857
0	0	0	106,582
0	0	18,258	215,303
0	0	0	8,403
0	0	22,542	266,788
<u>601,986</u>	<u>659,274</u>	<u>1,050,925</u>	<u>10,378,440</u>
0	0	3,328	4,401,648
0	0	0	5,706
0	0	0	470,044
0	0	29,095	257,259
0	0	0	263,435
0	0	639,555	639,555
0	0	48,528	1,983,989
1,485,389	614,993	470,026	4,259,346
0	0	0	588,027
0	0	0	623,426
<u>1,485,389</u>	<u>614,993</u>	<u>1,190,532</u>	<u>13,492,435</u>
(883,403)	44,281	(139,607)	(3,113,995)

(Continued)

CITY OF NORTHWOOD, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024**

		Formerly Nonmajor		
	General	Storm Water Management	General Obligation Debt Retirement	Capital Improvement
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	37,579
Transfers In	0	0	0	0
Transfers Out	(275,000)	0	0	0
Total Other Financing Sources (Uses)	(275,000)	0	0	37,579
Net Change in Fund Balances	(1,048,633)	25,081	(40,232)	(1,308,903)
Fund Balances as Previously Presented	10,329,127	0	772,513	4,592,932
Change in Financial Reporting Entity (Major/Nonmajor Funds)	0	637,034	0	0
Increase in Inventory Reserve	17,015	0	0	0
Fund Balances End of Year	\$ 9,297,509	\$ 662,115	\$ 732,281	\$ 3,284,029

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

Recreation/ Community Center Building	Capital Replacement	Other Governmental Funds	Total Governmental Funds
0	1,735	0	39,314
0	0	275,000	275,000
0	0	0	(275,000)
0	1,735	275,000	39,314
(883,403)	46,016	135,393	(3,074,681)
1,208,336	3,258,138	1,406,594	21,567,640
0	0	(637,034)	0
0	0	15,678	32,693
<u>\$ 324,933</u>	<u>\$ 3,304,154</u>	<u>\$ 920,631</u>	<u>\$ 18,525,652</u>

***Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2024***

Net Change in Fund Balances - Total Governmental Funds \$ (3,074,681)

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

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

Capital Outlay	4,175,022	
Depreciation	(1,338,741)	2,836,281

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the sale of capital assets net of proceeds received. (22,271)

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

Municipal Income Taxes	954,788	
Property Taxes	14,272	
Charges for Services	1,848	
Settlements	25,413	
Loan Revenue	(58,194)	
Interest Revenues	24,392	
Special Assessments	(5,790)	
Intergovernmental	(660,898)	295,831

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

Pension	539,861	
OPEB	8,549	548,410

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

Pension	(752,977)	
OPEB	(28,737)	(781,714)

(Continued)

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

General Obligation Bonds Principal	370,000	
OWDA Loan Principal	160,483	
Financing Obligation Principal	57,544	
Amortization of Premium on General Obligation Bonds Payable	<u>27,014</u>	615,041

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

Accrued Interest Payable		2,738
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Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in Supplies Inventory	32,693	
Increase in Compensated Absences Payable	<u>(54,799)</u>	<u>(22,106)</u>

<i>Change in Net Position of Governmental Activities</i>		<u>\$ 397,529</u>
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See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)****General Fund****For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 299,093	\$ 299,093	\$ 297,580	\$ (1,513)
Municipal Income Tax	5,397,500	5,397,500	4,300,765	(1,096,735)
Other Local Taxes	15,460	15,460	15,459	(1)
Intergovernmental Revenue	456,010	456,010	455,912	(98)
Charges for Services	200,000	200,000	249,397	49,397
Licenses and Permits	144,425	144,425	144,397	(28)
Special Assessments	96,130	96,130	96,079	(51)
Investment Earnings	230,982	230,982	370,433	139,451
Fines and Forfeitures	197,075	197,075	197,045	(30)
All Other Revenues	277,525	277,525	277,286	(239)
Total Revenues	7,314,200	7,314,200	6,404,353	(909,847)
Expenditures:				
Current:				
Security of Persons and Property	4,390,601	4,456,946	4,331,171	125,775
Public Health and Welfare Services	6,200	6,200	5,706	494
Leisure Time Activities	274,920	487,810	458,876	28,934
Community Environment	287,185	292,227	233,450	58,777
General Government	1,925,490	1,951,392	1,903,185	48,207
Total Expenditures	6,884,396	7,194,575	6,932,388	262,187
Excess (Deficiency) of Revenues Over (Under) Expenditures	429,804	119,625	(528,035)	(647,660)
Other Financing Sources (Uses):				
Transfers Out	(280,000)	(280,000)	(275,000)	5,000
Total Other Financing Sources (Uses):	(280,000)	(280,000)	(275,000)	5,000
Net Change In Fund Balance	149,804	(160,375)	(803,035)	(642,660)
Fund Balance at Beginning of Year	9,730,615	9,730,615	9,730,615	0
Prior Year Encumbrances	19,984	19,984	19,984	0
Fund Balance at End of Year	\$ 9,900,403	\$ 9,590,224	\$ 8,947,564	\$ (642,660)

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

***Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Storm Water Management Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 273,175	\$ 273,175	\$ 265,836	\$ (7,339)
Investment Earnings	22,700	22,700	22,680	(20)
Total Revenues	295,875	295,875	288,516	(7,359)
Expenditures:				
Basic Utility Services	898,775	898,949	748,387	150,562
Total Expenditures	898,775	898,949	748,387	150,562
Excess (Deficiency) of Revenues Over (Under) Expenditures	(602,900)	(603,074)	(459,871)	143,203
Fund Balance at Beginning of Year	637,284	637,284	637,284	0
Prior Year Encumbrances	174	174	174	0
Fund Balance at End of Year	\$ 34,558	\$ 34,384	\$ 177,587	\$ 143,203

CITY OF NORTHWOOD, OHIO

***Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2024***

	Custodial Fund
Assets:	
Cash and Cash Equivalents	\$ 6,918
Total Assets	<u>\$ 6,918</u>
Liabilities:	
Intergovernmental Payable	\$ 6,918
Total Liabilities	<u>\$ 6,918</u>

See accompanying notes to the basic financial statements

CITY OF NORTHWOOD, OHIO

***Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2024***

	<u>Custodial Fund</u>
Additions:	
Fines, Licenses and Permits for Distribution	<u>\$ 75,873</u>
Total Additions	<u>75,873</u>
Deductions:	
Distributions to Other Governments	<u>75,873</u>
Total Deductions	<u>75,873</u>
Net Change in Fiduciary Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying basic financial statements of the City present the financial position of the various fund types and the results of operations of the various fund types. The financial statements are presented as of December 31, 2024 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

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

Storm Water Management Fund - This fund is used to account for storm water fees and surcharges related to the City's storm water program.

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

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

Recreation/Community Center Building Fund - This fund is used to account for resources designated for construction of the recreation/community center building.

Capital Replacement Fund - This fund is used to account for funds used for inspecting, improving, repairing, maintaining and replacing a facility or amenity.

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

Fiduciary Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

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

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2024, but which are not intended to finance 2024 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources as further described in Note 4.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the first and final amended official certificate of estimated resources issued during 2024.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

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

4. Encumbrances

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

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**E. Budgetary Process (Continued)****6. Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the major special revenue fund and the General Fund:

	Net Change In Fund Balance	
	General Fund	Storm Water Management Fund
GAAP Basis (as reported)	(\$1,048,633)	\$25,081
Increase (Decrease):		
Accrued Revenues at December 31, 2024 received during 2025	(559,478)	0
Accrued Revenues at December 31, 2023 received during 2024	1,067,504	0
Accrued Expenditures at December 31, 2024 received during 2025	398,894	136,311
Accrued Expenditures at December 31, 2023 received during 2024	(227,866)	(424)
2023 Prepays for 2024	70,608	0
2024 Prepays for 2025	(73,098)	0
2023 Mark to Market	(368,315)	0
2024 Mark to Market	580	0
Outstanding Encumbrances	(63,231)	(620,839)
Budget Basis	<u>(\$803,035)</u>	<u>(\$459,871)</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 3, "Pooled Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and local ordinances. In accordance with GASB Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 3, "Pooled Cash, Cash Equivalents and Investments."

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

2. Depreciation

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

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

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Bond Retirement Fund
Ohio Water Authority Development Loan	Capital Improvement Fund
Financing Obligation	Capital Improvement Fund
Compensated Absences	General Fund
Pension/OPEB Liabilities	General Fund
	Street Construction, Maintenance and Repair Fund
	State Highway Improvement Fund
	Northwood Waste/Environmental Fund
	Storm Water Management Fund

L. Compensated Absences

GASB Statement No. 101, “*Compensated Absences*”, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. In addition, certain salary related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

M. Net position

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

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

N. Fund Balances

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balances (Continued)

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

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

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

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

O. Pension/OPEB

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

P. Interfund Activity

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

Q. Estimates

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2024.

S. Deferred Inflows/Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represent a consumption of net assets that applies to a future periods and will not be recognized as an outflow of resources (expenses/expenditures) until then. For the City, deferred outflows related to pension/OPEB are explained in notes 9 and 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to a future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, charges for services, interest and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position. (See Note 9 and 10)

T. Fair Value

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

CITY OF NORTHWOOD, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 2 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Storm Water Management Fund	General Obligation Debt Retirement Fund	Capital Improvement Fund	Recreation/Community Center Building Fund	Capital Replacement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Supplies Inventory	\$53,612	\$0	\$0	\$0	\$0	\$0	\$64,978	\$118,590
Prepaid Items	73,098	0	0	0	0	0	0	73,098
Total Nonspendable	126,710	0	0	0	0	0	64,978	191,688
Restricted:								
General Obligation Debt Service Payments	0	0	732,281	0	0	0	0	732,281
Recreation Building/Community Center Debt	0	0	0	0	0	0	17,622	17,622
Street Construction and Maintenance	0	0	0	0	0	0	205,145	205,145
Motor Vehicle License Tax	0	0	0	0	0	0	6,319	6,319
State Highway Improvements	0	0	0	0	0	0	201,997	201,997
Drug Fines	0	0	0	0	0	0	1,289	1,289
Law Enforcement	0	0	0	0	0	0	5,702	5,702
Enforcement and Education	0	0	0	0	0	0	990	990
Computerized Research	0	0	0	0	0	0	27,469	27,469
Opioid Crisis	0	0	0	0	0	0	11,269	11,269
Economic Development	0	0	0	0	0	0	175,029	175,029
Recreation Parks	0	0	0	0	0	0	98,669	98,669
Recreation Building/Community Center Build.	0	0	0	0	324,933	0	0	324,933
Tree City USA Growth Award	0	0	0	0	0	0	500	500
Keep Northwood Beautiful	0	0	0	0	0	0	72,618	72,618
Total Restricted	0	0	732,281	0	324,933	0	824,618	1,881,832
Committed:								
Capital Improvements	0	0	0	3,284,029	0	0	0	3,284,029
Capital Replacement	0	0	0	0	0	3,304,154	0	3,304,154
Fire Station Addition	0	0	0	0	0	0	9,699	9,699
Storm Water Management	0	662,115	0	0	0	0	0	662,115
Northwood Environment	0	0	0	0	0	0	21,336	21,336
Total Committed	0	662,115	0	3,284,029	0	3,304,154	31,035	7,281,333
Assigned:								
Purchase Orders for Materials and Supplies	27,131	0	0	0	0	0	0	27,131
Fiscal Year 2024 Appropriations	72,431	0	0	0	0	0	0	72,431
Total Assigned	99,562	0	0	0	0	0	0	99,562
Unassigned	9,071,237	0	0	0	0	0	0	9,071,237
Total Fund Balances	\$9,297,509	\$662,115	\$732,281	\$3,284,029	\$324,933	\$3,304,154	\$920,631	\$18,525,652

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 3 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 3 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks.

