



Dave Yost • Auditor of State



CITY OF NORTON  
SUMMIT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	1
Schedule of Prior Year Findings .....	3

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# Dave Yost • Auditor of State

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

City of Norton  
Summit County  
4060 Columbia Woods Drive  
Norton, Ohio 44203

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 30, 2013, wherein we noted the City restated beginning fund balances due to improper recording of proceeds and expenditures related to various capital projects.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 30, 2013

CITY OF NORTON  
SUMMIT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2011-01	<b>Ohio Rev. Code Section 5705.39</b> , various funds had appropriations which exceeded estimated resources.	Yes	Finding no longer valid.

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*CITY OF*

*NORTON, OHIO*



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED—DECEMBER 31

**2012**

# **City of Norton, Ohio**

## **Comprehensive Annual Financial Report**

*For the Year Ended December 31, 2012*

Issued by:

City of Norton  
Department of Finance

Laura Starosta  
Director of Finance

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Introductory**

**Section**



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**2012**

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**City of Norton, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2012*  
*Table of Contents*

	<u>Page</u>
<b>I. Introductory Section</b>	
Table of Contents .....	i
Letter of Transmittal .....	iv
GFOA Certificate of Achievement .....	ix
Principal Officials .....	x
Organizational Chart .....	xi
<b>II. Financial Section</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	12
Statement of Activities .....	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund .....	18
Street Construction, Maintenance and Repair Fund.....	19
Fire/EMS Levy Fund.....	20
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	21
Notes to the Basic Financial Statements .....	22
Combining and Individual Fund Statements and Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions – Nonmajor Governmental Funds.....	55
Combining Balance Sheet – Nonmajor Governmental Funds.....	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	59

Combining Balance Sheet – Nonmajor Special Revenue Funds.....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	63
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	68
Combining Statements – Agency Funds:	
Fund Descriptions – Fiduciary Funds.....	70
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	71
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund.....	73
Street Construction, Maintenance and Repair Fund .....	78
Fire/EMS Levy Fund .....	79
Special Assessment Bond Retirement Fund .....	80
Nonmajor Funds:	
State Highway Improvement Fund .....	81
Fire Fund.....	82
Emergency Medical Services Fund .....	83
DARE Program Fund.....	84
Drug Law Enforcement Fund .....	85
Law Enforcement Fund .....	86
Law Enforcement Assistance Fund .....	87
DWI Enforcement and Education Fund.....	88
Cemetery Fund.....	89
Police and Fire Disability and Pension Fund.....	90
Mayor’s Court Fund.....	91
Water System Fund.....	92
Sanitary Sewer Fund.....	93
Special Permissive License Plate Tax Fund .....	94
Community Center Fund .....	95
Greenwich Road Fund .....	96
Recycling Fund .....	97
Scrap Tire Fund .....	98
Brentwood Water Fund.....	99
General Obligation Bond Retirement Fund .....	100
Land and Land Improvements Fund .....	101
Buildings Fund.....	102
Streets, Highways and Bridges Fund.....	103
Storm Sewers Fund.....	104
Waterlines Fund.....	105
Sanitary Sewers Fund .....	106
Gardner Phase I Fund .....	107
Gardner Phase III Fund.....	108
Water and Sewer Improvements Fund.....	109

### III. Statistical Section

Statistical Section Descriptions.....	S1
Net Position By Component – Last Nine Years.....	S2
Change in Net Position – Last Nine Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years .....	S8
Changes in Fund Balances, Governmental Funds – Last Ten Years .....	S10
Assessed Valuation and Estimated Actual Values Taxable Property – Last Ten Years .....	S12
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years .....	S14
Property Tax Levies and Collections – Last Ten Years.....	S16
Income Tax Revenue Base and Collections – Last Ten Years.....	S18
Principal Real Estate Property Taxpayers – 2012 and 2003 .....	S20
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita – Last Ten Years.....	S21
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S23
Legal Debt Margin – Last Ten Years.....	S24
Demographic and Economic Statistics – Last Ten Years .....	S26
Principal Employers – 2012 and 2003 .....	S28
Operating Indicators by Function/Program – Last Ten Years .....	S30
Capital Assets Statistics by Function/Program – Last Ten Years.....	S34
City Government Employees by Function/Program – Last Ten Years.....	S36

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# CITY OF NORTON

4060 Columbia Woods Drive  
Norton, Ohio 44203

Offices: 330-825-7815 Fax: 330-825-3104  
Website: [www.cityofnorton.org](http://www.cityofnorton.org)

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Mayor Mike Zita

July 30, 2013

Members of City Council and  
Citizens of Norton

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

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State rendered an opinion on the City's financial statements as of December 31, 2012, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

In September 1785, the area that became Norton was purchased as Town 1, Range 12 of the historic Connecticut Western Reserve. Early Norton consisted of seven hamlets: Norton Center, Loyal Oak, Western Star, Hametown, Sherman, Johnson's Corners, and New Portage.

The area was sparsely populated until after the War of 1812 when New Englanders relocated into the region followed by German settlers from Pennsylvania. Norton was originally a part of Wolf Township locally organized in 1816 along with what are now Copley, Guilford, Montville, Sharon and Wadsworth Townships.

Independent Norton Township was formed in the spring of 1818 and named after landowner Birdseye Norton. It was incorporated as a village in 1961, became a charter village in 1962 and became a charter City in 1969. Under the Ohio Constitution, the City of Norton may exercise all powers of self-government, and police powers to the extent not in conflict with applicable general laws. The City is subject to some general laws applicable to all cities.

The City is located in the counties of Summit and Wayne in northeastern Ohio, and is approximately 21 square miles in size. The City of Norton is approximately 40 miles south of Cleveland, and five miles southwest of Akron. The Highway system includes State Route 21, U.S. 224 and Interstate 76 with access to Interstate 77. The Ohio Turnpike and Interstate 71 are approximately 15 minutes away. The Akron-Canton Airport, 20 miles south, and Cleveland-Hopkins Airport, 35 miles north, both offer commercial, passenger and freight service. Wheeling and Lake Erie provide rail service to the community.

The City of Norton has an excellent public school system which is supplemented by local vocational and technical schools. An array of higher education programs are available at nearby University of Akron (5 miles) as well as Mount Union, Baldwin Wallace, Lake Erie College, Oberlin, John Carroll, Kenyon, Ashland, Malone, Walsh, Stark State, Cleveland State, Cuyahoga County Community College, Notre Dame (Cleveland), Mount Union (Alliance), NEOUCOM College, Case Western Reserve University, Kent State University, Wooster ATI and Wooster College, all within a one-hour drive.

As authorized by its charter and codes, the City provides the following broad categories of services to its citizens:

- ◆ The Service Department includes the division of Streets, Parks and Cemeteries. The Service Department is also responsible for maintenance of City facilities and vehicles.
- ◆ The Safety Department includes the divisions of Police, Fire and Emergency Medical Services.
- ◆ The Administration Department is responsible for all other functions including building, zoning and development.

As previously mentioned, Norton was organized as a Village in 1961; the Village was and the City is a home-rule municipal corporation operating under the laws of the State of Ohio. The original charter was adopted on November 6, 1962. The Charter was readopted by the voters in its entirety on November 5, 1991. The Charter has been amended various times since this date.

Legislative authority is vested in a seven member Council, four of which are elected from wards and three elected at-large. Council's term of office begins January 1<sup>st</sup> following the election, and runs for four years. Council holds an organizational meeting the second day of January of each year, or if such date is a Saturday or Sunday then on the following Monday. The prior President of Council presides over the meeting until the members of Council elect a President of Council.

Council appoints the Clerk of Council, who serves at the pleasure of the Council. The City Council approves compensation of City officials and employees, and enacts legislation in the form of ordinances and resolutions relative to City services, income taxes, appropriating and borrowing monies, and other municipal purposes.

The Mayor is elected for a four-year term to begin the first day of January following the election. According to the Charter, the Mayor is the executive of the City and is responsible to the electors for enforcement of all laws and ordinances, and for control and proper operation of all

administrative departments and divisions. The Mayor appoints an Administrative Officer, Director of Finance, Director of Law, and Director of Community Development, subject to confirmation by a majority vote of Council. The Administrative Officer serves as the head of the service and safety departments. The Directors are responsible to the Mayor for the general administration of the affairs of the City. The Director of Community Development is currently an unfilled position, and those tasks are shared by the Administrative Officer and the Superintendent of Buildings and Zoning Inspector.

## **LOCAL ECONOMY**

The City experienced little to no growth in 2012, both in the areas of commercial and residential development. Construction activity was low and permits and inspections were historically low.

Some positives did occur. Fred Martin Motors completed a renovation and expansion project in 2009, investing around \$5,000,000 and providing an impressive new look to their already prime location just off Interstate 76 at Barber Road. Since that expansion, Fred Martin Motors has experienced increased sales at the facility. They have also opened a new Fiat Dealership and purchased two nearby properties, one of which is an expansion of their auto sales and the other is in design for a new car wash/oil changing business. In 2010, JR Engineering (Wheel) brought back employees and returned to the top ten principal employer's list in 2011, and is anticipated to remain there for years to come. The Loyal Oak area of the City of Norton has seen several new openings led by Affirm Decking and a remodel of the Lofts at Loyal Oak. Power Graphics expanded the apparel line. Raymond James completed the remodeling of the former Bishop Buick location, opening its new offices in 2012. Pizza Hut completed a new building and is now serving from the new Cleveland Massillon Road location. Norton Community Care doctor's office moved into the City during 2012 and performed a complete interior renovation to their new location. In late fall, ABC Plumbing became a new member of the Norton business community. Other businesses continue to remodel and invest in their locations, while inquiries as to locations from new business indicate a renewed faith in the Norton business district.

## **CITY PROJECTS**

The City continues capital investments in Columbia Woods Park (a main park adjacent to the City Offices and the Community Center) with the completion of basketball courts, a new permanent home for Safety Town and a new pavilion.

The City completed the design of its new fire station in 2009 and construction began in early 2010 and the project is now completed. The station is sized to handle all of our current needs and anticipated expansion due to anticipated development. The capital cost is funded by a levy passed by voters in 2007.

The City began the engineering on a new sewer line to service the City's service garage. This project is anticipated to be completed in 2013.

## **MAJOR INITIATIVES**

New projects on the horizon include a \$16 million (original estimate) expansion of Cleveland-Massillon Road, a main thoroughfare. Grants account for 80-90 percent of the project funding and engineering on the project continues and remains on track. The City is still in the engineering phase of a large sanitary sewer project to serve the Nash Heights area. Nash Heights is predominantly residential and there is a high need for sewer service given the general age of the septic systems now serving the area. Additionally, the Nash Heights project would set the stage for economic development in the areas north and west of the residential area.

The City continues to seek funding to purchase Lake Dorothy, a 200-plus acre lake in the center of the community. Lake Dorothy is unique in that entire perimeter of the lake is privately owned.

## **FINANCIAL PLANNING AND POLICIES**

Unassigned fund balances for funds with annual operating expenditures need a healthy carryover to avoid cash management issues and to cover budget increases when necessary. For planning and budgetary purposes for operating funds, Norton has targeted 15 to 33 percent carryover balances as a percent of appropriations. This large carryover is needed to cover accrued obligations and unexpected expenditures. Further, the healthy balances are intended to be attractive to financing sources when we issue debt. As of December 31, 2012, the general fund carryover was up to around 38 percent of 2012 expenditures (cash basis). It is notable that the City of Norton received \$113,400 in entertainment device fees in 2012, but it is unclear if this revenue will continue at this pace or even exist in future periods.