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

All of the City's financial institutions have enrolled in OPCS as of December 31, 2024. One of the City's financial institutions (Huntington National Bank) was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

At year end the carrying amount of the City's deposits was \$6,336,080, which includes \$7,850 of petty cash on hand, and the bank balance was \$6,668,372. Federal depository insurance covered \$250,000 of the bank balance and \$6,418,372 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name and securities held in the Ohio Pooled Collateral System.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 3 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2024 are summarized below:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
FFCB	\$257,002	AAA ¹ / Aaa ²	Level 2	\$0	\$257,002	\$0
FHLB	890,392	AAA ¹ / Aaa ²	Level 2	611,971	278,421	0
FNMA	242,108	AAA ¹ / Aaa ²	Level 2	242,108	0	0
U.S. Treasury Notes	4,386,267	AAA ¹ / Aaa ²	Level 2	3,887,806	498,461	0
Negotiable CD's	6,072,272	N/A	N/A	1,907,049	4,165,223	0
Total Investments	<u>\$11,848,041</u>			<u>\$6,648,934</u>	<u>\$5,199,107</u>	<u>\$0</u>

¹ Standard & Poor's

² Moody's Investor Service

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

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. The City's investments in FFCB, FHLB, FNMA, U.S. Treasury Notes, and negotiable certificates of deposit represent 2%, 8%, 2%, 37% and 51%, respectively of the City's total investments.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2024 were levied after October 1, 2023 on assessed values as of January 1, 2023, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2023. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 4 – TAXES (Continued)

A. Property Taxes (Continued)

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

The full tax rate for all City operations for the year ended December 31, 2024 was \$1.60 per \$1,000 of assessed value. The assessed value upon which the 2024 tax receipts were based was \$185,984,110. This amount constitutes \$179,523,890 in real property assessed value and \$6,460,220 in public utility assessed value.

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

B. Income Tax

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 5 – TAX ABATEMENT DISCLOSURES

As of December 31, 2024, the City provides tax incentives under The Community Reinvestment Area (CRA) and a TIF with Alcoa.

Real Estate Tax Abatement

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

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

Below is the information relevant to the disclosure of those programs for the year ending December 31, 2024.

<u>Property Tax Abatement</u>	<u>Total Amount of Taxes Abated (Incentives Abated For the Year 2024 In Actual Dollars)</u>
<i>Adient US LLC (2013 - 2027)</i>	
- Gross Dollar amount of taxes abated during 2024	\$77,620
<i>Rise Toledo LLC (2023 - 2034)</i>	
- Gross Dollar amount of taxes abated during 2024	59,315
<i>All Others</i>	
- Gross Dollar amount of taxes abated during 2024	146,157
Total	<u>\$283,092</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2024 consisted of taxes, loans, special assessments, interest receivable, accounts receivable and intergovernmental receivables.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2024:

	<u>Transfers In:</u>
	Other
	Governmental
<u>Transfers Out:</u>	<u>Funds</u>
General Fund	\$275,000

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

The transfers to the Recreation/Community Building Fund from other governmental funds and the Capital Improvement Fund, was for construction/renovations of the Recreation/Community Building.

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CITY OF NORTHWOOD, OHIO**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024****NOTE 8 – CAPITAL ASSETS**

Summary by *category* of changes in governmental activities capital assets at December 31, 2024:

Historical Cost:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
<i>Capital assets not being depreciated:</i>				
Land	\$1,860,011	\$0	\$0	\$1,860,011
Construction in Progress	13,435,260	1,179,005	(13,435,260)	1,179,005
	<u>15,295,271</u>	<u>1,179,005</u>	<u>(13,435,260)</u>	<u>3,039,016</u>
<i>Capital assets being depreciated:</i>				
Land Improvements	531,653	60,372	0	592,025
Buildings and Improvements	4,932,959	10,049,388	0	14,982,347
Machinery and Equipment	2,397,024	424,635	(56,574)	2,765,085
Vehicles	4,316,569	237,600	(119,527)	4,434,642
Infrastructure	13,469,525	5,659,282	0	19,128,807
	<u>25,647,730</u>	<u>16,431,277</u>	<u>(176,101)</u>	<u>41,902,906</u>
Total Cost	<u>\$40,943,001</u>	<u>\$17,610,282</u>	<u>(\$13,611,361)</u>	<u>\$44,941,922</u>

Accumulated Depreciation:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Land Improvements	(\$43,790)	(\$17,894)	\$0	(\$61,684)
Buildings and Improvements	(2,595,835)	(169,048)	0	(2,764,883)
Machinery and Equipment	(1,562,784)	(175,094)	34,303	(1,703,575)
Vehicles	(3,025,278)	(265,199)	119,527	(3,170,950)
Infrastructure	(3,792,630)	(711,506)	0	(4,504,136)
Total Depreciation	<u>(\$11,020,317)</u>	<u>(\$1,338,741) *</u>	<u>\$153,830</u>	<u>(\$12,205,228)</u>
<i>Net Value:</i>	<u>\$29,922,684</u>			<u>\$32,736,694</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$271,954
Leisure Time Activities	57,581
Basic Utility Services	62,783
Transportation	739,182
General Government	<u>207,241</u>
Total Depreciation Expense	<u>\$1,338,741</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement. Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	<u>State and Local</u>
2024 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2024 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$212,734 for 2024.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$327,127 for 2024.

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

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,337,912	\$4,758,183	\$7,096,095
Proportion of the Net Pension Liability-2024	0.008930%	0.049250%	
Proportion of the Net Pension Liability-2023	0.008444%	0.044333%	
Percentage Change	<u>0.000486%</u>	<u>0.004916%</u>	
Pension Expense	\$265,843	\$489,312	\$755,155

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$300,712	\$300,712
Differences between expected and actual experience	38,935	152,753	191,688
Net difference between projected and actual earnings on pension plan investments	471,890	539,203	1,011,093
Change in proportionate share	57,456	308,320	365,776
City contributions subsequent to the measurement date	212,734	327,127	539,861
Total Deferred Outflows of Resources	<u>\$781,015</u>	<u>\$1,628,115</u>	<u>\$2,409,130</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$72,259	\$72,259
Differences between expected and actual experience	0	53,214	53,214
Change in proportionate share	11,410	131,483	142,893
Total Deferred Inflows of Resources	<u>\$11,410</u>	<u>\$256,956</u>	<u>\$268,366</u>

\$539,861 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2025	\$145,410	\$239,090	\$384,500
2026	176,800	263,620	440,420
2027	301,134	410,670	711,804
2028	(66,473)	45,303	(21,170)
2029	0	84,700	84,700
2030	0	649	649
Total	<u>\$556,871</u>	<u>\$1,044,032</u>	<u>\$1,600,903</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2023 and December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2023
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3.0 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$3,680,500	\$2,337,912	\$1,221,267

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**Actuarial Assumptions – OPF**

OPF's total pension liability as of December 31, 2023 is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, compared with January 1, 2022, are presented below.

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.25 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2022 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$6,302,566	\$4,758,183	\$3,473,876

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2024.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The City's contractually required contribution to OP&F was \$8,549 for 2024.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$82,571)	\$359,584	\$277,013
Proportion of the Net OPEB Liability (Asset) -2024	0.009149%	0.049250%	
Proportion of the Net OPEB Liability (Asset) -2023	0.008861%	0.044333%	
Percentage Change	0.000288%	0.004916%	
OPEB Expense	(\$11,972)	(\$4,324)	(\$16,296)

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$21,261	\$123,734	\$144,995
Differences between expected and actual experience	0	17,291	17,291
Net difference between projected and actual earnings on OPEB plan investments	49,589	26,558	76,147
Change in proportionate share	0	2,230	2,230
City contributions subsequent to the measurement date	0	8,549	8,549
Total Deferred Outflows of Resources	<u>\$70,850</u>	<u>\$178,362</u>	<u>\$249,212</u>
Deferred Inflows of Resources			
Changes in assumptions	\$35,496	\$231,572	\$267,068
Differences between expected and actual experience	11,752	66,074	77,826
Change in proportionate share	0	41,211	41,211
Total Deferred Inflows of Resources	<u>\$47,248</u>	<u>\$338,857</u>	<u>\$386,105</u>

\$8,549 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2025	(\$2,095)	(\$25,626)	(\$27,721)
2026	3,840	(21,561)	(17,721)
2027	38,601	(13,496)	25,105
2028	(16,744)	(34,709)	(51,453)
2029	0	(35,591)	(35,591)
2030	0	(36,556)	(36,556)
2031	0	(1,489)	(1,489)
2032	0	(16)	(16)
Total	<u>\$23,602</u>	<u>(\$169,044)</u>	<u>(\$145,442)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.70 percent
Prior measurement date	5.22 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.77 percent
Prior measurement date	4.05 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2038
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00%	

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index").

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$45,379	(\$82,571)	(\$188,561)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$86,001)	(\$82,571)	(\$78,681)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent	3.25 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	4.07 percent	4.27 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple
Projected Depletion Year of OPEB Assets	2038	2036

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.07 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$442,910	\$359,584	\$289,410

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 11 - COMPENSATED ABSENCES

GASB Statement No. 101, “*Compensated Absences*”, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. In addition, certain salary related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability.

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

At December 31, 2024, the City's accumulated, unpaid compensated absences amounted to \$811,240, which has been recorded as a liability of the Governmental Activities.

NOTE 12 – FINANCING OBLIGATION

In 2020, the City entered into a financed purchase agreement to purchase an ambulance. The original cost of the ambulance was \$227,976. The related liabilities are reported in the Government-Wide Statement of Net Position. The liability was paid off during 2024.

CITY OF NORTHWOOD, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 13 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2024 is as follows:

	Issue Date	Original Issue Amount	Restated Balance December 31, 2023	Issued	(Retired)	Balance December 31, 2024	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
8.00% TIF Improvement	2007	\$2,200,000	\$1,725,000	\$0	(\$65,000)	\$1,660,000	\$70,000
5.00% Public Infrastructure Improvement	2022	5,645,000	5,465,000	0	(190,000)	5,275,000	200,000
Premium			362,757	0	(19,092)	343,665	0
5.50% Capital Facilities	2022	7,300,000	7,185,000	0	(115,000)	7,070,000	120,000
Premium			229,733	0	(7,922)	221,811	0
Total General Obligation Bonds			14,967,490	0	(397,014)	14,570,476	390,000
<u>Direct Borrowing:</u>							
Ohio Water Development Authority (OWDA) Loan:							
2.43% Woodville Mall Brownfield - 7555	2017	778,188	753,707	0	(160,483)	593,224	164,407
Compensated Absences			756,441	420,315	(365,516)	811,240	274,236
Financing Obligation			57,544	0	(57,544)	0	0
Net Pension Liability			6,705,607	390,488	0	7,096,095	0
Net OPEB Liability			371,510	0	(11,926)	359,584	0
Total Governmental Activities							
Long-Term Debt			\$23,612,299	\$810,803	(\$992,483)	\$23,430,619	\$828,643

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

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

During 2022, the City issued general obligation bonds to finance certain infrastructure improvements within the City limits of Northwood. The bonds have an interest rate of 5.00% and matures in 2042.

During 2022, the City issued general obligation bonds to finance certain capital facility improvements within the City limits of Northwood. The bonds have an interest rate of 5.50% and matures in 2052.

CITY OF NORTHWOOD, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 13 - LONG-TERM DEBT (Continued)

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

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2024, follow:

Years	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2025	\$390,000	\$664,875	\$164,407	\$13,423
2026	415,000	642,675	168,425	9,403
2027	435,000	619,050	172,544	5,286
2028	460,000	594,540	87,848	1,067
2029	490,000	567,975	0	0
2030-2034	2,855,000	2,410,829	0	0
2035-2039	3,420,000	1,645,739	0	0
2040-2044	2,505,000	983,225	0	0
2045-2049	1,760,000	556,350	0	0
2050-2052	1,275,000	123,026	0	0
Totals	<u>\$14,005,000</u>	<u>\$8,808,284</u>	<u>\$593,224</u>	<u>\$29,179</u>

NOTE 14 - CONSTRUCTION COMMITMENTS

As of December 31, 2024 the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Nature Trails Wetlands Restoration	\$167,000	2025
Curtice Rd/I-280 Resurfacing	224,400	2025
Waste Management Dry Creek	500,000	2025
The Enclave Ditch Enclosure	208,850	2025
Farnstead Road Paving	65,605	2025
Arbor Drive Paving	60,654	2025
Wolf Creek Drainage Improvements	377,288	2025
W. Andrus Rd Resurfacing	434,100	2025
Total	<u>\$2,037,897</u>	

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 15 - RISK MANAGEMENT

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

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

The City obtained insurance coverage from the Pool from July, 2024 through July, 2025 for various insurance coverages, as follows:

Type of Coverage	Limits
Property	\$21,102,615
Liability	\$5,000,000
Wrongful Acts	\$5,000,000
Law Enforcement	\$5,000,000
Automobile	\$5,000,000
Inland Marine Equipment	\$1,029,701
Fire Vehicles	\$2,352,690
Bonds	\$50,000
Cyber Liability	\$1,000,000
Crime	\$25,000
EDP	\$100,000
Employee Benefit Liability	\$5,000,000

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

Changes in the claims liability amount in fiscal 2023 and 2024 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Year End
2023	\$0	\$35,433	(\$35,433)	\$0
2024	0	42,306	(42,306)	0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 15 - RISK MANAGEMENT (Continued)

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

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

NOTE 16 - CONTINGENCIES

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

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

NOTE 17 – SIGNIFICANT COMMITMENTS

There were significant encumbrances outstanding at year-end in the Storm Water Management Fund (special revenue fund) in the amount of \$620,838.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

A. Change in Accounting Principles

For 2024 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, “Accounting Changes and Error Corrections” and Statement No. 101, “Compensated Absences.”

GASB Statement No. 100 addresses accounting and financial reporting requirements for accounting changes and error corrections.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences.

The implementation of Statement 100 had no effect on beginning net position/fund balance.

B. Restatement of Net Position

Certain adjustments were necessary to beginning of year net position to implement GASB Statement No. 101 updating the recognition and measurement guidance for compensated absences.

This implementation had the following effect on net position as reported December 31, 2023:

	Governmental Activities
Net Position December 31, 2023, as Previously Reported	\$31,556,924
Adjustments:	
Implementation of GASB 101	(147,022)
Restated Net Position December 31, 2023	<u>\$31,409,902</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTHWOOD, OHIO***Schedule of City's Proportionate Share of the Net Pension Liability
Last Ten Years*****Ohio Public Employees Retirement System**

Fiscal Year	2015	2016	2017	2018
City's proportion of the net pension liability	0.008050%	0.008499%	0.008571%	0.008794%
City's proportionate share of the net pension liability	\$970,920	\$1,472,180	\$1,946,217	\$1,379,543
City's covered payroll	\$1,006,617	\$1,209,892	\$1,107,900	\$1,162,100
City's proportionate share of the net pension liability as a percentage of its covered payroll	96.45%	121.68%	175.67%	118.71%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%	77.25%	84.66%

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

Ohio Police and Fire Pension Fund

Fiscal Year	2015	2016	2017	2018
City's proportion of the net pension liability	0.0534517%	0.051576%	0.050793%	0.051232%
City's proportionate share of the net pension liability	\$2,769,021	\$3,317,919	\$3,217,191	\$3,144,316
City's covered payroll	\$1,082,878	\$1,112,464	\$1,147,606	\$1,175,933
City's proportionate share of the net pension liability as a percentage of its covered payroll	255.71%	298.25%	280.34%	267.39%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	66.77%	68.36%	70.91%

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

Notes: The City implemented GASB Statement 68 in 2015.

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

See accompanying notes to required supplementary information

CITY OF NORTHWOOD, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.008997%	0.008639%	0.009198%	0.008802%	0.008444%	0.008930%
\$2,464,097	\$1,707,558	\$1,362,024	\$765,810	\$2,494,362	\$2,337,912
\$1,213,564	\$1,220,379	\$1,294,564	\$1,277,321	\$1,308,893	\$1,485,314
203.05%	139.92%	105.21%	59.95%	190.57%	157.40%
74.70%	82.17%	86.88%	92.62%	75.74%	79.01%
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.048625%	0.048371%	0.048165%	0.044293%	0.044333%	0.049250%
\$3,969,087	\$3,258,558	\$3,283,426	\$2,767,172	\$4,211,245	\$4,758,183
\$1,155,416	\$1,207,143	\$1,169,047	\$1,097,277	\$1,194,610	\$1,398,427
343.52%	269.94%	280.86%	252.19%	352.52%	340.25%
63.07%	69.89%	70.65%	75.03%	62.90%	63.63%

CITY OF NORTHWOOD, OHIO

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

Ohio Public Employees Retirement System

Fiscal Year	2015	2016	2017	2018
Contractually required contribution	\$145,187	\$132,948	\$151,072	\$169,899
Contributions in relation to the contractually required contribution	145,187	132,948	151,072	169,899
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,209,892	\$1,107,900	\$1,162,100	\$1,213,564
Contributions as a percentage of covered payroll	12.00%	12.00%	13.00%	14.00%

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

Ohio Police and Fire Pension Fund

Fiscal Year	2015	2016	2017	2018
Contractually required contribution	\$223,494	\$230,554	\$236,245	\$232,123
Contributions in relation to the contractually required contribution	223,494	230,554	236,245	232,123
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,112,464	\$1,147,606	\$1,175,933	\$1,155,416
Contributions as a percentage of covered payroll	20.09%	20.09%	20.09%	20.09%

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

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to required supplementary information

CITY OF NORTHWOOD, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$170,853	\$181,239	\$178,825	\$183,245	\$207,944	\$212,734
<u>170,853</u>	<u>181,239</u>	<u>178,825</u>	<u>183,245</u>	<u>207,944</u>	<u>212,734</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,220,379	\$1,294,564	\$1,277,321	\$1,308,893	\$1,485,314	\$1,519,529
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$242,515	\$249,007	\$233,720	\$254,452	\$297,865	\$327,127
<u>242,515</u>	<u>249,007</u>	<u>233,720</u>	<u>254,452</u>	<u>297,865</u>	<u>327,127</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,207,143	\$1,169,047	\$1,097,277	\$1,194,610	\$1,398,427	\$1,535,808
20.09%	21.30%	21.30%	21.30%	21.30%	21.30%

CITY OF NORTHWOOD, OHIO
***Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB)
Liability (Asset)
Last Eight Years***
Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

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

See accompanying notes to required supplementary information

CITY OF NORTHWOOD, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.009023%	0.009580%	0.009186%	0.008861%	0.009149%
\$1,246,310	(\$170,674)	(\$287,719)	\$55,870	(\$82,571)
\$1,220,379	\$1,294,564	\$1,277,321	\$1,308,893	\$1,485,314
102.12%	(13.18%)	(22.53%)	4.27%	(5.56%)
47.80%	115.57%	128.23%	94.79%	107.76%
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.048371%	0.048165%	0.044293%	0.044333%	0.049250%
\$477,799	\$510,311	\$485,488	\$315,640	\$359,584
\$1,207,143	\$1,169,047	\$1,097,277	\$1,194,610	\$1,398,427
39.58%	43.65%	44.24%	26.42%	25.71%
47.08%	45.42%	46.86%	52.59%	51.89%

CITY OF NORTHWOOD, OHIO***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years*****Ohio Public Employees Retirement System**

Year	2015	2016	2017	2018
Contractually required contribution	\$24,198	\$22,158	\$11,621	\$0
Contributions in relation to the contractually required contribution	24,198	22,158	11,621	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,209,892	\$1,107,900	\$1,162,100	\$1,213,564
Contributions as a percentage of covered payroll	2.00%	2.00%	1.00%	0.00%

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

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
Contractually required contribution	\$5,562	\$5,738	\$6,217	\$6,109
Contributions in relation to the contractually required contribution	5,562	5,738	6,217	6,109
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,112,464	\$1,147,606	\$1,175,933	\$1,155,416
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.

See accompanying notes to required supplementary information

CITY OF NORTHWOOD, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,220,379	\$1,294,564	\$1,277,321	\$1,308,893	\$1,485,314	\$1,519,529
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$6,382	\$6,553	\$6,151	\$6,696	\$7,839	\$8,549
<u>6,382</u>	<u>6,553</u>	<u>6,151</u>	<u>6,696</u>	<u>7,839</u>	<u>8,549</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,207,143	\$1,169,047	\$1,097,277	\$1,194,610	\$1,398,427	\$1,535,808
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

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

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

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

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

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

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

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

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

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023-2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

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

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

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021, and 2023-2024.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

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

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

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

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

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

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

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

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 4.05% to 3.77%
- The single discount rate changed from 5.22% to 5.70%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

2020 - 2024: There were no changes in benefit terms.

Changes in assumptions:

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

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

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

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

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

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

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

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

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.27% to 4.07%.

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair .

Motor Vehicle License Tax Fund

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

State Highway Improvement Fund

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

Northwood Waste/Environmental Fund

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

Drug Fine Fund

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

Special Law Enforcement Fund

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

Enforcement and Education Fund

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

Computerized Research Fund

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

Keep Northwood Beautiful Fund

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

(Continued)

Special Revenue Funds (continued)

Opioid Crisis Fund

To account for monies obtained and distributed from opioid settlements of drug manufacturers and distributors. It is designated for resources to assist with community drug recovery, prevention and treatment.

Tree City USA Growth Award Fund

To account for a high level of monies and resources committed to urban forestry management programs and projects in the community.

Debt Service Fund

The debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

Recreation/Community Center Debt Retirement Fund

To account for the accumulation of resources set up to fund the new recreation/community center that is part of the Enclave development.

Capital Projects Funds

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

Recreation Parks Combined Fund

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

Economic Development Acquisition Fund

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

Fire Station Addition Fund

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

The Enclave Construction Fund

To account for funds used for the construction of the Enclave Development. (The Balance Sheet is not presented because there are no assets or liabilities at year end.).

CITY OF NORTHWOOD, OHIO**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 510,413	\$ 280,897	\$ 17,622	\$ 808,932
Receivables:				
Taxes	1,121	0	0	1,121
Accounts	2,115	0	0	2,115
Intergovernmental	220,761	2,500	0	223,261
Settlements	25,413	0	0	25,413
Inventory of Supplies, at Cost	64,978	0	0	64,978
Prepaid Items	299	0	0	299
Total Assets	<u>\$ 825,100</u>	<u>\$ 283,397</u>	<u>\$ 17,622</u>	<u>\$ 1,126,119</u>
Liabilities:				
Accounts Payable	3,728	0	0	3,728
Accrued Wages and Benefits Payable	29,173	0	0	29,173
Total Liabilities	<u>32,901</u>	<u>0</u>	<u>0</u>	<u>32,901</u>
Deferred Inflows of Resources:				
Unavailable Amounts	172,587	0	0	172,587
Total Deferred Inflows of Resources	<u>172,587</u>	<u>0</u>	<u>0</u>	<u>172,587</u>
Fund Balances:				
Nonspendable	64,978	0	0	64,978
Restricted	533,298	273,698	17,622	824,618
Committed	21,336	9,699	0	31,035
Total Fund Balances	<u>619,612</u>	<u>283,397</u>	<u>17,622</u>	<u>920,631</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 825,100</u>	<u>\$ 283,397</u>	<u>\$ 17,622</u>	<u>\$ 1,126,119</u>

CITY OF NORTHWOOD, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Other Local Taxes	17,020	0	0	17,020
Intergovernmental Revenues	495,177	347,255	0	842,432
Payments in Lieu of Taxes	0	88,592	0	88,592
Licenses and Permits	0	1,600	0	1,600
Investment Earnings	15,120	45,361	0	60,481
Fines and Forfeitures	18,258	0	0	18,258
All Other Revenue	22,542	0	0	22,542
Total Revenue	568,117	482,808	0	1,050,925
Expenditures:				
Current:				
Security of Persons and Property	3,328	0	0	3,328
Community Environment	29,095	0	0	29,095
Transportation	639,555	0	0	639,555
General Government	48,528	0	0	48,528
Capital Outlay	0	470,026	0	470,026
Total Expenditures	720,506	470,026	0	1,190,532
Excess (Deficiency) of Revenues Over Expenditures	(152,389)	12,782	0	(139,607)
Other Financing Sources (Uses):				
Transfers In	275,000	0	0	275,000
Total Other Financing Sources (Uses)	275,000	0	0	275,000
Net Change In Fund Balance	122,611	12,782	0	135,393
Fund Balances as Previously Presented	1,118,357	270,615	17,622	1,406,594
Change in Financial Reporting Entity (Major/Nonmajor Funds)	(637,034)	0	0	(637,034)
Increase in Inventory Reserve	15,678	0	0	15,678
Fund Balances End of Year	\$ 619,612	\$ 283,397	\$ 17,622	\$ 920,631