## **NEW TAXES SUPPORT LOCAL GOVERNMENT**

In November 2004, the voters of Norton approved a half (1/2) percent increase for City income tax and then in 2005 out-sourced the collection to Central Collection Agency, a regional income tax collecting service in Cleveland. The annual income tax collections (cash basis) increased from \$2,657,039 in 2004 to \$4,014,015 in 2008 for an increase of 51.07 percent. Income tax revenues since this time have been down due to a slowdown in the economy and appear to be recovering in 2012. Income tax results for the general fund for 2012 were \$4,308,228. This is on a cash basis after the mandatory movement of income tax to the water and sewer improvements fund due to the change in the tax credit.

In 2009, the Norton City Council passed a change to the tax credit from a full credit up to 1 and 1/2 percent credit effective July 1, 2009. As a result, all residents pay at least a 1/2 percent income tax to the City of Norton. The proceeds from this change are intended to be used on sewer and water lines. Revenues began in 2009, and have generated approximately \$1,265,000 on a cash basis as of December 31, 2012.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norton for its Comprehensive Annual Financial Reports for the year ended December 31, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period. The City of Norton has received a Certificate of Achievement for years. Nevertheless, we believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for review.

The Director of Finance strongly supports full disclosure of the City's finances. We would like to thank the Members of Council, whose leadership made the preparation of this report possible. The employees of the City of Norton are dedicated to serve its citizens. The preparation of a report of this scope depends upon the dedication of many employees, but especially to the employees in the Department of Finance and to the Local Government Services Section of the Auditor of State's Office for their assistance and guidance in the preparation of this report.

We would like to take this opportunity to thank the residents, businesses and taxpayers of the City of Norton for entrusting us with the administration of their local government.

Respectfully submitted,

  
Mike Zita  
Mayor

  
Laura Starosta  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norton  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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



*Christopher P. Morinell*

President

*Jeffrey R. Emer*

Executive Director

**City of Norton, Ohio**

*Principal Officials*

*December 31, 2012*

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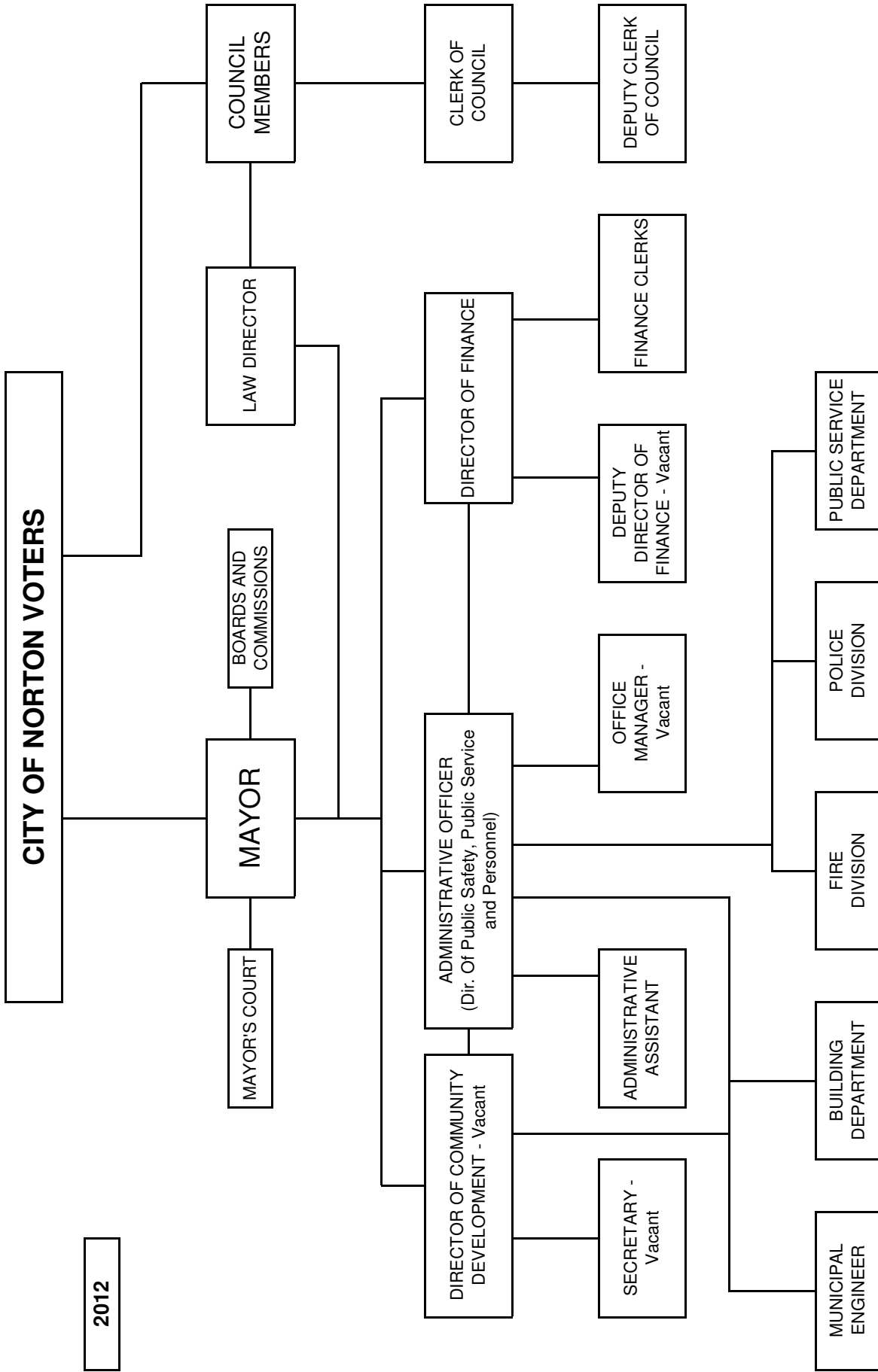
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*Elected Officials*

Mike Zita..... Mayor  
Todd Bergstrom ..... City Council, Vice President, Ward 1  
Don Nicolard..... City Council, President, Ward 2  
William Mowery ..... City Council, Ward 3  
John Conklin ..... City Council, Ward 4  
Dennis McGlone ..... City Council, At-Large  
Charlotte Whipkey ..... City Council, At-Large  
Scott Pelot ..... City Council, At-Large

*Administrators*

Rick Ryland ..... Administrative Officer  
Laura Starosta ..... Director of Finance and Tax Administrator  
Peter Kostoff ..... Director of Law  
Thad Hete ..... Police Chief  
Mike Schultz ..... Chief of Fire/EMS  
Russ Arters..... Superintendent of Buildings and Zoning Inspector  
James Mitchell ..... Clerk of Mayor's Court  
Corinne Hoover Six ..... Court Magistrate  
Karla Richards ..... Clerk of Council



2012



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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Financial**

**Section**



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**2012**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Norton  
Summit County  
4060 Columbia Woods Drive  
Norton, Ohio 44203

To the Members of Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, Ohio, as of December 31, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General, Fire/EMS Levy, and Street Maintenance and Repair Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, certain fund balances as of January 1, 2012 were restated. During 2012, it was determined that certain fund balances were misstated in the prior year due to improper recording of proceeds and expenditures related to various capital projects. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2013 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 30, 2013

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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The discussion and analysis for the City of Norton's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2012. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding regarding the City's financial performance, one should also review the transmittal letter, the basic financial statements and notes to the basic financial statements.

**Financial Highlights**

The financial summary for 2012 follows:

- The City issued \$1,315,000 in various improvement notes to finance several projects underway in the City, including construction of a new fire station and installing waterlines.
- The City advance refunded a portion of the 2003 various purpose bonds during 2012 as well as issued bonds to finance various special assessment projects.
- The City's largest expense occurred within the security of persons and property. A significant decrease can be seen in the statement of activities in 2012 compared to 2011. This was due to the reduction of expenses for fire and emergency medical services.

**Using this Annual Financial Report**

As an introduction to the City of Norton's financial status this annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of Norton as a whole or as an entire operating entity. The statements will provide a detailed look at specific financial conditions.

The Statement of Net Position and Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2012 and how they affected the City of Norton's operations. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

**Reporting the City of Norton as a Whole**

Statement of Net Position and the Statement of Activities

This financial view of the City as a whole considers all transactions and answers the question of how the City of Norton performed financially during 2012. The Statement of Net Position and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity, as well as the overall evaluation of the City's financial status.

These statements include all non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting. This method takes into account all revenues when they are earned and all expenses when they are incurred. Transactions are booked when they occur and not when actual cash is received for revenues or when invoices are paid.



**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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These two statements report the City's net position and any changes in net position, which is an important method to use to inform the reader whether the financial position of the City is improving or deteriorating. To evaluate the overall position of the City, particular items must be taken into consideration. These items include the current economic situation as a whole, the current tax base for the City and the age and condition of City buildings and infrastructure.

The Statement of Net Position and the Statement of Activities for the City of Norton are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning of Year and Year's End

**Reporting the City of Norton's Most Significant Funds**

**Fund Financial Statements**

The analysis of the City's major funds begins on page 8. Fund financial reports give detailed information of activities within these funds. The City currently has thirty-four funds, which have been established to account for the multitude of services provided to residents, for the operation of facilities, as well as for infrastructure and capital purchases. These fund financial statements focus on the City's four major funds: the general fund, the street construction, maintenance and repair fund, the fire/EMS levy fund, the 2012 fire/EMS levy fund, and the special assessment bond retirement fund.

*Governmental Funds* – The City's major activities are reported in the governmental funds, which focus on cash flows and year end balances available for future spending. The accounting method used to report this activity is the modified accrual method, which measures cash and all other financial assets that can be converted into cash. Here noted is the level of financial resources for services the City intends to provide in the near future. These services include fire and safety protection, as well as maintaining and improving streets and roads, storm sewers, parks and other facilities. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds is reconciled in the financial statements.

*Fiduciary Fund* – The City has only one type of fiduciary fund, agency funds. Agency funds are used to account for resources held for the benefit of parties outside the City. The agency funds are not reflected on the government-wide statements because the resources from those funds are not available to support the City's programs.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

**The City of Norton as a Whole**

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2012 as they compare to 2011.

**Table 1**  
**Net Position**

	Governmental Activities		
	2012	2011	Change
<i>Assets</i>			
Current and Other Assets	\$15,249,252	\$10,866,701	\$4,382,551
Capital Assets, Net	23,294,704	23,356,528	(61,824)
Total Assets	38,543,956	34,223,229	4,320,727
<i>Deferred Outflows of Resources</i>	75,827	0	75,827
<i>Liabilities</i>			
Current and Other Liabilities	387,670	650,298	(262,628)
Long-term Liabilities			
Due Within One Year	619,657	589,681	29,976
Due in More than One Year	8,564,016	8,103,869	460,147
Total Liabilities	9,571,343	9,343,848	227,495
<i>Deferred Inflows of Resources</i>	2,031,560	1,585,733	445,827
<i>Net Position</i>			
Net Investment in Capital Assets	15,103,220	15,529,859	(426,639)
Restricted:			
Capital Projects	454,614	325,017	129,597
Debt Service	2,269,790	399,345	1,870,445
Police	62,123	83,564	(21,441)
Fire and EMS	1,338,729	1,186,143	152,586
Transportation	780,096	647,652	132,444
Sewerline/Waterline Maintenance	1,497,061	851,439	645,622
Other Purposes	57,990	52,709	5,281
Unclaimed Monies	6,633	5,320	1,313
Unrestricted	5,446,624	4,212,600	1,234,024
Total Net Position	\$27,016,880	\$23,293,648	\$3,723,232

Current and other assets has increased significantly over 2011. The City issued special assessment bonds for various water and sewer improvements and the related receivable increased. Additionally, equity in pooled cash and cash equivalents increased as a result of charges for services recorded for new special assessments.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

Long-term liabilities due in more than one year increased due to the issuance of special assessment bonds for various water and sewer improvements. The deferred inflows of resources increase is due to increases in property taxes related to the replacement of four older levies for fire and emergency medical services with a single levy assessed at current values.

Table 2 shows the changes in net position for 2012 compared to 2011.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		
	2012	2011	Change
<i>Revenues:</i>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$3,033,512	\$1,115,510	\$1,918,002
Operating Grants and Contributions	996,859	1,021,700	(24,841)
Capital Grants and Contributions	145,167	266,323	(121,156)
<b>Total Program Revenues</b>	<b>4,175,538</b>	<b>2,403,533</b>	<b>1,772,005</b>
<i>General Revenues:</i>			
Property Taxes	1,660,539	1,713,157	(52,618)
Income Tax	4,865,924	4,713,949	151,975
Grants and Entitlements	409,661	753,015	(343,354)
Interest	6,069	6,412	(343)
Other	187,211	179,916	7,295
<b>Total General Revenues</b>	<b>7,129,404</b>	<b>7,366,449</b>	<b>(237,045)</b>
<b>Total Revenues</b>	<b>11,304,942</b>	<b>9,769,982</b>	<b>1,534,960</b>
<i>Program Expenses:</i>			
General Government	2,024,702	1,867,424	157,278
Security of Persons and Property	3,404,024	3,894,241	(490,217)
Transportation	1,369,735	1,361,018	8,717
Community Environment	205,175	136,519	68,656
Public Health Services	90,538	336,423	(245,885)
Leisure Time Activities	132,009	173,648	(41,639)
Interest and Fiscal Charges	355,527	280,450	75,077
<b>Total Expenses</b>	<b>7,581,710</b>	<b>8,049,723</b>	<b>(468,013)</b>
<b>Increase in Net Position</b>	<b>3,723,232</b>	<b>1,720,259</b>	<b>2,002,973</b>
<b>Net Position Beginning of Year</b>	<b>23,293,648</b>	<b>21,573,389</b>	<b>1,720,259</b>
<b>Net Position End of Year</b>	<b>\$27,016,880</b>	<b>\$23,293,648</b>	<b>\$3,723,232</b>

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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The increase to charges for services and sales is due to the sale of special assessment bonds and certifying the assessment to the County Fiscal Officer for collection. Grants and entitlements decreased due to the cuts in local government fund revenue received from the State of Ohio.

Program expenses for security of persons and property saw a significant decrease from the prior year. This decrease is due to constraining the expenses for fire and emergency medical services to a financially manageable level and still meeting the needs of the City residents. This was done because the department was operating with four old property tax levies which were no longer sustaining the cost of the department's operations. The voters approved the replacement of these levies with a new levy assessed at current values.

### **Governmental Activities**

Several revenue sources fund governmental activities with the City of Norton's municipal income tax being the largest contributor. The income tax rate of 1 percent was created by City Charter adopted November 6, 1962 and re-adopted in its entirety by the voters at a general election held on November 5, 1992. The City allowed a 100 percent credit of taxes paid to other municipalities, up to 1 percent of income. The 1 percent tax created by the Charter remained in effect until July 1, 1974, when Norton's electorate increased the income tax rate to 1.5 percent, with a 100 percent credit of taxes paid to other municipalities up to 1.5 percent of income. The 1.5 percent tax remained in effect until November 4, 2004, when Norton's electorate increased the income tax rate effective January 1, 2005 to 2 percent, with a 100 percent credit of taxes paid to other municipalities up to 2 percent of income. In 2009, City Council reduced the credit to a maximum of 1.5 percent towards the 2 percent tax, with the proceeds going to sewer and water improvement projects.

The operations of the City's safety forces account for the largest expense in governmental activities, representing almost half of the total governmental activity expenses. The police service for the City of Norton is a full time, 24-hour per day, 365 days per year operation. The staff consists of a full time chief, three full time sergeants, ten full time patrol officers, six part time patrol officers and one full time records clerk. The police operations also include dispatch for police, fire and EMS, with five full time dispatchers, and two part time dispatchers. Currently, dispatch is run as a joint project with Copley, Ohio as the City explores a long term joint project.

The fire/paramedic division is a full-time, 24-hour per day, 365-days per year operation utilizing two fire stations. The staff consists of a full time chief, two full time fire/paramedics, twenty-nine part time fire/EMT/paramedics, six of which are Lieutenants and three are Captains, and one full time secretary.

### **The City's Funds**

Information about the City's governmental funds begins on page 14. These funds are accounted for by using the modified accrual method of accounting. This year was marked by a reduction of revenues. The City responded by cutting operating costs where possible and the use of carryover balances. Historically, the City has maintained healthy carryover balances in operating funds and saves up carryover balances in capital funds.

Revenues exceeded expenditures overall by \$2,612,862, increasing the City-wide fund balance to \$8,760,028. Significant changes to the City's major funds are described below.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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For general fund, the carryover balance increased by \$956,964, due primarily to increases in municipal income tax of \$146,713 and the reduction of several classes of expenditures. General government expenditures in the general fund decreased primarily because the City purchased land in 2011, but did not in 2012. Expenditures for transportation decreased because the City did not have a road maintenance program in 2012.

The street construction, maintenance and repair fund had an increase in fund balance of \$90,187. This was achieved by a reduction of expenditures in the current year by \$70,211, as revenues in the current year slightly decreased from the prior year.

The fire/EMS levy fund expenditures decreased by \$811,639 primarily because in 2011 a note used to finance the construction of the new fire station was paid down significantly and construction on the structure was completed in 2011. Additionally, during 2012 expenditures were closely monitored for this department as discussed previously.

The 2012 fire/EMS levy fund decreased by \$45,340 during the year due to accrued wages and related benefits being recorded to this fund for the first time.

The special assessment bond retirement fund increased its fund balance over the prior year by \$27,895, which is less than the prior year's net change of \$140,215. Special assessment revenue was higher than the prior year, but this was offset by refunding debt and its associated costs.

**General Fund Budgeting Highlights**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions based on cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. The Finance Director presents City Council with a detailed line item budget for all departments. Following a Finance Committee budget hearing, which is open to the public, the annual budget is adopted at a personal service and other expenditures within each fund level of control by City Council at a regularly scheduled council meeting. Any budgetary modifications must be made by ordinance of the City Council.

Strong emphasis is placed on fund balances. The Director of Finance reviews fund balances on a regular basis. Monthly reports are submitted to the Mayor and Council showing beginning fund balances for all funds at the beginning of the year, monthly and year-to-date revenues and expenditures, intra-fund transfers, and the current fund balances. Department and division heads are also provided monthly reports to monitor their purchase orders and account balances for additional operational spending.

For the general fund, original and final budgeted revenues were \$5,118,642. Original budgeted expenditures were \$4,976,915 and final budgeted expenditures were \$5,116,203 for an increase of \$139,288. The increase is primarily the result of supplemental appropriations for the payment of debt service requirements.

Actual revenue collections for general fund were \$5,656,850, \$538,208 higher than final budgeted revenues, which is attributed to higher actual municipal income tax than anticipated. Actual expenditures were \$4,700,992. This reduction of \$415,211 from the final budget was due to efforts to control actual expenditures in anticipation of lower revenue.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

**Capital Assets and Debt Administration**

**Capital Assets**

**Table 3**  
**Capital Assets at December 31**  
**(Net of Depreciation)**

	Governmental Activities		
	2012	2011	Change
Land	\$1,397,908	\$1,397,908	\$0
Construction in Progress	1,105,769	634,233	471,536
Land Improvements	970,773	1,001,941	(31,168)
Building and Improvements	4,299,437	4,339,973	(40,536)
Equipment, Furniture and Fixtures	531,029	618,383	(87,354)
Vehicles	1,151,270	1,221,999	(70,729)
Infrastructure			
Water Lines	5,658,939	5,721,912	(62,973)
Sanitary Sewer Lines	4,544,026	4,583,860	(39,834)
Roads	3,635,553	3,836,319	(200,766)
<i>Totals</i>	<u>\$23,294,704</u>	<u>\$23,356,528</u>	<u>(\$61,824)</u>

Capital assets decreased as compared to 2011, primarily due to depreciation outpacing additions. For more information about the City's capital assets, see Note 9 in the basic financial statements.

**Debt**

As of December 31, 2012, the City of Norton had the following in outstanding debt:

**Table 4**  
**Outstanding Debt at Year End**

	Governmental Activities		
	2012	2011	Change
General Obligation Bonds	\$4,557,733	\$4,717,669	(\$159,936)
Special Assessment Bonds	2,543,111	1,910,222	632,889
Long-Term Notes	1,315,000	1,315,000	0
Short-Term Notes	0	130,000	(130,000)
<i>Totals</i>	<u>\$8,415,844</u>	<u>\$8,072,891</u>	<u>\$342,953</u>

The general obligation bonds outstanding are to finance various projects in the City, including ballfields, a police radio system, and infrastructure projects. The bonds are paid from property taxes, cable franchise fees and monies transferred from the general fund.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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The special assessment bonds are to finance various projects and are paid from the collection of special assessments from the benefited property owners.

For more information about the City's debt, see Notes 10 and 11 in the basic financial statements.

**Current Financial Related Issues**

Effective January 1, 2005 the electorate of Norton approved a 0.5 percent City income tax increase. This increase was to provide funds for general municipal operations, new equipment, debt service, purchase of a City service garage, and the overall commitment of municipal services. The City has received further increases based on normal economic growth. Additionally, in 2009, City Council reduced the tax credit from up to 2 percent to up to 1.5 percent, resulting in an effective minimum tax of 0.5 percent. The new revenue from this change is committed to the cost of water and sewer improvements.

Meeting the financial and infrastructure needs of the community continues to be the primary goal of the City. The City has maintained services at past levels while adjusting to lower revenues through the Administration making fiscal management and the City Council making strict budget supervision their priorities. To facilitate the pay-down of debt, equipment purchases as well as facility improvements, acquisition and other necessary major purchases have been paid for in cash where possible. Capital construction project funded by grants, assessments or other outside revenue are supported by short term debt. The City will continue to pay close attention to healthy carryover balances and the pay-down of debt in the future.

The Administration's commitment to the residents has always been one of full disclosure of the financial position of the City. Also offered for many years is information on the City of Norton's website regarding finances, services and other matters of interest to residents. The Administration continues toward its goal of keeping all residents and other interested parties fully informed of all financial aspects of the City of Norton.

**Contacting the City of Norton's Finance Department**

The intent of this financial report is to provide Norton citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the public funds it receives, spends, and invests. If you have any questions about this report or need additional financial information, contact the Finance Department at the City of Norton, 4060 Columbia Woods Drive, Norton, Ohio 44203, (330) 825-7815, or visit our website at [www.cityofnorton.org](http://www.cityofnorton.org).