CITY OF NORTHWOOD, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement	Northwood Waste/ Environmental
Assets:				
Equity in Pooled Cash and Investments	\$ 166,470	\$ 5,198	\$ 197,104	\$ 22,283
Receivables:				
Taxes	0	1,121	0	0
Accounts	1,515	0	0	0
Intergovernmental	204,201	0	16,560	0
Settlements	0	0	0	0
Inventory of Supplies, at Cost	64,978	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 437,164	\$ 6,319	\$ 213,664	\$ 22,283
Liabilities:				
Accounts Payable	3,308	0	0	0
Accrued Wages and Benefits Payable	27,599	0	627	947
Total Liabilities	30,907	0	627	947
Deferred Inflows of Resources:				
Unavailable Amounts	136,134	0	11,040	0
Total Deferred Inflows of Resources	136,134	0	11,040	0
Fund Balances:				
Nonspendable	64,978	0	0	0
Restricted	205,145	6,319	201,997	0
Committed	0	0	0	21,336
Total Fund Balances	270,123	6,319	201,997	21,336
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 437,164	\$ 6,319	\$ 213,664	\$ 22,283

CITY OF NORTHWOOD, OHIO

Drug Fine	Special Law Enforcement	Enforcement and Education	Computerized Research	Keep Northwood Beautiful	Opioid Crisis
\$ 1,289	\$ 5,702	\$ 1,410	\$ 26,570	\$ 72,618	\$ 11,269
0	0	0	0	0	0
0	0	0	600	0	0
0	0	0	0	0	0
0	0	0	0	0	25,413
0	0	0	0	0	0
0	0	0	299	0	0
<u>\$ 1,289</u>	<u>\$ 5,702</u>	<u>\$ 1,410</u>	<u>\$ 27,469</u>	<u>\$ 72,618</u>	<u>\$ 36,682</u>
0	0	420	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>420</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	25,413
0	0	0	0	0	25,413
0	0	0	0	0	0
1,289	5,702	990	27,469	72,618	11,269
0	0	0	0	0	0
<u>1,289</u>	<u>5,702</u>	<u>990</u>	<u>27,469</u>	<u>72,618</u>	<u>11,269</u>
<u>\$ 1,289</u>	<u>\$ 5,702</u>	<u>\$ 1,410</u>	<u>\$ 27,469</u>	<u>\$ 72,618</u>	<u>\$ 36,682</u>

(Continued)

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	Tree City USA Growth Award	Total Nonmajor Special Revenue Funds
Assets:		
Equity in Pooled Cash and Investments	\$ 500	\$ 510,413
Receivables:		
Taxes	0	1,121
Accounts	0	2,115
Intergovernmental	0	220,761
Settlements	0	25,413
Inventory of Supplies, at Cost	0	64,978
Prepaid Items	0	299
Total Assets	<u>\$ 500</u>	<u>\$ 825,100</u>
Liabilities:		
Accounts Payable	0	3,728
Accrued Wages and Benefits Payable	0	29,173
Total Liabilities	<u>0</u>	<u>32,901</u>
Deferred Inflows of Resources:		
Unavailable Amounts	0	172,587
Total Deferred Inflows of Resources	<u>0</u>	<u>172,587</u>
Fund Balances:		
Nonspendable	0	64,978
Restricted	500	533,298
Committed	0	21,336
Total Fund Balances	<u>500</u>	<u>619,612</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 500</u>	<u>\$ 825,100</u>

CITY OF NORTHWOOD, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024**

	Street Construction, Maintenance and Repair	Motor Vehicle License Tax	State Highway Improvement
Revenues:			
Other Local Taxes	\$ 0	\$ 17,020	\$ 0
Intergovernmental Revenues	448,136	0	36,336
Investment Earnings	7,560	0	7,560
Fines and Forfeitures	0	0	0
All Other Revenue	1,515	0	0
Total Revenue	457,211	17,020	43,896
Expenditures:			
Current:			
Security of Persons and Property	0	0	0
Community Environment	0	0	0
Transportation	587,980	17,000	34,575
General Government	0	0	0
Total Expenditures	587,980	17,000	34,575
Excess (Deficiency) of Revenues Over Expenditures	(130,769)	20	9,321
Other Financing Sources (Uses):			
Transfers In	250,000	0	0
Total Other Financing Sources (Uses)	250,000	0	0
Net Change In Fund Balances	119,231	20	9,321
Fund Balances as Previously Presented	135,214	6,299	192,676
Change in Financial Reporting Entity (Major/Nonmajor Funds)	0	0	0
Increase in Inventory Reserve	15,678	0	0
Fund Balances End of Year	\$ 270,123	\$ 6,319	\$ 201,997

(Continued)

CITY OF NORTHWOOD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024**

	Northwood Waste/ Environmental	Drug Fine	Special Law Enforcement
Revenues:			
Other Local Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0
Investment Earnings	0	0	0
Fines and Forfeitures	0	1,680	1,572
All Other Revenue	0	0	0
Total Revenue	<u>0</u>	<u>1,680</u>	<u>1,572</u>
Expenditures:			
Current:			
Security of Persons and Property	0	3,328	0
Community Environment	28,870	0	0
Transportation	0	0	0
General Government	0	0	0
Total Expenditures	<u>28,870</u>	<u>3,328</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,870)	(1,648)	1,572
Other Financing Sources (Uses):			
Transfers In	<u>25,000</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	(3,870)	(1,648)	1,572
Fund Balances as Previously Presented	25,206	2,937	4,130
Change in Financial Reporting Entity (Major/Nonmajor Funds)	0	0	0
Increase in Inventory Reserve	0	0	0
Fund Balances End of Year	<u>\$ 21,336</u>	<u>\$ 1,289</u>	<u>\$ 5,702</u>

CITY OF NORTHWOOD, OHIO

Enforcement and Education	Computerized Research	Formerly Nonmajor		Keep Northwood Beautiful	Opioid Crisis	Tree City USA Growth Award	Nonmajor Special Revenue Funds
		Storm Water Management					
\$ 0	\$ 0	\$ 0		\$ 0	\$ 0	\$ 0	\$ 17,020
0	0	0		0	10,705	0	495,177
0	0	0		0	0	0	15,120
768	14,238	0		0	0	0	18,258
0	19,460	0		0	1,067	500	22,542
768	33,698	0		0	11,772	500	568,117
0	0	0		0	0	0	3,328
0	0	0		225	0	0	29,095
0	0	0		0	0	0	639,555
925	26,262	0		0	21,341	0	48,528
925	26,262	0		225	21,341	0	720,506
(157)	7,436	0		(225)	(9,569)	500	(152,389)
0	0	0		0	0	0	275,000
0	0	0		0	0	0	275,000
(157)	7,436	0		(225)	(9,569)	500	122,611
1,147	20,033	637,034		72,843	20,838	0	1,118,357
0	0	(637,034)		0	0	0	(637,034)
0	0	0		0	0	0	15,678
\$ 990	\$ 27,469	\$ 0		\$ 72,618	\$ 11,269	\$ 500	\$ 619,612

CITY OF NORTHWOOD, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024**

	Recreation Parks Combined	Economic Development Acquisition	Fire Station Addition	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 96,169	\$ 175,029	\$ 9,699	\$ 280,897
Receivables:				
Intergovernmental	2,500	0	0	2,500
Total Assets	<u>\$ 98,669</u>	<u>\$ 175,029</u>	<u>\$ 9,699</u>	<u>\$ 283,397</u>
Liabilities:				
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Restricted	98,669	175,029	0	273,698
Committed	0	0	9,699	9,699
Total Fund Balances	<u>98,669</u>	<u>175,029</u>	<u>9,699</u>	<u>283,397</u>
Total Liabilities and Fund Balances	<u>\$ 98,669</u>	<u>\$ 175,029</u>	<u>\$ 9,699</u>	<u>\$ 283,397</u>



CITY OF NORTHWOOD, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024***

	Recreation Parks Combined	Economic Development Acquistion	Fire Station Addition	Enclave Construction
Revenues:				
Intergovernmental Revenues	347,255	0	0	0
Payments in Lieu of Taxes	0	88,592	0	0
Licenses and Permits	0	1,600	0	0
Investment Earnings	0	0	0	45,361
Total Revenue	347,255	90,192	0	45,361
Expenditures:				
Capital Outlay	304,463	118,985	0	46,578
Total Expenditures	304,463	118,985	0	46,578
Excess (Deficiency) of Revenues Over Expenditures	42,792	(28,793)	0	(1,217)
Fund Balances at Beginning of Year	55,877	203,822	9,699	1,217
Fund Balances End of Year	\$ 98,669	\$ 175,029	\$ 9,699	\$ 0

Total Nonmajor
Capital Project
Funds

347,255

88,592

1,600

45,361

482,808

470,026

470,026

12,782

270,615

\$ 283,397

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 299,093	\$ 299,093	\$ 297,580	\$ (1,513)
Municipal Income Taxes	5,397,500	5,397,500	4,300,765	(1,096,735)
Other Local Taxes	15,460	15,460	15,459	(1)
Intergovernmental Revenues	456,010	456,010	455,912	(98)
Charges for Services	200,000	200,000	249,397	49,397
Licenses and Permits	144,425	144,425	144,397	(28)
Investment Earnings	230,982	230,982	370,433	139,451
Special Assessments	96,130	96,130	96,079	(51)
Fines and Forfeitures	197,075	197,075	197,045	(30)
All Other Revenues	277,525	277,525	277,286	(239)
Total Revenues	7,314,200	7,314,200	6,404,353	(909,847)
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	2,524,532	2,535,880	2,529,012	6,868
Materials and Supplies	126,750	134,808	124,442	10,366
Contractual Services	84,500	97,600	97,084	516
Other Expenditures	3,000	3,000	2,642	358
Total Police Department	2,738,782	2,771,288	2,753,180	18,108
Fire Department:				
Personal Services	904,771	903,642	840,304	63,338
Materials and Supplies	133,860	133,394	126,126	7,268
Contractual Services	90,848	118,205	115,081	3,124
Total Fire Department	1,129,479	1,155,241	1,081,511	73,730
Civil Defense:				
Contractual Services	3,800	5,800	5,715	85
Police and Fire Communications:				
Personal Services	503,815	509,892	480,017	29,875
Materials and Supplies	5,125	5,125	3,381	1,744
Contractual Services	9,600	9,600	7,367	2,233
Total Police and Fire Communications	518,540	524,617	490,765	33,852
Total Security of Persons and Property	4,390,601	4,456,946	4,331,171	125,775

(Continued)

CITY OF NORTHWOOD, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
County Board of Health:				
Contractual Services	6,200	6,200	5,706	494
Total Public Health and Welfare Services	6,200	6,200	5,706	494
Leisure Time Activities:				
Parks and Playgrounds:				
Materials and Supplies	2,000	2,000	1,522	478
Contractual Services	34,000	33,100	23,073	10,027
Capital Outlay	6,000	6,900	6,355	545
Total Parks and Playgrounds	42,000	42,000	30,950	11,050
Recreation:				
Personal Services	161,620	209,190	203,936	5,254
Materials and Supplies	18,000	58,790	52,477	6,313
Contractual Services	32,300	149,995	146,260	3,735
Capital Outlay	0	3,500	3,450	50
Total Recreation	211,920	421,475	406,123	15,352
Baseball Programs:				
Personal Services	0	7,835	7,821	14
Materials and Supplies	7,800	9,400	8,422	978
Contractual Services	13,000	6,900	5,560	1,340
Other Expenditures	200	200	0	200
Total Baseball Programs	21,000	24,335	21,803	2,532
Total Leisure Time Activities	274,920	487,810	458,876	28,934
Community Environment:				
Planning and Zoning:				
Personal Services	139,725	140,575	139,627	948
Materials and Supplies	2,075	2,475	2,297	178
Contractual Services	21,300	20,450	17,711	2,739
Total Planning and Zoning	163,100	163,500	159,635	3,865
Weed Control and Tree Care:				
Personal Services	42,185	44,310	42,730	1,580
Materials and Supplies	1,400	2,950	2,919	31
Contractual Services	26,500	22,825	9,943	12,882
Total Weed Control and Tree Care	70,085	70,085	55,592	14,493