**City of Norton, Ohio**  
*Statement of Net Position*  
*December 31, 2012*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$7,947,501
Cash and Cash Equivalents In Segregated Accounts	4,814
Materials and Supplies Inventory	318,130
Accounts Receivable	289,027
Accrued Interest Receivable	597
Intergovernmental Receivable	670,345
Prepaid Items	49,231
Income Taxes Receivable	1,199,095
Property Taxes Receivable	2,277,643
Special Assessments Receivable	2,492,869
Nondepreciable Capital Assets	2,503,677
Depreciable Capital Assets, Net	20,791,027
<i>Total Assets</i>	38,543,956
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	75,827
<b>Liabilities</b>	
Accounts Payable	20,123
Accrued Wages	95,801
Intergovernmental Payable	217,066
Contracts Payable	18,250
Accrued Interest Payable	36,430
Long-Term Liabilities:	
Due Within One Year	619,657
Due in More Than One Year	8,564,016
<i>Total Liabilities</i>	9,571,343
<b>Deferred Inflows of Resources</b>	
Property Taxes	2,031,560
<b>Net Position</b>	
Net Investment in Capital Assets	15,103,220
Restricted for:	
Capital Projects	454,614
Debt Service	2,269,790
Police	62,123
Fire and EMS	1,338,729
Transportation	780,096
Sewerline/Waterline Maintenance	1,497,061
Other Purposes	57,990
Unclaimed Monies	6,633
Unrestricted	5,446,624
<i>Total Net Position</i>	\$27,016,880

See accompanying notes to the basic financial statements



**City of Norton, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$2,024,702	\$2,264,295	\$0	\$0	\$239,593
Security of Persons and Property	3,404,024	410,342	236,940	0	(2,756,742)
Transportation	1,369,735	5,346	759,919	145,167	(459,303)
Community Environment	205,175	13,861	0	0	(191,314)
Public Health Services	90,538	335,691	0	0	245,153
Leisure Time Activities	132,009	3,977	0	0	(128,032)
Interest and Fiscal Charges	355,527	0	0	0	(355,527)
<i>Totals</i>	\$7,581,710	\$3,033,512	\$996,859	\$145,167	(3,406,172)
			<b>General Revenues</b>		
			Property Taxes Levied for:		
			General Purposes		382,368
			Fire		325,315
			EMS		258,942
			Police and Fire Disability and Pension		63,078
			Fire/EMS Levy		630,836
			Income Taxes Levied for:		
			General Purposes		4,316,218
			Water and Sewer Improvements		549,706
			Grants and Entitlements not Restricted to Specific Programs		409,661
			Interest		6,069
			Other		187,211
			<i>Total General Revenues</i>		7,129,404
			Change in Net Position		3,723,232
			<i>Net Position Beginning of Year</i>		23,293,648
			<i>Net Position End of Year</i>		\$27,016,880

See accompanying notes to the basic financial statements

**City of Norton, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2012*

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	2012 Fire/EMS Levy	Special Assessment Bond Retirement
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$3,020,226	\$316,493	\$557,105	\$0	\$76,433
Cash and Cash Equivalents:					
In Segregated Accounts	4,814	0	0	0	0
Materials and Supplies Inventory	3,333	314,797	0	0	0
Accounts Receivable	9,547	0	0	0	0
Accrued Interest Receivable	597	0	0	0	0
Intergovernmental Receivable	228,722	279,498	49,411	75,763	0
Interfund Receivable	355,000	0	0	0	0
Prepaid Items	34,782	2,582	145	0	0
Income Taxes Receivable	1,061,919	0	0	0	0
Property Taxes Receivable	394,307	0	739,326	983,501	0
Special Assessments Receivable	0	0	0	0	2,492,869
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	6,633	0	0	0	0
<b>Total Assets</b>	<b>\$5,119,880</b>	<b>\$913,370</b>	<b>\$1,345,987</b>	<b>\$1,059,264</b>	<b>\$2,569,302</b>
<b>Liabilities</b>					
Accounts Payable	\$13,551	\$1,390	\$3,151	\$0	\$0
Accrued Wages	49,388	13,423	11,546	21,444	0
Intergovernmental Payable	139,105	26,223	19,531	23,896	0
Contracts Payable	5,559	0	0	0	0
Interfund Payable	0	0	0	0	285,000
<b>Total Liabilities</b>	<b>207,603</b>	<b>41,036</b>	<b>34,228</b>	<b>45,340</b>	<b>285,000</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes	342,089	0	641,417	983,501	0
Unavailable Revenue	826,399	187,465	147,320	75,763	2,492,869
<b>Total Deferred Inflows of Resources</b>	<b>1,168,488</b>	<b>187,465</b>	<b>788,737</b>	<b>1,059,264</b>	<b>2,492,869</b>
<b>Fund Balances</b>					
Nonspendable	44,748	317,379	145	0	0
Restricted	5,416	367,490	522,877	0	0
Committed	119,975	0	0	0	0
Assigned	419,152	0	0	0	0
Unassigned (Deficit)	3,154,498	0	0	(45,340)	(208,567)
<b>Total Fund Balances (Deficit)</b>	<b>3,743,789</b>	<b>684,869</b>	<b>523,022</b>	<b>(45,340)</b>	<b>(208,567)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$5,119,880</b>	<b>\$913,370</b>	<b>\$1,345,987</b>	<b>\$1,059,264</b>	<b>\$2,569,302</b>

See accompanying notes to the basic financial statements

**City of Norton, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2012*

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Fund Balances</b>	\$8,760,028
		<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
\$3,970,611	\$7,940,868	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	23,294,704
0	4,814	Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
0	318,130		
279,480	289,027	Delinquent Property Taxes	246,083
0	597	Municipal Income Tax	685,386
36,951	670,345	Charges for Services	184,026
0	355,000	Special Assessments	2,492,869
11,722	49,231	Intergovernmental	498,060
137,176	1,199,095	Total	4,106,424
160,509	2,277,643		
0	2,492,869		
0	6,633	In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(36,430)
\$4,596,449	\$15,604,252	Long-term liabilities, including notes and bonds payable are not due and payable in the current period and therefore are not reported in the funds:	
\$2,031	\$20,123	General Obligation Bonds	(4,557,733)
0	95,801	Special Assessment Bonds	(2,543,111)
8,311	217,066	Various Purpose Notes	(1,315,000)
12,691	18,250	Compensated Absences	(767,829)
70,000	355,000	Total	(9,183,673)
93,033	706,240		
64,553	2,031,560	Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.	75,827
376,608	4,106,424		
441,161	6,137,984	<i>Net Position of Governmental Activities</i>	\$27,016,880
11,722	373,994		
2,717,502	3,613,285		
1,176,524	1,296,499		
156,507	575,659		
0	2,900,591		
4,062,255	8,760,028		
\$4,596,449	\$15,604,252		

**City of Norton, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2012*

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	2012 Fire/EMS Levy	Special Assessment Bond Retirement	Other Governmental Funds
<b>Revenues</b>						
Property Taxes	\$390,405	\$0	\$645,840	\$0	\$0	\$650,135
Municipal Income Tax	4,294,938	0	0	0	0	542,212
Charges for Services	152,183	5,346	2,590	0	0	729,007
Special Assessments	0	0	0	0	167,642	22,077
Licenses, Permits and Fees	47,727	0	0	0	0	0
Fines and Forfeitures	68,758	0	0	0	0	22,010
Intergovernmental	625,983	624,467	101,497	0	0	307,885
Interest	5,862	191	0	0	0	16
Other	141,076	4,147	5,611	0	0	36,377
<i>Total Revenues</i>	<u>5,726,932</u>	<u>634,151</u>	<u>755,538</u>	<u>0</u>	<u>167,642</u>	<u>2,309,719</u>
<b>Expenditures</b>						
Current:						
General Government	1,691,902	0	0	0	3,035	103,530
Security of Persons and Property	1,886,507	0	471,056	45,340	0	819,188
Transportation	155,273	962,664	0	0	0	45,514
Community Environment	181,650	0	0	0	0	0
Public Health Services	851	0	0	0	0	112,082
Leisure Time Activities	92,904	0	0	0	0	0
Capital Outlay	0	0	0	0	0	392,174
Debt Service:						
Principal Retirement	510,000	0	400,000	0	165,000	600,000
Interest and Fiscal Charges	10,553	0	8,614	0	83,021	135,127
Bond Issuance Costs	0	0	0	0	74,076	109,443
Refunded Bonds Redeemed	0	0	0	0	24,464	15,623
<i>Total Expenditures</i>	<u>4,529,640</u>	<u>962,664</u>	<u>879,670</u>	<u>45,340</u>	<u>349,596</u>	<u>2,332,681</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,197,292</u>	<u>(328,513)</u>	<u>(124,132)</u>	<u>(45,340)</u>	<u>(181,954)</u>	<u>(22,962)</u>
<b>Other Financing Sources (Uses)</b>						
General Obligation Notes Issued	510,000	0	400,000	0	0	405,000
Special Assessment Bonds Issued	0	0	0	0	2,525	654,475
Premium on Special Assessment Bonds	0	0	0	0	1,924	24,976
Refunding Bonds Issued	0	0	0	0	1,388,000	850,000
Premium on Refunding Bonds	0	0	0	0	43,538	78,773
Payments to Refunded Bond Escrow Agent	0	0	0	0	(1,363,536)	(877,204)
Transfers In	0	418,700	0	0	137,398	372,421
Transfers Out	(750,328)	0	(175,085)	0	0	(3,106)
<i>Total Other Financing Sources (Uses)</i>	<u>(240,328)</u>	<u>418,700</u>	<u>224,915</u>	<u>0</u>	<u>209,849</u>	<u>1,505,335</u>
<i>Net Change in Fund Balances</i>	956,964	90,187	100,783	(45,340)	27,895	1,482,373
<i>Fund Balances (Deficit) Beginning of Year</i>						
- Restated (See Note 3)	2,786,825	594,682	422,239	0	(236,462)	2,579,882
<i>Fund Balances (Deficit) End of Year</i>	<u>\$3,743,789</u>	<u>\$684,869</u>	<u>\$523,022</u>	<u>(\$45,340)</u>	<u>(\$208,567)</u>	<u>\$4,062,255</u>