(Continued)

CITY OF NORTHWOOD, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Materials and Supplies	14,000	17,080	15,804	1,276
Contractual Services	40,000	41,562	2,419	39,143
Total Economic Development	54,000	58,642	18,223	40,419
Total Community Environment	287,185	292,227	233,450	58,777
General Government:				
Mayor:				
Personal Services	48,350	48,350	47,486	864
Materials and Supplies	400	400	70	330
Contractual Services	300	300	235	65
Total Mayor	49,050	49,050	47,791	1,259
Finance Director:				
Personal Services	286,540	253,890	252,004	1,886
Materials and Supplies	7,100	2,100	1,610	490
Contractual Services	128,150	170,562	169,881	681
Total Finance Director	421,790	426,552	423,495	3,057
City Administrator:				
Personal Services	145,350	156,075	155,138	937
Materials and Supplies	1,800	1,800	479	1,321
Contractual Services	5,200	5,200	5,013	187
Total City Administrator	152,350	163,075	160,630	2,445
Legal Administration:				
Personal Services	97,240	103,265	96,516	6,749
Materials and Supplies	1,500	2,525	2,518	7
Contractual Services	9,200	9,150	7,186	1,964
Total Legal Administration	107,940	114,940	106,220	8,720
City Council:				
Personal Services	67,155	67,155	67,078	77
Materials and Supplies	500	500	473	27
Total City Council	67,655	67,655	67,551	104
City Clerk:				
Personal Services	97,555	97,640	97,602	38
Materials and Supplies	1,375	1,210	1,110	100
Contractual Services	8,350	8,430	5,993	2,437
Total City Clerk	107,280	107,280	104,705	2,575

(Continued)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor's Court:				
Personal Services	155,820	155,820	150,898	4,922
Materials and Supplies	9,000	9,275	8,935	340
Contractual Services	20,750	24,975	23,633	1,342
Total Mayor's Court	185,570	190,070	183,466	6,604
Civil Service Commission:				
Personal Services	2,660	2,660	2,646	14
Materials and Supplies	50	50	0	50
Contractual Services	7,000	7,000	3,808	3,192
Total Civil Service Commission	9,710	9,710	6,454	3,256
Buildings and Grounds:				
Personal Services	164,565	146,865	138,502	8,363
Materials and Supplies	7,200	14,200	10,725	3,475
Contractual Services	38,200	48,900	46,375	2,525
Other Expenditures	20,000	20,000	19,755	245
Total Buildings and Grounds	229,965	229,965	215,357	14,608
General Miscellaneous:				
Contractual Services	14,350	18,860	17,760	1,100
Special Assessments:				
Contractual Services	69,930	74,115	73,991	124
General Administrative:				
Personal Services	1,800	1,825	1,824	1
Materials and Supplies	13,950	13,550	13,316	234
Contractual Services	493,150	443,645	439,575	4,070
Other Expenditures	1,000	41,100	41,050	50
Total General Administrative	509,900	500,120	495,765	4,355
Total General Government	1,925,490	1,951,392	1,903,185	48,207
Total Expenditures	6,884,396	7,194,575	6,932,388	262,187
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	429,804	119,625	(528,035)	(647,660)

(Continued)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(280,000)	(280,000)	(275,000)	5,000
Total Other Financing Sources (Uses)	(280,000)	(280,000)	(275,000)	5,000
 Net Change In Fund Balance	 149,804	 (160,375)	 (803,035)	 (642,660)
Fund Balance at Beginning of Year	9,730,615	9,730,615	9,730,615	0
Prior Year Encumbrances	19,984	19,984	19,984	0
Fund Balance at End of Year	<u>\$ 9,900,403</u>	<u>\$ 9,590,224</u>	<u>\$ 8,947,564</u>	<u>\$ (642,660)</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Special Revenue Fund
For the Year Ended December 31, 2024***

	STORM WATER MANAGEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
Revenues:					
Charges for Services	\$ 273,175	\$ 273,175	\$ 265,836	\$	(7,339)
Investment Earnings	22,700	22,700	22,680		(20)
Total Revenues	295,875	295,875	288,516		(7,359)
Expenditures:					
Basic Utility Services:					
Personal Services	27,925	27,920	19,114		8,806
Contractual Services	16,000	24,005	22,690		1,315
Capital Outlay	854,850	847,024	706,583		140,441
Total Expenditures	898,775	898,949	748,387		150,562
Excess (Deficiency) of Revenues Over (Under) Expenditures	(602,900)	(603,074)	(459,871)		143,203
Fund Balance at Beginning of Year	637,284	637,284	637,284		0
Prior Year Encumbrances	174	174	174		0
Fund Balance at End of Year	\$ 34,558	\$ 34,384	\$ 177,587	\$	143,203

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Debt Service Fund
For the Year Ended December 31, 2024***

GENERAL OBLIGATION DEBT RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 213,150	\$ 213,150	\$ 131,803	\$ (81,347)
Total Revenues	<u>213,150</u>	<u>213,150</u>	<u>131,803</u>	<u>(81,347)</u>
Expenditures:				
Debt Service:				
Principal Retirement	65,000	115,000	115,000	0
Interest and Fiscal Charges	<u>138,380</u>	<u>138,380</u>	<u>57,035</u>	<u>81,345</u>
Total Expenditures	<u>203,380</u>	<u>253,380</u>	<u>172,035</u>	<u>81,345</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	9,770	(40,230)	(40,232)	(2)
Fund Balance at Beginning of Year	<u>772,513</u>	<u>772,513</u>	<u>772,513</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 782,283</u>	<u>\$ 732,283</u>	<u>\$ 732,281</u>	<u>\$ (2)</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Year Ended December 31, 2024***

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 1,525,000	\$ 1,525,000	\$ 1,228,790	\$ (296,210)
Intergovernmental Revenues	49,000	49,000	49,000	0
Investment Earnings	110,000	110,000	181,435	71,435
Special Assessments	10,000	10,000	10,503	503
Donations	0	0	8,403	8,403
All Other Revenues	7,000	7,000	8,028	1,028
Total Revenues	1,701,000	1,701,000	1,486,159	(214,841)
Expenditures:				
Capital Outlay:				
Security of Persons and Property	129,140	161,140	161,030	110
Leisure Time Activities	15,000	8,700	7,537	1,163
Transportation	1,369,800	1,773,663	1,191,887	581,776
General Government	228,000	477,276	441,574	35,702
Debt Service:				
Principal Retirement	523,045	506,355	473,027	33,328
Interest and Fiscal Charges	502,610	566,400	566,391	9
Total Expenditures	2,767,595	3,493,534	2,841,446	652,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,066,595)	(1,792,534)	(1,355,287)	437,247
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	37,579	37,579
Total Other Financing Sources (Uses)	0	0	37,579	37,579
Net Change In Fund Balance	(1,066,595)	(1,792,534)	(1,317,708)	474,826
Fund Balance at Beginning of Year	3,944,039	3,944,039	3,944,039	0
Prior Year Encumbrances	440,339	440,339	440,339	0
Fund Balance at End of Year	\$ 3,317,783	\$ 2,591,844	\$ 3,066,670	\$ 474,826

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Year Ended December 31, 2024***

	REC/COMM CENTER BUILDING FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 593,428	\$ 593,428	\$ 599,227	\$ 5,799
Investment Earnings	2,800	2,800	2,759	(41)
Total Revenues	596,228	596,228	601,986	5,758
Expenditures:				
Capital Outlay	500,000	2,216,168	1,993,913	222,255
Total Expenditures	500,000	2,216,168	1,993,913	222,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	96,228	(1,619,940)	(1,391,927)	228,013
Fund Balance at Beginning of Year	692	692	692	0
Prior Year Encumbrances	1,716,168	1,716,168	1,716,168	0
Fund Balance at End of Year	\$ 1,813,088	\$ 96,920	\$ 324,933	\$ 228,013

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Year Ended December 31, 2024***

	CAPITAL REPLACEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 771,070	\$ 771,070	\$ 614,395	\$ (156,675)
Investment Earnings	80,660	80,660	120,958	40,298
Total Revenues	851,730	851,730	735,353	(116,377)
Expenditures:				
Capital Outlay	1,083,572	1,217,290	682,710	534,580
Total Expenditures	1,083,572	1,217,290	682,710	534,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	(231,842)	(365,560)	52,643	418,203
Other Financing Sources (Uses):				
Sale of Capital Assets	1,770	1,770	1,735	(35)
Total Other Financing Sources (Uses)	1,770	1,770	1,735	(35)
Net Change in Fund Balance	(230,072)	(363,790)	54,378	418,168
Fund Balance at Beginning of Year	3,015,132	3,015,132	3,015,132	0
Prior Year Encumbrances	111,418	111,418	111,418	0
Fund Balance at End of Year	<u>\$ 2,896,478</u>	<u>\$ 2,762,760</u>	<u>\$ 3,180,928</u>	<u>\$ 418,168</u>

CITY OF NORTHWOOD, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 460,900	\$ 460,900	\$ 450,763	\$ (10,137)
Investment Earnings	7,600	7,600	7,560	(40)
Total Revenues	468,500	468,500	458,323	(10,177)
Expenditures:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	535,850	500,917	480,726	20,191
Materials and Supplies	50,500	60,500	53,269	7,231
Contractual Services	1,000	36,000	11,990	24,010
Total Street Maintenance and Repair	587,350	597,417	545,985	51,432
Snow and Ice Removal:				
Personal Services	20,000	20,000	3,215	16,785
Materials and Supplies	57,000	57,000	29,935	27,065
Contractual Services	17,000	17,000	4,926	12,074
Total Snow and Ice Removal	94,000	94,000	38,076	55,924
Traffic Signals and Signs:				
Personal Services	10,100	10,100	9,730	370
Materials and Supplies	3,500	5,375	5,064	311
Contractual Services	20,200	26,925	26,837	88
Total Traffic Signals and Signs	33,800	42,400	41,631	769
Total Transportation	715,150	733,817	625,692	108,125
Total Expenditures	715,150	733,817	625,692	108,125
Excess (Deficiency) of Revenues Over (Under) Expenditures	(246,650)	(265,317)	(167,369)	97,948
Other Financing Sources (Uses):				
Transfers In	275,000	275,000	250,000	(25,000)
Total Other Financing Sources (Uses)	275,000	275,000	250,000	(25,000)
Net Change In Fund Balance	28,350	9,683	82,631	72,948
Fund Balance at Beginning of Year	83,268	83,268	83,268	0
Prior Year Encumbrances	67	67	67	0
Fund Balance at End of Year	\$ 111,685	\$ 93,018	\$ 165,966	\$ 72,948

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	MOTOR VEHICLE LICENSE TAX FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other Local Taxes	\$ 17,000	\$ 17,000	\$ 17,289	\$ 289
Total Revenues	17,000	17,000	17,289	289
Expenditures:				
Transportation:				
Contractual Services	17,000	17,000	17,000	0
Total Expenditures	17,000	17,000	17,000	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	289	289
Fund Balance at Beginning of Year	4,909	4,909	4,909	0
Fund Balance at End of Year	\$ 4,909	\$ 4,909	\$ 5,198	\$ 289

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	STATE HIGHWAY IMPROVEMENT FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 34,400	\$ 34,400	\$ 36,547	\$ 2,147
Investment Earnings	7,600	7,600	7,560	(40)
Total Revenues	42,000	42,000	44,107	2,107
Expenditures:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	23,290	23,290	22,450	840
Snow and Ice Removal:				
Materials and Supplies	10,000	9,150	3,280	5,870
Traffic Signals and Signs:				
Contractual Services	7,600	8,450	8,431	19
Total Transportation	40,890	40,890	34,161	6,729
Total Expenditures	40,890	40,890	34,161	6,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,110	1,110	9,946	8,836
Fund Balance at Beginning of Year	187,158	187,158	187,158	0
Fund Balance at End of Year	\$ 188,268	\$ 188,268	\$ 197,104	\$ 8,836

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

NORTHWOOD WASTE/ENVIRONMENTAL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Community Environment:				
Personal Services	29,135	19,835	19,426	409
Contractual Services	0	9,300	9,264	36
Total Expenditures	29,135	29,135	28,690	445
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,135)	(29,135)	(28,690)	445
Other Financing Sources (Uses):				
Transfers In	25,000	25,000	25,000	0
Total Other Financing Sources (Uses)	25,000	25,000	25,000	0
Net Change in Fund Balance	(4,135)	(4,135)	(3,690)	445
Fund Balance at Beginning of Year	25,973	25,973	25,973	0
Fund Balance at End of Year	\$ 21,838	\$ 21,838	\$ 22,283	\$ 445

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 1,680	\$ (320)
Total Revenues	2,000	2,000	1,680	(320)
Expenditures:				
Security of Persons and Property:				
Capital Outlay	3,000	4,275	4,250	25
Total Expenditures	3,000	4,275	4,250	25
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(2,275)	(2,570)	(295)
Fund Balance at Beginning of Year	2,937	2,937	2,937	0
Fund Balance at End of Year	\$ 1,937	\$ 662	\$ 367	\$ (295)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	SPECIAL LAW ENFORCEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 5,000	\$ 5,000	\$ 1,571	\$ (3,429)
Total Revenues	5,000	5,000	1,571	(3,429)
Expenditures:				
Security of Persons and Property:				
Capital Outlay	4,000	13,494	13,382	112
Total Expenditures	4,000	13,494	13,382	112
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	(8,494)	(11,811)	(3,317)
Fund Balance at Beginning of Year	4,017	4,017	4,017	0
Prior Year Encumbrances	7,994	7,994	7,994	0
Fund Balance at End of Year	\$ 13,011	\$ 3,517	\$ 200	\$ (3,317)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	ENFORCEMENT AND EDUCATION FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 768	\$ (232)
Total Revenues	1,000	1,000	768	(232)
Expenditures:				
General Government:				
Materials and Supplies	725	1,450	1,450	0
Total Expenditures	725	1,450	1,450	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	275	(450)	(682)	(232)
Fund Balance at Beginning of Year	1,147	1,147	1,147	0
Fund Balance at End of Year	<u>\$ 1,422</u>	<u>\$ 697</u>	<u>\$ 465</u>	<u>\$ (232)</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	COMPUTERIZED RESEARCH FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
Revenues:					
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 14,238	\$	(762)
All Other Revenues	19,000	19,000	18,860		(140)
Total Revenues	34,000	34,000	33,098		(902)
Expenditures:					
General Government:					
Capital Outlay	25,000	29,076	26,338		2,738
Total Expenditures	25,000	29,076	26,338		2,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000	4,924	6,760		1,836
Fund Balance at Beginning of Year	19,734	19,734	19,734		0
Prior Year Encumbrances	76	76	76		0
Fund Balance at End of Year	\$ 28,810	\$ 24,734	\$ 26,570	\$	1,836

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

KEEP NORTHWOOD BEAUTIFUL FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Community Environment:				
Capital Outlay	20,000	20,000	225	19,775
Total Expenditures	20,000	20,000	225	19,775
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(20,000)	(20,000)	(225)	19,775
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(20,000)	(20,000)	(225)	19,775
Fund Balance at Beginning of Year	72,843	72,843	72,843	0
Fund Balance at End of Year	\$ 52,843	\$ 52,843	\$ 72,618	\$ 19,775

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	OPIOID CRISIS FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 15,900	\$ 15,900	\$ 10,705	\$ (5,195)
All Other Revenues	1,100	1,100	1,067	(33)
Total Revenues	17,000	17,000	11,772	(5,228)
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	15,000	21,500	21,341	159
Total Expenditures	15,000	21,500	21,341	159
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	(4,500)	(9,569)	(5,069)
Fund Balance at Beginning of Year	20,838	20,838	20,838	0
Fund Balance at End of Year	\$ 22,838	\$ 16,338	\$ 11,269	\$ (5,069)

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	TREE CITY USA GROWTH AWARD FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 5,000	\$ 5,000	\$ 500	\$ (4,500)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>500</u>	<u>(4,500)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	5,000	5,000	500	(4,500)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ (4,500)</u></u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2024***

REC/COMM CENTER DEBT RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	17,622	17,622	17,622	0
Fund Balance at End of Year	<u>\$ 17,622</u>	<u>\$ 17,622</u>	<u>\$ 17,622</u>	<u>\$ 0</u>

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024***

	RECREATION PARKS COMBINED FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 339,500	\$ 339,500	\$ 344,755	\$ 5,255
Total Revenues	339,500	339,500	344,755	5,255
Expenditures:				
Capital Outlay	337,000	337,000	304,463	32,537
Total Expenditures	337,000	337,000	304,463	32,537
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	2,500	2,500	40,292	37,792
Fund Balance at Beginning of Year	55,877	55,877	55,877	0
Fund Balance at End of Year	\$ 58,377	\$ 58,377	\$ 96,169	\$ 37,792

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024***

ECONOMIC DEVELOPMENT ACQUISITION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Payments in Lieu of Taxes	\$ 89,500	\$ 89,500	\$ 88,592	\$ (908)
Licenses and Permits	2,000	2,000	1,600	(400)
Total Revenues	91,500	91,500	90,192	(1,308)
Expenditures:				
Community Environment:				
Capital Outlay	200,000	219,979	136,426	83,553
Total Expenditures	200,000	219,979	136,426	83,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	(108,500)	(128,479)	(46,234)	82,245
Fund Balance at Beginning of Year	201,284	201,284	201,284	0
Prior Year Encumbrances	19,979	19,979	19,979	0
Fund Balance at End of Year	\$ 112,763	\$ 92,784	\$ 175,029	\$ 82,245

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024***

	FIRE STATION ADDITION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
Revenues:					
Donations	\$ 1,000	\$ 1,000	\$ 0	\$ (1,000)	
Total Revenues	1,000	1,000	0	(1,000)	
Expenditures:					
Total Expenditures	0	0	0	0	
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	0	(1,000)	
Net Change in Fund Balance	1,000	1,000	0	(1,000)	
Fund Balance at Beginning of Year	9,699	9,699	9,699	0	
Fund Balance at End of Year	\$ 10,699	\$ 10,699	\$ 9,699	\$ (1,000)	

CITY OF NORTHWOOD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024***

	THE ENCLAVE CONSTRUCTION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
Revenues:					
Investment Earnings	\$ 50,000	\$ 50,000	\$ 45,361	\$	(4,639)
Total Revenues	\$ 50,000	\$ 50,000	\$ 45,361	\$	(4,639)
Expenditures:					
Capital Outlay	0	55,000	46,578		8,422
Total Expenditures	0	55,000	46,578		8,422
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	(5,000)	(1,217)		3,783
Fund Balance at Beginning of Year	1,217	1,217	1,217		0
Fund Balance at End of Year	\$ 51,217	\$ (3,783)	\$ 0	\$	3,783



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

City of Northwood, Ohio

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

	2015	2016	Restated 2017	2018
Governmental Activities:				
Net Investment in Capital Assets	\$10,422,136	\$11,630,689	\$12,016,505	\$13,830,638
Restricted	1,745,010	948,082	1,763,568	1,831,781
Unrestricted	5,466,887	6,639,970	4,249,643	2,843,917
Total Governmental Activities Net Position	<u>\$17,634,033</u>	<u>\$19,218,741</u>	<u>\$18,029,716</u>	<u>\$18,506,336</u>

Source: Finance Director's Office

City of Northwood, Ohio

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$14,287,903	\$15,178,140	\$15,298,857	\$15,331,967	\$14,143,943	\$17,424,234
1,513,566	1,716,577	4,036,841	1,401,762	2,730,848	1,635,842
5,796,020	6,572,887	7,274,928	12,756,284	14,682,133	12,747,355
<u>\$21,597,489</u>	<u>\$23,467,604</u>	<u>\$26,610,626</u>	<u>\$29,490,013</u>	<u>\$31,556,924</u>	<u>\$31,807,431</u>

City of Northwood, Ohio

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

	2015	2016	2017	2018
Expenses				
Governmental Activities:				
Security of Persons and Property	\$3,029,803	\$3,254,558	\$3,364,327	\$3,727,631
Public Health and Welfare Services	6,429	5,966	5,633	5,559
Leisure Time Activities	72,887	68,280	81,012	94,455
Community Environment	138,973	427,103	216,140	242,517
Basic Utility Services	473,215	361,862	413,573	514,907
Transportation	684,805	782,986	822,308	1,422,291
General Government	1,504,412	1,576,359	1,587,855	2,047,897
Interest and Fiscal Charges	74,639	86,571	86,642	127,142
<i>Total Primary Government Expenses</i>	<u>\$5,985,163</u>	<u>\$6,563,685</u>	<u>\$6,577,490</u>	<u>\$8,182,399</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$261,118	\$238,337	\$189,275	\$316,107
Leisure Time Activities	1,055	6,378	2,343	4,540
Community Environment	18,145	13,176	26,988	25,696
Basic Utility Services	313,457	274,449	391,099	253,636
Transportation	3,421	3,300	5,107	3,502
General Government	243,030	280,290	291,419	290,718
Operating Grants and Contributions	376,079	377,950	423,121	507,725
Capital Grants and Contributions	166,530	87,500	63,172	21,351
<i>Total Governmental Activities Program Revenues</i>	<u>1,382,835</u>	<u>1,281,380</u>	<u>1,392,524</u>	<u>1,423,275</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	212,332	219,744	213,155	246,897
Municipal Income Taxes	5,507,757	5,915,300	6,276,340	6,256,790
Other Local Taxes	51,560	46,557	143,734	47,198
Payments In Lieu of Taxes	176,740	191,104	200,448	203,140
Grants and Entitlements not				
Restricted to Specific Programs	149,712	263,749	230,824	272,015
Investment Earnings	89,788	148,769	77,361	116,145
Miscellaneous	137,346	81,790	160,465	93,559
<i>Total Primary Government</i>	<u>6,325,235</u>	<u>6,867,013</u>	<u>7,302,327</u>	<u>7,235,744</u>
Change in Net Position	<u>\$1,722,907</u>	<u>\$1,584,708</u>	<u>\$2,117,361</u>	<u>\$476,620</u>