See accompanying notes to the basic financial statements

**City of Norton, Ohio**

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2012*

Total Governmental Funds	<b>Net Change in Fund Balances -Total Governmental Funds</b>	\$2,612,862
	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
\$1,686,380	Governmental funds report capital outlays as expenditures. However,	
4,837,150	in the statement of activities, the cost of those assets is allocated	
889,126	over their estimated useful lives as depreciation expense. This is	
189,719	the amount by which depreciation exceeded capital outlays in the	
47,727	current period.	
90,768	Capital Asset Additions	727,863
1,659,832	Current Year Depreciation	<u>(756,831)</u>
6,069	Total	(28,968)
187,211		
9,593,982	Governmental funds only report the disposal of capital assets to the extent	
	proceeds are received from the sale. In the statement of activities, a gain	
	or loss is reported for each disposal.	(32,856)
	Revenues in the statement of activities that do not provide current	
1,798,467	financial resources are not reported as revenues in the funds.	
3,222,091	Delinquent Property Taxes	(25,841)
1,163,451	Municipal Income Taxes	28,774
181,650	Charges for Services	22,350
112,933	Special Assessments	1,793,822
92,904	Intergovernmental	<u>(108,145)</u>
392,174	Total	1,710,960
1,675,000	Other financing sources in the governmental funds that increase long-term	
237,315	liabilities in the statement of net position are not reported as revenues in	
183,519	the statement of activities.	
40,087	General Obligation Notes Issued	(1,315,000)
	Special Assessment Bonds Issued	(657,000)
9,099,591	Premium on Special Assessment Bonds	(26,900)
	Refunding Bonds Issued	(2,238,000)
494,391	Premium on Refunding Bonds	<u>(122,311)</u>
	Total	(4,359,211)
1,315,000	Repayment of bond and note principal and advance refunding are	
657,000	expenditures or other financing uses in the governmental funds,	
26,900	but the repayment reduces long-term liabilities in the statement	
2,238,000	of net position.	
122,311	Principal Retirement	1,675,000
(2,240,740)	Advance Refunding	<u>2,280,827</u>
928,519	Total	3,955,827
(928,519)		
2,118,471	Some expenses reported in the statement of activities do not require the use	
	of current financial resources and therefore are not reported as	
	expenditures in governmental funds.	
2,612,862	Accrued Interest on Bonds	(124,470)
	Amortization of Premium on Bonds	<u>6,258</u>
	Total	(118,212)
6,147,166		
\$8,760,028	Compensated absences reported in the statement of activities do not require	
	the use of current financial resources and therefore are not	
	reported as expenditures in governmental funds.	<u>(17,170)</u>
	<i>Change in Net Position of Governmental Activities</i>	<u><u>\$3,723,232</u></u>

**City of Norton, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$398,381	\$398,381	\$390,405	(\$7,976)
Municipal Income Tax	3,901,975	3,901,975	4,308,228	406,253
Charges for Services	115,688	115,688	169,322	53,634
Licenses, Permits and Fees	32,179	32,179	59,013	26,834
Fines and Forfeitures	142,854	142,854	89,664	(53,190)
Intergovernmental	520,002	520,002	573,515	53,513
Interest	3,802	3,802	5,643	1,841
Other	3,761	3,761	61,060	57,299
<i>Total Revenues</i>	5,118,642	5,118,642	5,656,850	538,208
<b>Expenditures</b>				
Current:				
General Government	2,139,466	2,147,882	1,916,869	231,013
Security of Persons and Property	2,135,695	2,118,647	1,982,599	136,048
Community Environment	321,018	204,829	188,010	16,819
Leisure Time Activities	139,350	82,945	62,744	20,201
Debt Service:				
Principal Retirement	231,978	540,000	540,000	0
Interest and Fiscal Charges	9,408	21,900	10,770	11,130
<i>Total Expenditures</i>	4,976,915	5,116,203	4,700,992	415,211
<i>Excess of Revenues Over Expenditures</i>	141,727	2,439	955,858	953,419
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	480,000	480,000	510,000	30,000
Advances In	264,000	264,000	300,000	36,000
Advances Out	(395,000)	(355,000)	(355,000)	0
Transfers Out	(1,342,864)	(1,081,098)	(1,122,228)	(41,130)
<i>Total Other Financing Sources (Uses)</i>	(993,864)	(692,098)	(667,228)	24,870
<i>Net Change in Fund Balance</i>	(852,137)	(689,659)	288,630	978,289
<i>Fund Balance Beginning of Year</i>	1,711,549	1,711,549	1,711,549	0
Prior Year Encumbrances Appropriated	102,714	102,714	102,714	0
<i>Fund Balance End of Year</i>	\$962,126	\$1,124,604	\$2,102,893	\$978,289

See accompanying notes to the basic financial statements

**City of Norton, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Construction, Maintenance and Repair Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$19,000	\$19,000	\$9,192	(\$9,808)
Intergovernmental	616,073	616,073	625,835	9,762
Interest	130	130	191	61
Other	6,000	6,000	4,147	(1,853)
<i>Total Revenues</i>	641,203	641,203	639,365	(1,838)
<b>Expenditures</b>				
Current:				
Transportation	1,156,106	1,174,697	1,069,210	105,487
<i>Excess of Revenues Under Expenditures</i>	(514,903)	(533,494)	(429,845)	103,649
<b>Other Financing Sources</b>				
Transfers In	418,000	418,000	418,700	700
<i>Net Change in Fund Balance</i>	(96,903)	(115,494)	(11,145)	104,349
<i>Fund Balance Beginning of Year</i>	274,484	274,484	274,484	0
Prior Year Encumbrances Appropriated	23,056	23,056	23,056	0
<i>Fund Balance End of Year</i>	<u>\$200,637</u>	<u>\$182,046</u>	<u>\$286,395</u>	<u>\$104,349</u>

See accompanying notes to the basic financial statements

**City of Norton, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire/EMS Levy Fund  
For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$745,461	\$745,461	\$645,840	(\$99,621)
Charges for Services	5	5	2,590	2,585
Intergovernmental	512	512	101,497	100,985
Other	0	0	5,611	5,611
<i>Total Revenues</i>	<u>745,978</u>	<u>745,978</u>	<u>755,538</u>	<u>9,560</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	737,617	746,008	492,192	253,816
Debt Service:				
Principal Retirement	450,000	450,000	450,000	0
Interest and Fiscal Charges	9,000	9,000	8,975	25
<i>Total Expenditures</i>	<u>1,196,617</u>	<u>1,205,008</u>	<u>951,167</u>	<u>253,841</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(450,639)</u>	<u>(459,030)</u>	<u>(195,629)</u>	<u>263,401</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	300,000	300,000	400,000	100,000
Transfers Out	(175,085)	(175,085)	(175,085)	0
<i>Total Other Financing Sources (Uses)</i>	<u>124,915</u>	<u>124,915</u>	<u>224,915</u>	<u>100,000</u>
<i>Net Change in Fund Balance</i>	(325,724)	(334,115)	29,286	363,401
<i>Fund Balance Beginning of Year</i>	440,134	440,134	440,134	0
Prior Year Encumbrances Appropriated	68,751	68,751	68,751	0
<i>Fund Balance End of Year</i>	<u>\$183,161</u>	<u>\$174,770</u>	<u>\$538,171</u>	<u>\$363,401</u>

See accompanying notes to the basic financial statements



**City of Norton, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2012*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$138,070</u></u>
<b>Liabilities</b>	
Undistributed Assets	<u><u>\$138,070</u></u>

See accompanying notes to the basic financial statements

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 1 – Description of the City and Reporting Entity**

The City of Norton (the "City") is a chartered municipal corporation, incorporated under the laws of the State of Ohio. Norton became a City in 1969. 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 also appointed by the Mayor with Council approval.

***Reporting Entity***

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Norton, this includes the departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, and general administrative services.

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

The City participates in one jointly governed organization, the Southwest Summit Council of Governments. This organization is described in Note 15 to the basic financial statements.

**Note 2 – Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

***Basis of Presentation***

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

***Government-wide Financial Statements*** The statement of net 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 usually distinguish between those activities of the City that are governmental and those that are considered business-type; the City, however, has no business-type activities.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

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

***Fund Accounting***

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

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

***General Fund*** The general fund accounts for and reports all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Norton and/or the general laws of Ohio.

***Street Construction, Maintenance and Repair Special Revenue Fund*** The street construction, maintenance and repair fund accounts for and reports State gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the City as required by the Ohio Revised Code.

***Fire/EMS Levy Special Revenue Fund*** The fire/EMS levy fund accounts for and reports restricted property taxes for operations and capital purchases of the fire/EMS department. Thirty percent of revenues generated by the levy have been allocated for capital purchases.

***2012 Fire/EMS Levy Special Revenue Fund*** The 2012 fire/EMS levy fund accounts for and reports restricted real and personal property taxes for operations and pensions relating to the fire and EMS departments. This fund did not have any budgetary activity in 2012; therefore, budgetary information is not provided.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Special Assessment Bond Retirement Debt Service Fund*** The special assessment bond retirement fund accounts for and reports the collection of special assessments levied against benefited properties restricted for the payment of special assessment bonds and the related interest.

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

***Proprietary Funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no enterprise or internal service funds.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds. The agency funds are used for performance bonds and builder deposits.

***Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statement for governmental funds.

***Basis of Accounting***

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

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Revenues – Exchange and Non-exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, fines and forfeitures, grants and fees.

**Deferred Outflows/Inflows of Resources** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, charges for services, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized when they are incurred.

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

***Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by City Council at a personal service and other expenditures within each fund level of control. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control. Authority to further allocate Council appropriations within departments has been given to the Director of Finance.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time original and final appropriations were passed by Council.

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

***Cash, Cash Equivalents and Investments***

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The City has segregated bank accounts for monies held separate from the City's central bank accounts. These accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

During 2012, investments were limited to a repurchase agreement, which is presented at cost.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund, and certain special revenue funds. Interest revenue credited to the general fund during 2012, amounted to \$5,862, which includes \$3,630 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2012, 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.

***Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

***Capital Assets***

All capital assets of the City are classified as general capital assets. They generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are valued at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation for governmental capital assets is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 30 years
Building and Improvements	75 years
Equipment, Furniture and Fixtures	5 - 30 years
Vehicles	2 - 50 years
Infrastructure	20 - 100 years

The City's infrastructure consists of water lines, sanitary sewer lines and roads and includes infrastructure acquired after 2003. The City plans to phase in the prior year amounts in future years.

***Interfund Balances***

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". These amounts are eliminated in the governmental and activities column of the statement of net position.

***Compensated Absences***

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for employees after ten years of service with the City.

***Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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



**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Fund Balances***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level formal action (ordinance or resolution, as both are legally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

***Bond Premiums***

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are received in the year the bonds are issued.

***Internal Activity***

Transfers between governmental activities are eliminated on the government wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

***Net Position***

Net position represents the difference between all other elements in a statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for recycling, court computers, and highway planning.

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

***Estimates***

The preparation of the 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.

***Deferred Charge on Refunding***

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 3 – Changes in Accounting Principles and Restatement of Fund Balances**

***Changes in Accounting Principles***

For 2012, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53," Statement No. 65, "Items Previously Reported as Assets and Liabilities," and Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62."

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the City's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the City's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the City's financial statements.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**Restatement of Fund Balances**

During 2012, it was determined that certain fund balances were misstated in the prior year due to improper recording of proceeds and expenditures related to various capital projects. The restatement had the following effect on prior year fund balances:

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	2012 Fire/EMS Levy	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
Fund Balances (Deficit) at December 31, 2011	\$2,730,576	\$594,030	\$422,239	\$0	(\$43,893)	\$2,444,214	\$6,147,166
Reclassification	56,249	652	0	0	(192,569)	135,668	0
Restated Fund Balances (Deficit) at December 31, 2011	<u>\$2,786,825</u>	<u>\$594,682</u>	<u>\$422,239</u>	<u>\$0</u>	<u>(\$236,462)</u>	<u>\$2,579,882</u>	<u>\$6,147,166</u>

**Note 4 – Accountability**

The deficit in the 2012 fire/ems levy special revenue fund of \$45,340 is due to adjustments for accrued liabilities. The deficit in the special assessment bond retirement fund of \$208,567 was caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for the deficits in these funds and provides transfers when cash is required, not when accruals occur.