Source: Finance Director's Office

City of Northwood, Ohio

2019	2020	2021	2022	2023	2024
\$1,582,863	\$3,461,050	\$3,283,930	\$3,399,867	\$4,417,817	\$4,867,213
5,482	6,187	6,187	5,706	5,706	5,706
86,084	50,518	69,372	91,815	126,473	521,535
289,304	280,147	168,914	246,383	345,911	271,998
155,791	424,085	243,336	313,660	236,774	326,692
1,709,587	934,440	1,674,024	999,956	2,380,356	1,498,272
1,880,025	2,234,052	1,207,837	1,407,231	1,875,250	2,230,966
117,608	137,291	129,839	687,786	618,842	593,674
<u>\$5,826,744</u>	<u>\$7,527,770</u>	<u>\$6,783,439</u>	<u>\$7,152,404</u>	<u>\$10,007,129</u>	<u>\$10,316,056</u>
\$119,383	\$233,865	\$264,375	\$382,832	\$379,860	\$202,898
3,260	3,953	0	10,326	13,329	683,708
50,440	44,866	39,542	94,339	21,434	21,007
260,856	280,827	294,928	274,762	274,849	27,661
0	0	0	10,741	9,671	10,503
180,991	233,755	244,982	265,152	224,775	332,542
525,000	1,174,090	541,449	549,614	597,362	635,283
124,822	86,575	1,093,979	11,927	891,212	395,490
<u>1,264,752</u>	<u>2,057,931</u>	<u>2,479,255</u>	<u>1,599,693</u>	<u>2,412,492</u>	<u>2,309,092</u>
225,121	201,501	239,992	250,165	250,319	311,852
6,275,194	6,195,530	6,429,133	7,329,851	7,936,745	6,337,944
54,216	37,466	32,597	32,858	31,818	34,042
207,051	219,098	223,931	222,255	215,860	220,395
268,353	264,824	385,638	350,333	557,735	302,325
429,898	292,188	(9,963)	(169,198)	643,756	1,177,249
193,312	129,347	145,878	415,834	25,315	20,686
<u>7,653,145</u>	<u>7,339,954</u>	<u>7,447,206</u>	<u>8,432,098</u>	<u>9,661,548</u>	<u>8,404,493</u>
<u>\$3,091,153</u>	<u>\$1,870,115</u>	<u>\$3,143,022</u>	<u>\$2,879,387</u>	<u>\$2,066,911</u>	<u>\$397,529</u>

City of Northwood, Ohio

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund				
Nonspendable	\$63,119	\$66,357	\$62,214	\$66,124
Assigned	69,123	23,186	71,934	16,190
Unassigned	<u>3,800,962</u>	<u>4,719,158</u>	<u>5,600,341</u>	<u>6,317,471</u>
<i>Total General Fund</i>	<u>3,933,204</u>	<u>4,808,701</u>	<u>5,734,489</u>	<u>6,399,785</u>
 All Other Governmental Funds				
Nonspendable	83,856	41,347	50,119	79,595
Restricted	1,609,773	829,693	1,749,051	1,778,257
Committed	<u>6,590,427</u>	<u>7,352,417</u>	<u>7,694,183</u>	<u>6,076,461</u>
Total All Other Governmental Funds	<u>8,284,056</u>	<u>8,223,457</u>	<u>9,493,353</u>	<u>7,934,313</u>
<i>Total Governmental Funds</i>	<u><u>\$12,217,260</u></u>	<u><u>\$13,032,158</u></u>	<u><u>\$15,227,842</u></u>	<u><u>\$14,334,098</u></u>

Source: Finance Director's Office

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

City of Northwood, Ohio

2019	2020	2021	2022	2023	2024
\$69,815	\$80,204	\$86,969	\$90,046	\$107,205	\$126,710
44,230	290,164	114,362	103,773	790,946	99,562
7,368,815	8,009,478	8,563,607	9,384,433	9,430,976	9,071,237
7,482,860	8,379,846	8,764,938	9,578,252	10,329,127	9,297,509
96,517	111,922	54,302	80,657	49,599	64,978
1,451,257	1,532,189	3,949,001	9,231,816	2,665,905	1,881,832
6,561,851	6,838,191	7,248,204	8,242,520	8,523,009	7,281,333
8,109,625	8,482,302	11,251,507	17,554,993	11,238,513	9,228,143
\$15,592,485	\$16,862,148	\$20,016,445	\$27,133,245	\$21,567,640	\$18,525,652

City of Northwood, Ohio

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

	2015	2016	2017	2018
Revenues:				
Taxes	\$5,739,176	\$6,225,655	\$6,636,853	\$6,520,611
Intergovernmental Revenues	703,799	739,778	708,201	794,576
Payments in Lieu of Taxes	176,740	191,104	200,448	203,140
Charges for Services	464,564	390,280	498,514	411,102
Licenses, Permits and Fees	108,725	95,065	99,384	95,498
Investment Earnings	87,756	148,931	78,605	104,400
Special Assessments	71,413	81,409	120,931	108,206
Fines and Forfeitures	146,021	179,591	203,188	157,720
Donations	820	67,095	3,765	1,463
All Other Revenue	118,544	119,020	189,288	151,298
Total Revenue	7,617,558	8,237,928	8,739,177	8,548,014
Expenditures:				
Current:				
Security of Persons and Property	2,784,465	2,850,519	2,999,531	3,005,545
Public Health and Welfare Services	6,429	5,966	5,633	5,559
Leisure Time Activities	47,092	41,339	54,813	67,573
Community Environment	141,078	422,074	191,186	232,032
Basic Utility Services	450,694	364,284	386,449	377,888
Transportation	518,746	532,428	502,994	622,495
General Government	1,446,164	1,407,271	1,385,438	1,442,648
Capital Outlay	1,420,925	2,110,517	1,569,071	4,036,556
Debt Service:				
Principal Retirement	39,390	165,765	165,765	350,031
Interest and Fiscal Charges	74,800	85,831	87,129	127,535
Total Expenditures	6,929,783	7,985,994	7,348,009	10,267,862
Excess (Deficiency) of Revenues Over Expenditures	687,775	251,934	1,391,168	(1,719,848)

City of Northwood, Ohio

2019	2020	2021	2022	2023	2024
\$6,523,223	\$6,446,468	\$6,694,232	\$7,643,885	\$8,197,149	\$5,714,778
861,462	1,470,031	1,014,256	912,667	2,071,210	2,026,777
207,051	219,098	223,931	222,255	215,860	220,395
396,942	405,531	441,581	442,863	493,224	508,997
91,661	99,468	104,608	141,286	75,865	157,560
425,812	297,957	(9,440)	(173,383)	626,120	1,152,857
112,816	107,851	97,478	110,503	77,899	106,582
164,517	129,588	135,523	169,200	151,640	215,303
39,940	2,110	550	125,534	6,113	8,403
166,441	161,641	182,183	328,581	315,347	266,788
8,989,865	9,339,743	8,884,902	9,923,391	12,230,427	10,378,440
3,102,685	3,011,936	3,275,256	3,373,090	3,940,007	4,401,648
5,482	6,187	6,187	5,706	5,706	5,706
61,660	43,318	76,840	100,417	120,144	470,044
243,409	261,736	241,604	296,749	334,450	257,259
104,544	372,245	203,287	267,586	180,483	263,435
626,184	615,599	660,119	694,104	700,721	639,555
1,489,483	1,992,711	1,585,074	1,700,585	1,892,014	1,983,989
1,732,388	1,564,822	3,959,545	4,498,510	9,539,840	4,259,346
276,267	313,848	183,773	4,863,236	568,076	588,027
118,125	138,006	93,631	678,360	647,946	623,426
7,760,227	8,320,408	10,285,316	16,478,343	17,929,387	13,492,435
1,229,638	1,019,335	(1,400,414)	(6,554,952)	(5,698,960)	(3,113,995)

(Continued)

City of Northwood, Ohio

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

	2015	2016	2017	2018
Other Financing Sources (Uses):				
Sale of Capital Assets	16,001	3,000	16,684	0
Inception of Leases	0	606,875	0	0
Ohio Water Development Authority Loan Issued	0	0	778,188	792,118
General Obligation Notes Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Transfers In	4,700	890,316	1,229,600	684,076
Transfers Out	(4,700)	(890,316)	(1,229,600)	(684,076)
Total Other Financing Sources (Uses)	16,001	609,875	794,872	792,118
Net Change in Fund Balance	\$703,776	\$861,809	\$2,186,040	(\$927,730)
Debt Service as a Percentage of Noncapital Expenditures	2.07%	4.43%	4.49%	6.60%

Source: Finance Director's Office

City of Northwood, Ohio

2019	2020	2021	2022	2023	2024
12,350	0	11,850	79,461	147,822	39,314
0	227,976	0	0	0	0
0	0	0	0	0	0
0	0	4,600,000	0	0	0
0	0	0	12,945,000	0	0
0	0	0	619,504	0	0
92,500	225,000	250,000	125,000	1,330,000	275,000
(92,500)	(225,000)	(250,000)	(125,000)	(1,330,000)	(275,000)
12,350	227,976	4,611,850	13,643,965	147,822	39,314
\$1,241,988	\$1,247,311	\$3,211,436	\$7,089,013	(\$5,551,138)	(\$3,074,681)
5.85%	6.80%	3.88%	48.14%	13.05%	11.54%

City of Northwood, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2015	2016	2017	2018
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Total Tax Collected	\$5,247,534	\$6,261,413	\$6,282,057	\$6,262,675
Income Tax Receipts				
Withholding Accounts	4,169,700	4,879,365	4,794,247	5,348,873
Percentage	79.5%	77.9%	76.3%	85.4%
Business Accounts	726,525	1,049,048	1,100,110	555,318
Percentage	13.8%	16.8%	17.5%	8.9%
Residential Accounts	351,309	333,000	387,700	358,484
Percentage	6.7%	5.3%	6.2%	5.7%

Source: City Income Tax Department

City of Northwood, Ohio

2019	2020	2021	2022	2023	2024
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$6,339,146	\$6,044,652	\$6,573,545	\$6,992,195	\$7,407,059	\$6,512,334
5,126,808	4,755,702	5,151,877	5,527,035	5,968,251	5,484,881
80.9%	78.7%	78.4%	79.0%	80.6%	84.2%
808,202	880,772	966,574	943,445	935,134	634,647
12.7%	14.6%	14.7%	13.5%	12.6%	9.8%
404,136	408,178	455,094	521,715	503,674	392,806
6.4%	6.7%	6.9%	7.5%	6.8%	6.0%



City of Northwood, Ohio

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2024				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
Top Ten	10	0.37%	\$195,896,266	45.12%
All Others	2,717	99.63%	238,259,334	54.88%
Total	2,727	100.00%	\$434,155,600	100.00%

Local Taxes Paid by Residents

Taxes Paid to Northwood

Taxes Credited to Other Municipalities

Tax Dollars

\$392,806

913,478

\$1,306,284

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

Local Taxes Paid by Residents

Taxes Paid to Northwood

Taxes Credited to Other Municipalities

Tax Dollars

\$351,309

949,267

\$1,300,576

Source: City Income Tax Department

City of Northwood, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2015	2016	2017	2018
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$0	\$0	\$0	\$0
General Obligation Bonds Payable (TIF Supported)	2,090,000	2,055,000	2,020,000	1,980,000
General Obligation Notes Payable	0	0	0	0
OPWC Loan Payable	32,855	23,465	14,075	4,685
OWDA Loans Payable	0	0	778,188	1,391,040
Leases Payable	6,596	490,551	367,512	244,473
Total Primary Government	<u>\$2,129,451</u>	<u>\$2,569,016</u>	<u>\$3,179,775</u>	<u>\$3,620,198</u>
Population ⁽²⁾				
City of Northwood	5,341	5,350	5,350	5,394
Outstanding Debt Per Capita	\$399	\$480	\$594	\$671
Income ⁽³⁾				
Personal (in thousands)	218,906	228,327	235,555	233,803
Percentage of Personal Income	0.97%	1.13%	1.35%	1.55%

Sources:

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

City of Northwood, Ohio

2019	2020	2021	2022	2023	2024
\$0	\$0	\$0	\$13,564,504	\$13,242,490	\$12,345,000
1,935,000	1,890,000	1,840,000	1,785,000	1,725,000	1,660,000
0	0	4,600,000	0	0	0
0	0	0	0	0	0
1,285,833	1,138,360	1,063,276	910,361	753,707	593,224
121,375	227,976	169,287	113,966	57,544	0
<u>\$3,342,208</u>	<u>\$3,256,336</u>	<u>\$7,672,563</u>	<u>\$16,373,831</u>	<u>\$15,778,741</u>	<u>\$14,598,224</u>
5,420	5,434	5,160	5,179	5,189	5,211
\$617	\$599	\$1,487	\$3,162	\$3,041	\$2,801
249,201	173,241	182,478	186,687	290,641	312,071
1.34%	1.88%	4.20%	8.77%	5.43%	4.68%