**Note 5 – Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations, and changes in fund balance/net position on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general and major special revenue funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Advances-In and Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

5. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.
6. Budgetary revenues and expenditures of the special permissive license plate tax, community center, Greenwich road, and Brentwood water funds are reclassified to the general fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

Net Change in Fund Balances

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	2012 Fire/EMS Levy
GAAP Basis	\$956,964	\$90,187	\$100,783	(\$45,340)
Net Adjustment for Revenue Accruals	(614,085)	5,214	0	0
Advances In	300,000	0	0	0
Beginning Unrecorded Cash	1,918	0	0	0
Ending Unrecorded Cash	(1,368)	0	0	0
Net Adjustment for				
Expenditure Accruals	(123,637)	(76,448)	(52,563)	45,340
Advances Out	(355,000)	0	0	0
Perspective Difference:				
Special Permissive License Plate Tax Fund	342,685	0	0	0
Community Center Fund	(5,023)	0	0	0
Greenwich Road Fund	163	0	0	0
Brentwood Water Fund	(851)	0	0	0
Encumbrances	(213,136)	(30,098)	(18,934)	0
Budget Basis	<u>\$288,630</u>	<u>(\$11,145)</u>	<u>\$29,286</u>	<u>\$0</u>

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

**Note 6 – Fund Balances**

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

Fund Balances	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	2012 Fire/EMS Levy	Special Assessment Bond Retirement	Other Governmental Funds	Total
<u>Nonspendable:</u>							
Inventory	\$3,333	\$314,797	\$0	\$0	\$0	\$0	\$318,130
Prepays	34,782	2,582	145	0	0	11,722	49,231
Unclaimed Monies	6,633	0	0	0	0	0	6,633
<i>Total Nonspendable</i>	<u>44,748</u>	<u>317,379</u>	<u>145</u>	<u>0</u>	<u>0</u>	<u>11,722</u>	<u>373,994</u>
<u>Restricted for:</u>							
Police Department	0	0	0	0	0	70,404	70,404
Fire and EMS Department	0	0	522,877	0	0	454,858	977,735
Debt Service Retirement	0	0	0	0	0	170,451	170,451
Street Maintenance	0	367,490	0	0	0	19,045	386,535
Mayors Court	0	0	0	0	0	51,069	51,069
Recycling	5,416	0	0	0	0	0	5,416
Public Utilities	0	0	0	0	0	1,497,061	1,497,061
Capital Improvement	0	0	0	0	0	454,614	454,614
<i>Total Restricted</i>	<u>5,416</u>	<u>367,490</u>	<u>522,877</u>	<u>0</u>	<u>0</u>	<u>2,717,502</u>	<u>3,613,285</u>
<u>Committed to:</u>							
Cemetery	0	0	0	0	0	11,036	11,036
Public Utility Improvement	0	0	0	0	0	1,165,488	1,165,488
Purchases on Order	58,935	0	0	0	0	0	58,935
Other Purposes	61,040	0	0	0	0	0	61,040
<i>Total Committed</i>	<u>119,975</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,176,524</u>	<u>1,296,499</u>
<u>Assigned to:</u>							
Capital Improvements	0	0	0	0	0	156,507	156,507
Purchases on Order	138,971	0	0	0	0	0	138,971
Other Purposes	280,181	0	0	0	0	0	280,181
<i>Total Assigned</i>	<u>419,152</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>156,507</u>	<u>575,659</u>
Unassigned (Deficit)	<u>3,154,498</u>	<u>0</u>	<u>0</u>	<u>(45,340)</u>	<u>(208,567)</u>	<u>0</u>	<u>2,900,591</u>
<b>Total Fund Balances (Deficit)</b>	<u><b>\$3,743,789</b></u>	<u><b>\$684,869</b></u>	<u><b>\$523,022</b></u>	<u><b>(\$45,340)</b></u>	<u><b>(\$208,567)</b></u>	<u><b>\$4,062,255</b></u>	<u><b>\$8,760,028</b></u>

**Note 7 – Deposits and Investments**

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories.

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

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

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

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the City has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

### **Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the bank balance was \$3,108,508. Of the bank balance, \$1,051,231 was covered by Federal Depository Insurance (FDIC) and \$2,057,277 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure repayment of all public monies deposited in the financial institution whose fair value at all times shall be at least one hundred five percent of the deposits being secured.

### **Investments**

As of December 31, 2012, the City had an investment in a repurchase agreement with a fair value of \$5,025,000. The underlying securities of the repurchase agreement are Federal National Mortgage Association Bonds and have a maturity of less than thirty days.

**Interest Rate Risk.** The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the fair value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

**Credit Risk.** The repurchase agreements were backed by Federal National Mortgage Association Bonds which carry a rating of Aaa by Moody's. The City has no investment policy that addresses credit risk.



**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***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 Federal National Mortgage Association Bonds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute which states that the securities must be delivered into the custody of the Director of Finance or the Director of Finance's agent.

***Concentration of Credit Risk.*** With the exception of U.S. Treasury securities, federal government agency securities, and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The City's only investment is a repurchase agreement.

### **Note 8 – Receivables**

Receivables at December 31, 2012, consisted primarily of municipal income taxes, property taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest and accounts receivable.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except for special assessments and delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in one year amount to \$127,682, with the remaining \$2,365,187 expected to be collected in more than one year. At December 31, 2012, the amount of delinquent special assessments was \$46,231.

#### ***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

2012 real property taxes were levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

The full tax rate for all City operations for the year ended December 31, 2012, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

	Assessed Values
Real Estate	
Residential/Agricultural	\$203,018,390
Other Real Estate	36,257,850
Tangible Personal Property	
Public Utility	6,104,960
Total	\$245,381,200

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2012, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2012 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

***Intergovernmental Receivables***

A summary of the governmental activities principal items of intergovernmental receivables follows:

	Amounts
Local Government	\$170,312
Homestead and Rollback	156,260
Gasoline Tax	154,100
Cents Per Gallon	78,535
Motor Vehicle License Registration	54,613
Permissive Motor Vehicle License Tax	46,394
Other Grants	8,463
Miscellaneous	1,562
Public Utility Reimbursement	106
Total	\$670,345

***Income Tax***

The City levies a municipal income tax of two percent on salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. Residents of the City are granted a credit for taxes paid to other municipalities up to 1.5 percent of income.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds, after income tax department expenditures, are credited to the general fund and the water and sewer improvement capital projects fund.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

**Note 9 – Capital Assets**

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance 12/31/11	Additions	Reductions	Balance 12/31/12
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,397,908	\$0	\$0	\$1,397,908
Construction in Progress	634,233	495,604	(24,068)	1,105,769
<i>Total Capital Assets, not being depreciated</i>	<u>2,032,141</u>	<u>495,604</u>	<u>(24,068)</u>	<u>2,503,677</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,203,117	47,962	(32,414)	1,218,665
Buildings and Improvements	4,884,527	29,800	(4,880)	4,909,447
Equipment, Furniture and Fixtures	1,683,151	0	0	1,683,151
Vehicles	2,928,342	167,732	(60,159)	3,035,915
Infrastructure:				
Water Lines	6,297,339	0	0	6,297,339
Sanitary Sewer Lines	5,055,901	10,833	0	5,066,734
Roads	4,503,173	0	0	4,503,173
<i>Total Capital Assets, being depreciated</i>	<u>26,555,550</u>	<u>256,327</u>	<u>(97,453)</u>	<u>26,714,424</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(201,176)	(48,877)	2,161	(247,892)
Buildings and Improvements	(544,554)	(67,733)	2,277	(610,010)
Equipment, Furniture and Fixtures	(1,064,768)	(87,354)	0	(1,152,122)
Vehicles	(1,706,343)	(238,461)	60,159	(1,884,645)
Infrastructure:				
Water Lines	(575,427)	(62,973)	0	(638,400)
Sanitary Sewer Lines	(472,041)	(50,667)	0	(522,708)
Roads	(666,854)	(200,766)	0	(867,620)
<i>Total Accumulated Depreciation</i>	<u>(5,231,163)</u>	<u>(756,831) *</u>	<u>64,597</u>	<u>(5,923,397)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>21,324,387</u>	<u>(500,504)</u>	<u>(32,856)</u>	<u>20,791,027</u>
Governmental Activities Capital Assets, Net	<u>\$23,356,528</u>	<u>(\$4,900)</u>	<u>(\$56,924)</u>	<u>\$23,294,704</u>

\* Depreciation expense was charged to governmental functions as follows:

General Government	\$17,665
Security of Persons and Property	270,570
Transportation	302,638
Community Environment	17
Public Health Services	113,640
Leisure Time Activities	52,301
Total Depreciation Expense	<u>\$756,831</u>

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

**Note 10 – Long-Term Obligations**

The original issue date, interest rate, original issuance and maturity dates for each of the City’s bonds and long-term notes follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<b>General Obligation Bonds:</b>				
2003 Various Purpose Bonds:				
Street Improvement	2003	2 - 4%	\$570,000	December 1, 2013
Police Radio System	2003	2 - 4	415,000	December 1, 2013
Road Program	2003	2 - 4	520,000	December 1, 2013
Ballfields	2003	2 - 4	260,000	December 1, 2013
Gardner Engineering	2003	2 - 4	215,000	December 1, 2013
Barber Road Sanitary Sewer	2003	2 - 4	1,496,940	December 1, 2013
2010 Various Purpose Bonds - Series A:				
Fire Station	2010	2 - 5	2,600,000	December 1, 2035
2012 Refunding Bonds:				
Street Improvement	2012	2 - 3	220,000	December 1, 2018
Police Radio System	2012	2 - 3	158,000	December 1, 2018
Road Program	2012	2 - 3	200,000	December 1, 2018
Ballfields	2012	2 - 3	157,000	December 1, 2023
Gardner Engineering	2012	2 - 3	115,000	December 1, 2023
Barber Road Sanitary Sewer	2012	2 - 3	871,182	December 1, 2023
<b>Special Assessment Bonds</b>				
<i>with Governmental Commitment:</i>				
1996 Special Assessments Bonds	1996	6.6	122,000	December 1, 2016
2003 Barber Road Bonds	2003	2 - 4	888,060	December 1, 2013
2010 Various Purpose Bonds - Series B:				
Wadsworth, Berry, McGowan Waterlines	2010	2 - 5	294,399	
Cleveland-Massillon Road Waterline	2010	2 - 5	522,896	
Gardner Phase II	2010	2 - 5	224,042	
Hazelwood Connect	2010	2 - 5	102,019	
Johnson Meadows	2010	2 - 5	146,644	
2012 Various Purpose Bonds:				
Greenwich Street Sewer	2012	2 - 4	232,000	December 1, 2032
Gardner Street Sewer	2012	2 - 4	195,000	
Oak Street Sewer	2012	2 - 4	230,000	
2012 Refunding Bonds:				
Barber Road Special Assessments	2012	2 - 3	516,818	December 1, 2023
<b>Long-Term Notes:</b>				
2011 Land Acquisition, Water System and Fire/EMS Levy Notes	2011	2	1,315,000	August 23, 2012
2012 Land Acquisition, Water System and Fire/EMS Levy Notes	2012	1.5	1,315,000	August 22, 2013

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

A schedule of changes in bonds and other long-term obligations of the City during 2012 follows:

	Amounts Outstanding 12/31/11	Additions	Reductions	Amounts Outstanding 12/31/12	Amounts Due in One Year
<b>General Obligation Bonds:</b>					
2003 Various Purpose Bonds:					
Street Improvement	\$295,000	\$0	(\$255,000)	\$40,000	\$40,000
Police Radio System	215,000	0	(185,000)	30,000	30,000
Road Program	265,000	0	(230,000)	35,000	35,000
Ballfields	180,000	0	(165,000)	15,000	15,000
Gardner Engineering	135,000	0	(125,000)	10,000	10,000
Barber Road Sanitary Sewer	1,012,903	0	(940,723)	72,180	72,180
2010 Various Purpose Bonds - Series A:					
Fire Station - Serial	685,000	0	(70,000)	615,000	70,000
Fire Station - Term	1,845,000	0	0	1,845,000	0
Premium	84,766	0	(4,461)	80,305	0
2012 Refunding Bonds:					
Street Improvement	0	220,000	0	220,000	1,000
Police Radio System	0	158,000	0	158,000	0
Road Program	0	200,000	0	200,000	1,000
Ballfields	0	157,000	0	157,000	0
Gardner Engineering	0	115,000	0	115,000	0
Barber Road Sanitary Sewer	0	871,182	0	871,182	3,138
Premium	0	94,066	0	94,066	0
<b>Total General Obligation Bonds</b>	<b>4,717,669</b>	<b>1,815,248</b>	<b>(1,975,184)</b>	<b>4,557,733</b>	<b>277,318</b>
<b>Special Assessment Bonds</b>					
<b>with Governmental Commitment:</b>					
1996 Special Assessment Bonds	45,000	0	(5,000)	40,000	10,000
2003 Barber Road Bonds	582,097	0	(539,277)	42,820	42,820
2010 Various Purpose Bonds - Series B:					
Wadsworth, Berry, McGowan Waterlines - Serial	109,543	0	(11,411)	98,132	11,411
Cleveland-Massillon Waterline - Serial	194,567	0	(20,267)	174,300	20,267
Gardner Phase II - Serial	83,364	0	(8,684)	74,680	8,684
Hazelwood Connect - Serial	37,961	0	(3,954)	34,007	3,954
Johnson Meadows - Serial	54,565	0	(5,684)	48,881	5,684
Wadsworth, Berry, McGowan Waterlines - Term	173,444	0	0	173,444	0
Cleveland-Massillon Waterline - Term	308,063	0	0	308,063	0
Gardner Phase II - Term	131,994	0	0	131,994	0
Hazelwood Connect - Term	60,104	0	0	60,104	0
Johnson Meadows - Term	86,395	0	0	86,395	0
Premium	43,125	0	(1,797)	41,328	0
2012 Various Purpose Bonds:					
Greenwich Street Sewer - Serial	0	108,000	0	108,000	7,000
Gardner Street Sewer - Serial	0	91,000	0	91,000	6,000
Oak Street Sewer - Serial	0	108,000	0	108,000	10,000
Greenwich Street Sewer - Term	0	124,000	0	124,000	0
Gardner Street Sewer - Term	0	104,000	0	104,000	0
Oak Street Sewer - Term	0	122,000	0	122,000	0
Premium	0	26,900	0	26,900	0

(continued)

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

	Amounts Outstanding 12/31/11	Additions	Reductions	Amounts Outstanding 12/31/12	Amounts Due in One Year
<b>Special Assessment Bonds</b>					
<i>with Governmental Commitment (continued):</i>					
2012 Refunding Bonds:					
Barber Road Bonds - Serial	\$0	\$516,818	\$0	\$516,818	\$1,862
Premium	0	28,245	0	28,245	0
<b>Total Special Assessment Bonds with Governmental Commitment</b>	<u>1,910,222</u>	<u>1,228,963</u>	<u>(596,074)</u>	<u>2,543,111</u>	<u>127,682</u>
<b>Other Long-Term Liabilities:</b>					
Various Purpose Notes:					
2011 Land Acquisition, Water System and Fire/EMS Levy	1,315,000	0	(1,315,000)	0	0
2012 Land Acquisition, Water System and Fire/EMS Levy	0	1,315,000	0	1,315,000	0
Compensated Absences	750,659	246,851	(229,681)	767,829	214,657
<b>Total Other Long-Term Liabilities</b>	<u>2,065,659</u>	<u>1,561,851</u>	<u>(1,544,681)</u>	<u>2,082,829</u>	<u>214,657</u>
<b>Total Long-Term Liabilities</b>	<u>\$8,693,550</u>	<u>\$4,606,062</u>	<u>(\$4,115,939)</u>	<u>\$9,183,673</u>	<u>\$619,657</u>

**General Obligation Bonds**

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds will be paid from taxes and transfers received in the debt service funds.

In 2003, the City issued \$3,531,940 in various purpose general obligation bonds to pay off short-term notes and finance several projects such as city street improvement, police radio system, police cruisers, Gardner and Barber road sanitary sewer improvements and ballfields. A portion of the bonds will be paid for by the Barber road special assessments and the land and land improvement fund, with the remainder being paid from general obligation bond retirement fund.

**Various Purpose General Obligation Bond**

On September 1, 2010, the City issued \$2,600,000 of general obligation various purpose bonds, series 2010A. The bonds were issued for a period of ten years at an interest rate varying from 2 to 5 percent. The bond issue was comprised of \$755,000 in serial bonds and \$1,845,000 in term bonds. These bonds were issued to pay costs of constructing, furnishing, equipping, and other improvements to a fire station. The bonds will be paid over 25 years. The bonds are being retired from the general obligation bond retirement fund.

The 2010A various purpose general obligation term bonds maturing on December 1, 2030, are subject to optional redemption on and after December 1, 2020, by and at the option of the City, in whole or in part, as selected by the City, on any date, in integral multiples of \$5,000, at 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

The 2010A various purpose general obligation term bonds maturing on December 1, 2030 and 2035 are subject to mandatory redemption and are to be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed, plus interest accrued to the redemption date on December 1 in each of the years and in the principal amounts set forth as follows:

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

Year	Issue	
	\$1,080,000	\$765,000
2021	\$85,000	\$0
2022	90,000	0
2023	95,000	0
2024	100,000	0
2025	105,000	0
2026	110,000	0
2027	115,000	0
2028	120,000	0
2029	125,000	0
2031	0	140,000
2032	0	145,000
2033	0	155,000
2034	0	160,000
Total	\$945,000	\$600,000
<i>Stated Maturity</i>	<i>12/1/2030</i>	<i>12/1/2035</i>

The remaining principal amount of the term bonds (\$135,000 and \$165,000) will mature at the stated maturity.

In 2012, the City issued various purpose general obligation refunding bonds, in the amount of \$1,721,182, to refund the 2003 various purpose general obligation bonds. The bonds were issued with interest rates varying from 2 to 3 percent. The bonds were issued for a 12 year period with a final maturity on December 1, 2023. The bonds will be retired through the land and land improvement fund, with the remainder being paid by the general obligation bond retirement debt service fund.

***Special Assessment Bonds***

The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

In 1996, the City issued \$122,000 in special assessment bonds for the purpose of financing the costs relating to the construction of water mains and service connections for Caroline Avenue, Madison Avenue, Orchard Avenue, Krancz Drive, Cletus Street, and the cost of expanding and improving sanitary sewers on Barber Road. The bonds will be paid out of the special assessment bond retirement debt service fund.

In 2003, the City issued \$888,060 in various purpose special assessment bonds to finance the Barber road sanitary sewer improvements project. The bonds will be paid for by the Barber road special assessments.

***Various Purpose Special Assessment Bonds***

On September 16, 2010, the City issued \$1,290,000 of special assessment various purpose bonds, series 2010B. The bonds were issued for a period of ten years at an interest rate varying from 2 to 5 percent. The bond issue was comprised of \$530,000 in serial bonds and \$760,000 in term bonds. These bonds were issued to pay the property owners' portion, in anticipation of the collection of special assessments and the cost of constructing, grading, curbing and paving Meadows Lane in the City and constructing sanitary sewers, water lines, hydrants, storm sewers, utilities, and the costs of constructing and installing water mains, water lines, hydrants, and other related improvements. The bond will be paid over 20 years. The bonds are being retired from the special assessment bond retirement fund.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

The 2010B various purpose special assessment term bonds maturing on and after December 1, 2021, are subject to optional redemption on and after December 1, 2020, by and at the option of the City, in whole or in part, as selected by the City, on any date, in integral multiples of \$5,000, at 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

The 2010B various purpose special assessment term bonds maturing on December 1, 2026 and 2030 are subject to mandatory redemption and are to be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed, plus interest accrued to the redemption date on December 1 in each of the years and in the principal amounts set forth as follows:

Year	Issue	
	\$415,000	\$345,000
2021	\$60,000	\$0
2022	65,000	0
2023	65,000	0
2024	70,000	0
2025	75,000	0
2027	0	80,000
2028	0	85,000
2029	0	90,000
Total	\$335,000	\$255,000
<i>Stated Maturity</i>	<i>12/1/2026</i>	<i>12/1/2030</i>

The remaining principal amount of the term bonds (\$80,000 and \$90,000) will mature at the stated maturity.

On September 19, 2012, the City issued \$657,000 of special assessment various purpose bonds, series 2012. The bonds were issued for a period of twenty years at an interest rate varying from 2 to 4 percent. The bond issue was comprised of \$307,000 in serial bonds and \$350,000 in term bonds. These bonds were issued to pay the property owners' portion, in anticipation of the collection of special assessments, of the construction and installation of sanitary sewer and waterlines and other related improvements. The bond will be paid over 20 years. The bonds are being retired from the special assessment bond retirement debt service fund.

The 2012 various purpose special assessment term bonds maturing on and after December 1, 2022, are subject to optional redemption on and after June 1, 2022, by and at the option of the City, in whole or in part, as selected by the City, on any date, in integral multiples of \$5,000, at 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

The 2012 various purpose special assessment term bonds maturing on December 1, 2027 are subject to mandatory redemption and are to be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed, plus interest accrued to the redemption date on December 1 in each of the years and in the principal amounts set forth as follows:

Year	Prinicpal Amount
2024	\$35,000
2025	35,000
2026	35,000

The remaining principal amount of the term bonds (\$35,000) will mature at the stated maturity.



**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

The 2012 various purpose special assessment term bonds maturing on December 1, 2032 are subject to mandatory redemption and are to be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed, plus interest accrued to the redemption date on December 1 in each of the years and in the principal amounts set forth as follows:

Year	Principal Amount
2028	\$40,000
2029	40,000
2030	40,000
2031	45,000

The remaining principal amount of the term bonds (\$45,000) will mature at the stated maturity.

In 2012, the City issued various purpose special assessment refunding bonds, in the amount of \$516,818, to refund the 2003 various purpose special assessment bonds. The bonds were issued at an interest rate of 2 to 3 percent. The bonds were issued for a 12 year period with a final maturity on December 1, 2023. The bonds will be retired through the special assessment bond retirement debt service fund.

	Outstanding at December 31, 2011	Amount Refunded	Principal Payment on Non-Refunded Portion	Outstanding at December 31, 2012
<i>General Obligation Bonds:</i>				
Street Improvement	\$295,000	(\$220,000)	(\$35,000)	\$40,000
Police Radio System	215,000	(155,000)	(30,000)	30,000
Road Program	265,000	(190,000)	(40,000)	35,000
Ballfields	180,000	(155,000)	(10,000)	15,000
Gardner Engineering	135,000	(115,000)	(10,000)	10,000
Barber Road Sanitary Sewer	1,012,903	(872,272)	(68,451)	72,180
<b>Total General Obligation Bonds</b>	<b>2,102,903</b>	<b>(1,707,272)</b>	<b>(193,451)</b>	<b>202,180</b>
<i>Special Assessment Bonds:</i>				
Barber Road Special Assessment	582,097	(497,728)	(41,549)	42,820
<b>Total Amount Refunded</b>	<b>\$2,685,000</b>	<b>(\$2,205,000)</b>	<b>(\$235,000)</b>	<b>\$245,000</b>

The bonds were sold at a premium of \$122,311. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the various purpose refunding bonds. As a result, \$2,205,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements.

Although the refunding will result in the recognition of an accounting loss of \$75,827, the City in effect decreased its aggregated debt service payments by \$123,337 and obtained an economic gain (difference between the present value of the old and new debt service payments) of \$113,000.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

***Various Purpose General Obligation Notes***

On August 24, 2011, the City issued \$1,315,000 in bond anticipation notes in the amounts of \$510,000 in the general fund, \$400,000 and \$235,000 in the fire/EMS levy and water system special revenue funds, respectively, and \$170,000 in the Gardner Phase III capital projects fund, at an interest rate of 2 percent. The notes were issued in anticipation of the issuance of bonds for the following purposes: to pay the costs of constructing, furnishing, equipping and otherwise improving a fire station; constructing and installing water lines on the Greenwich Road Water Extension Phase I project; acquiring real property for municipal purposes and in anticipation of the issuance of bonds and the levy and collection of special assessments; and to pay costs of improving Parkway Drive from Gardner Boulevard to Norton Avenue, Hartzell Drive from Gardner Boulevard to Norton Avenue, Long Drive from Gardner Boulevard to Norton Avenue, and Wilbur Avenue from Gardner Boulevard to Tallwood Drive by constructing and installing a new 8-inch waterline, which will replace 5,100 feet of 2-inch waterline. The notes were retired on August 23, 2012.

On August 22, 2012, the City issued \$1,315,000 in various purpose improvement notes to pay off the 2011 notes in anticipation of the issuance of bonds for the same purposes, at an interest rate of 1.5 percent. The notes will mature on August 22, 2013.

Compensated absences will be paid from the general fund and the street construction, repair and maintenance, fire, and EMS special revenue funds, which are the funds from which the employees' salaries are paid.

The City's overall debt margin was \$20,237,115 and the unvoted legal debt margin was \$7,968,055 at December 31, 2012.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2012, are as follows:

	Governmental Activities					
	General Obligation Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$277,318	\$163,928	\$0	\$0	\$277,318	\$163,928
2014	286,318	147,245	0	0	286,318	147,245
2015	292,457	141,519	0	0	292,457	141,519
2016	298,340	135,482	0	0	298,340	135,482
2017	297,850	129,328	0	0	297,850	129,328
2018-2022	953,165	357,654	175,000	172,600	1,128,165	530,254
2023-2027	132,914	3,987	525,000	348,375	657,914	352,362
2028-2032	0	0	665,000	204,575	665,000	204,575
2033-2035	0	0	480,000	43,650	480,000	43,650
Totals	<u>\$2,538,362</u>	<u>\$1,079,143</u>	<u>\$1,845,000</u>	<u>\$769,200</u>	<u>\$4,383,362</u>	<u>\$1,848,343</u>

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

	Governmental Activities					
	Special Assessment Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$127,682	\$90,998	\$0	\$0	\$127,682	\$90,998
2014	128,682	80,637	0	0	128,682	80,637
2015	132,543	77,603	0	0	132,543	77,603
2016	136,660	74,366	0	0	136,660	74,366
2017	132,150	71,037	0	0	132,150	71,037
2018-2022	586,835	228,073	125,000	66,964	711,835	295,037
2023-2027	92,086	14,925	510,000	148,908	602,086	163,833
2028-2032	0	0	475,000	42,218	475,000	42,218
Totals	<u>\$1,336,638</u>	<u>\$637,639</u>	<u>\$1,110,000</u>	<u>\$258,090</u>	<u>\$2,446,638</u>	<u>\$895,729</u>

**Note 11 – Notes Payable**

A summary of the note transactions for the year ended December 31, 2012, follows:

	Outstanding 12/31/2011	Issued	Retired	Outstanding 12/31/2012
<i>2.00 % Various Purpose Note, Series 2011:</i>				
General Fund	\$30,000	\$0	\$30,000	\$0
Fire/EMS Levy Fund	50,000	0	50,000	0
Water System Fund	50,000	0	50,000	0
Total	<u>\$130,000</u>	<u>\$0</u>	<u>\$130,000</u>	<u>\$0</u>

On August 24, 2011, the City issued \$130,000 in bond anticipation notes in the general fund and the fire/EMS levy and water system special revenue funds for various capital improvements at an interest rate of 2 percent. The notes matured on August 23, 2012.

**Note 12 – Contingencies**

**Grants**

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2012.

**Litigation**

The City is currently the defendant in a legal action requiring arbitration on a personnel matter. This matter is not expected to have a material effect on the financial statements.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

***Environmental Remediation***

The City has been notified by the Ohio Environmental Protection Agency (EPA) that a number of discharging and/or failing septic systems in the community have contributed to elevated bacteria in the Municipal Separate Storm Sewer System (MS4) and the Wolf Creek watershed. The City is currently working with the Ohio EPA and the Summit County General Health District in order to resolve this issue. As of December 31, 2012, it is not known if the City will be held responsible for new sewer lines required to remedy the situation, nor is it known what the true cost will be.

**Note 13 – Other Employee Benefits**

***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. All accumulated unused vacation time, up to 2 years, is paid upon termination of employment.

Employees earn sick leave at the rate of 10 hours per month of service. Sick leave accumulation is unlimited, but upon retirement or death, an employee with ten years of service or more is paid accumulated, unused sick leave up to a maximum of 120 days.

***Employee Health Insurance***

The City provides health insurance through Medical Mutual as a part of the Ohio Plan Healthcare Consortium, Incorporated.

**Note 14 – Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Each year the City contracts with insurance companies for various types of insurance. The coverage and deductibles are as follows:

Company	Type of Coverage	Deductible	Coverage
Ohio Casualty Insurance Company	Bond - Mayor	\$0	\$50,000
	Bond - Finance Director	0	100,000
	Bond - Clerk of Mayor's Court	0	75,000
Hartford Fire Insurance Company	Bond - Administrator	0	50,000
Wichert Insurance Agency	Public Officials Liability	10,000	1,000,000
	Law Enforcement Liability	10,000	1,000,000
	Commercial Property	1,000	7,404,084
	Personal Property	1,000	915,836
	Inland Marine	1,000	1,452,547
	General Liability	0	1,000,000
	Commercial Crime - Employee Theft Per Loss	0	5,000 - 50,000
	Cyberrisk	0	1,000,000
	Automobile Liability	0	1,000,000
	Automobile Uninsured Motorists	0	25,000
Automobile Underinsured Motorists	0	25,000	
Umbrella Liability	0	10,000,000	

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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There has not been a significant reduction in coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Note 15 – Jointly Governed Organization**

The Southwest Summit Council of Governments formed to share services, promote cooperative arrangements and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. Participating entities include Barberton, Copley Township and Norton. The Southwest Summit Council of Governments is controlled by their executive board which is composed of a President, Vice-President/Secretary, and Fiscal Officer who shall serve without compensation. The "Council" adopts its own budget, authorized expenditures and hires and fires its own staff. No contributions were made during 2012.

**Note 16 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2012, member and employer contribution rates were consistent across all three plans.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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The City's 2012 contribution rate was 14 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$153,400, \$154,940, and \$168,035, respectively. For 2012, 89.69 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were zero made by the City and zero made by plan members.

***Ohio Police and Fire Pension Fund***

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

Funding Policy – The Ohio Revised Code requires plan members to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$95,937 and \$17,808 for the year ended December 31, 2012, \$118,597 and \$14,029 for the year ended December 31, 2011, and \$129,747 and \$25,814 for the year ended December 31, 2010, respectively. For 2012, 69.83 percent for police and 72.10 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

***Social Security System***

As of December 31, 2012, the City's part-time firefighters have elected to be covered by Social Security rather than OPERS. The City's liability is 6.2 percent of wages paid.

**Note 17 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

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

The City’s contributions allocated to fund post-employment health care benefits to the Traditional and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$61,360, \$61,976, and \$95,796, respectively. For 2012, 89.69 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Police and Firemen's Disability and Pension Fund***

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available of OP&F's website at [www.op-f.org](http://www.op-f.org).

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$64,758 and \$12,021 for the year ended December 31, 2012, \$62,786 and \$5,490 for the year ended December 31, 2011, and \$68,690 and \$10,101 for the year ended December 31, 2010. For 2012, 69.83 percent has been contributed for police 72.10 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.



**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**Note 18 – Joint Economic Development Zones**

In an effort to promote regional growth and economic development, the City has entered into a contract with the City of Barberton to create Joint Economic Development Zones (JEDZ). The JEDZ are all located within Norton City limits. The agreement became effective on April 30, 1996. Per the agreement, the City pays Barberton 40 percent of income tax withholdings (based on the 1.5 percent rate) collected from the businesses located within the JEDZ. In exchange, the City of Barberton provides water and sanitary sewer service to the businesses in the JEDZ.

**Note 19 – Interfund Transfers and Balances**

***Transfers***

Interfund transfers for the year ended December 31, 2012, consisted of the following:

Transfer To	Transfer From			Total
	General	Fire/EMS Levy	Other Governmental Funds	
Street Construction, Maintenance and Repair	\$418,700	\$0	\$0	\$418,700
Special Assessment Bond Retirement	137,398	0	0	137,398
Other Governmental Funds	194,230	175,085	3,106	372,421
<b>Total</b>	<b>\$750,328</b>	<b>\$175,085</b>	<b>\$3,106</b>	<b>\$928,519</b>

Transfers from the general fund are used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, to provide additional resources for current operations, to pay debt, and to segregate money for anticipated capital projects. A transfer of \$175,085 and \$3,106 was also made out of the fire/EMS levy special revenue fund and the gardner phase I capital projects fund to the general obligation bond retirement fund in order to cover the payment on the bond related to new fire station and the close out of the gardner phase I capital projects fund.

***Balances***

At December 31, 2012, the general fund had an interfund receivable of \$355,000. \$285,000 of this balance was made to support programs and projects in the special assessment bond retirement debt service fund pending the receipt of special assessments that will be used to repay the loans and \$70,000 was made to support other governmental funds. These are expected to be paid within one year.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 20 – Significant Commitments**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year or soon thereafter, were as follows:

General	\$213,136
Stree Construction, Maintenance and Repair	30,098
Fire/EMS Levy	18,934
Other Governmental Funds	<u>378,798</u>
Total	<u><u>\$640,966</u></u>

**Note 21 – Subsequent Events**

In early 2013, the City became the defendant in a legal action for all City residents that pay a particular sewer charge. This matter is currently in the evidential and disposition stage.

On April 22, 2013, Council passed legislation for an August 6, 2013 special elections ballot for a proposed amendment to the City’