City of Northwood, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2015	2016	2017	2018
Population ⁽¹⁾	5,341	5,350	5,350	5,394
Assessed Value ⁽²⁾	\$133,989,530	\$133,992,030	\$139,299,370	\$141,215,080
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$2,090,000	\$2,055,000	\$2,020,000	\$1,980,000
Resources Available to Pay Principal ⁽⁴⁾	\$740,594	\$13,767	\$997,923	\$997,930
Net General Bonded Debt	\$1,349,406	\$2,041,233	\$1,022,077	\$982,070
Ratio of Net Bonded Debt to Assessed Value	1.01%	1.52%	0.73%	0.70%
Net Bonded Debt per Capita	\$252.65	\$381.54	\$191.04	\$182.07

Source:

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

(2) Wood County Auditor

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

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

City of Northwood, Ohio

2019	2020	2021	2022	2023	2024
5,420	5,434	5,160	5,179	5,189	5,211
\$141,557,180	\$141,557,180	\$151,370,980	\$153,031,500	\$155,468,820	\$185,984,110
\$1,935,000	\$1,890,000	\$6,440,000	\$15,349,504	\$14,967,490	\$14,570,476
\$723,536	\$723,497	\$726,444	\$772,514	\$772,513	\$732,281
\$1,211,464	\$1,166,503	\$5,713,556	\$14,576,990	\$14,194,977	\$13,838,195
0.86%	0.82%	3.77%	9.53%	9.13%	7.44%
\$223.52	\$214.67	\$1,107.28	\$2,814.63	\$2,735.59	\$2,655.57



City of Northwood, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2024*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Northwood	Amount Applicable to the City of Northwood
Direct:			
City of Northwood	\$14,598,224	100.00%	\$14,598,224
Overlapping:			
Wood County	15,490,019	3.89%	602,562
		Subtotal	602,562
		Total	\$15,200,786

Source: Wood County

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

City of Northwood, Ohio

Debt Limitations Last Ten Years

Collection Year	2015	2016	2017	2018
Total Debt				
Net Assessed Valuation	\$133,989,530	\$133,992,030	\$139,299,370	\$141,215,080
Legal Debt Limitation (%) ⁽¹⁾	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) ⁽¹⁾	14,068,901	14,069,163	14,626,434	14,827,583
City Debt Outstanding	2,090,000	2,055,000	2,020,000	1,980,000
Less: Applicable Debt Service Fund Amounts ⁽²⁾	(740,594)	(13,767)	(997,923)	(997,930)
Net Indebtedness Subject to Limitation	1,349,406	2,041,233	1,022,077	982,070
Overall Legal Debt Margin	<u>\$12,719,495</u>	<u>\$12,027,930</u>	<u>\$13,604,357</u>	<u>\$13,845,513</u>
Unvoted Debt				
Net Assessed Valuation	\$133,989,530	\$133,992,030	\$139,299,370	\$141,215,080
Legal Debt Limitation (%) ⁽¹⁾	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) ⁽¹⁾	7,369,424	7,369,562	7,661,465	7,766,829
City Debt Outstanding	2,090,000	2,055,000	2,020,000	1,980,000
Less: Applicable Debt Service Fund Amounts ⁽²⁾	(740,594)	(13,767)	(997,923)	(997,930)
Net Indebtedness Subject to Limitation	1,349,406	2,041,233	1,022,077	982,070
Overall Legal Debt Margin	<u>\$6,020,018</u>	<u>\$5,328,329</u>	<u>\$6,639,388</u>	<u>\$6,784,759</u>

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

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

Source: Finance Director's Office

City of Northwood, Ohio

2019	2020	2021	2022	2023	2024
\$141,557,180	\$151,370,980	\$153,031,500	\$155,468,820	\$185,984,110	\$192,118,260
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
14,863,504	15,893,953	16,068,308	16,324,226	19,528,332	20,172,417
1,935,000	1,890,000	6,440,000	7,430,000	7,190,000	6,935,000
(723,536)	(723,497)	(726,444)	(772,514)	(772,513)	(732,281)
1,211,464	1,166,503	5,713,556	6,657,486	6,417,487	6,202,719
\$13,652,040	\$14,727,450	\$10,354,752	\$9,666,740	\$13,110,845	\$13,969,698
\$141,557,180	\$151,370,980	\$153,031,500	\$155,468,820	\$185,984,110	\$192,118,260
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
7,785,645	8,325,404	8,416,733	8,550,785	10,229,126	10,566,504
1,935,000	1,890,000	6,440,000	7,430,000	7,190,000	6,935,000
(723,536)	(723,497)	(726,444)	(772,514)	(772,513)	(732,281)
1,211,464	1,166,503	5,713,556	6,657,486	6,417,487	6,202,719
\$6,574,181	\$7,158,901	\$2,703,177	\$1,893,299	\$3,811,639	\$4,363,785

City of Northwood, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2015	2016	2017	2018	2019
Population ⁽¹⁾					
City of Northwood	5,341	5,350	5,350	5,394	5,420
Wood County	129,730	130,219	130,219	130,492	130,696
Income ⁽²⁾					
Total Personal (in thousands)	218,906	228,327	235,555	233,803	249,201
Per Capita	40,986	42,678	44,029	43,345	45,978
Unemployment Rate ⁽³⁾					
Federal	5.2%	5.1%	4.1%	4.0%	3.5%
State	4.9%	5.0%	4.7%	4.6%	4.1%
Wood County	4.1%	4.8%	4.2%	4.3%	4.0%
Civilian Work Force Estimates ⁽³⁾					
State	5,694,000	5,687,000	5,782,017	5,802,000	5,818,000
Wood County	69,104	64,249	67,900	70,200	70,600

Sources:

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

City of Northwood, Ohio

2020	2021	2022	2023	2024
5,434	5,160	5,179	5,189	5,211
131,193	132,248	132,472	131,592	132,650
173,241	182,478	186,687	290,641	312,071
31,881	35,364	36,047	56,011	59,887
6.5%	3.7%	3.6%	3.7%	4.1%
5.2%	3.4%	4.0%	3.7%	4.4%
4.2%	2.8%	3.1%	2.8%	4.3%
5,763,310	5,743,600	5,706,200	5,768,300	5,917,500
67,342	65,400	68,800	69,200	71,200



City of Northwood, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2024		
		Number of Employees	Rank	Percentage of Total Employment
Norplas Industries	Automotive Parts	1,016	1	0.28
Adient/Johnson Controls	Automotive Parts	692	2	0.19
Buckeye Cablevision Inc.	Cable Provider	457	3	0.13
North American Science Association	Medical Equipment Testing	327	4	0.09
Fedex Freight, Inc.	Logistics	294	5	0.08
Buckeye Telesystem Inc.	Telephone/Internet Provider	236	6	0.06
Fedex Express Corp.	Package Delivery	183	7	0.05
Pilkington North America Inc.	Glass Manufacturing	148	8	0.04
EMI Enterprises Inc.	Envelope Manufacturing	147	9	0.04
Hirzel Canning Co.	Canning Plant	146	10	0.04
Total		3,646		

Employer	Nature of Business	2015		
		Number of Employees	Rank	Percentage of Total Employment
Norplas Industries	Automotive Parts	1,311	1	0.37
Hoover Universal	Automotive Parts	756	2	0.21
North American Science Association	Medical Equipment Testing	361	3	0.10
Federal Express Freight	Package Delivery	270	4	0.08
Northwood Local Board of Education	Education	184	5	0.05
Malcolm Meat Company	Meat Distribution	150	6	0.04
Pilkington	Glass Manufacturing	145	7	0.04
Thyssenkrupp Logistics	Trucking	137	8	0.04
Treu House of Munch	Beverage Distributor	120	9	0.03
TNS Research	Research	117	10	0.03
Total		3,551		

Source: City Income Tax Department

City of Northwood, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2015	2016	2017	2018	2019	2020
Governmental Activities						
General Government						
Finance	4.00	4.00	4.00	4.00	4.00	4.00
Legal/Court	2.00	1.50	1.50	1.50	1.50	1.50
Administration	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	1.00	1.00	1.00	1.00	1.00	1.00
Security of Persons and Property						
Police	18.00	18.00	18.00	18.00	18.00	18.00
Dispatch	6.00	6.00	6.00	6.00	5.50	5.50
Fire	9.00	9.00	9.00	9.00	9.00	9.00
Fire - Volunteers	34.00	35.00	35.00	35.00	30.00	32.00
Transportation						
Street	6.00	6.00	6.00	6.00	6.00	6.00
Leisure Time Activities						
Recreation/Seniors	0.50	0.50	1.50	1.50	1.50	1.50
Community Environment						
Service	1.00	1.50	1.50	1.50	2.00	2.00
<i>Total Employees</i>	<u>82.50</u>	<u>83.50</u>	<u>84.50</u>	<u>84.50</u>	<u>79.50</u>	<u>81.50</u>

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

Source: Finance Director's Office

City of Northwood, Ohio

2021	2022	2023	2024
4.00	4.00	2.00	2.00
1.50	1.50	1.50	1.50
1.00	1.00	1.00	1.00
1.00	1.00	1.00	2.00
17.00	17.00	18.00	20.00
4.50	5.00	5.00	5.00
9.00	9.00	9.00	12.00
32.00	32.00	32.00	29.00
6.00	6.00	6.00	7.00
1.50	2.00	2.00	7.50
2.00	2.00	2.00	2.00
79.50	80.50	79.50	89.00

City of Northwood, Ohio

Operating Indicators by Function Last Ten Years

	2015	2016	2017	2018	2019
Governmental Activities					
General Government					
Court					
Number of Criminal Cases	224	314	270	391	264
Number of Traffic Cases	1,795	1,913	1,965	1,218	1,343
Number of Open Cases	288	260	195	138	183
Permits					
Residential Zoning Permits	168	123	167	143	130
Commercial Zoning Permits	6	6	43	17	7
Industrial Zoning Permits	10	11	10	3	14
Central Business District	10	16	27	4	9
Security of Persons and Property					
Police					
Criminal/Juvenile Arrests	292	371	317	392	342
Traffic Citations Issued	1,712	1,816	1,970	1,266	1,381
Parking Tickets Written	125	119	73	40	41
Number of Calls Answered	13,059	13,779	16,466	14,570	15,933
Fire					
Number of Calls Answered	982	967	951	967	1,085
Number of Inspections	293	240	218	197	219

Source: Finance Director's Office

City of Northwood, Ohio

2020	2021	2022	2023	2024
203	212	297	148	140
1,010	1,041	1,172	1,137	1,642
100	124	103	117	101
193	208	199	183	196
18	12	113	121	29
22	24	54	28	53
27	59	102	46	85
324	303	432	273	281
1,129	1,099	1,007	1,193	1,711
9	17	12	11	2
14,615	13,921	15,426	18,689	18,881
1,012	1,088	1,090	1,380	1,268
32	82	220	292	365

City of Northwood, Ohio

Capital Asset Statistics by Function Last Ten Years

	2015	2016	2017	2018	2019
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	118	118	220	240	240
Buildings	6	6	6	6	6
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	12	12	12	13	13
Fire					
Stations	2	2	2	2	2
Vehicles	15	15	15	15	15
Transportation					
Streets					
Streets (lane miles)	47	47	47	47	47
Intersections with Traffic Signals	16	16	16	16	16
Vehicles	11	11	11	11	11
Leisure Time Activities					
Recreation					
Park Areas (acres)	83	83	83	86	86
Shelter Houses	2	2	2	2	2
Parks	4	4	4	4	4
Playgrounds	2	2	2	2	2
Tennis Courts	4	2	2	1	1
Baseball/Softball Diamonds	4	4	4	4	4
Soccer Fields	2	2	2	2	2

Source: Finance Director's Office

City of Northwood, Ohio

2020	2021	2022	2023	2024
240	214	190	182	182
7	7	7	8	8
1	1	1	1	1
13	13	13	13	13
2	2	2	2	2
15	15	15	15	15
47	47	47	48	48
16	16	16	16	16
11	11	11	11	11
86	86	86	86	86
2	2	2	2	2
4	4	4	4	4
2	2	2	2	2
1	1	1	1	1
4	4	4	4	4
2	2	2	2	2



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OHIO AUDITOR OF STATE KEITH FABER



CITY OF NORTHWOOD

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/9/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov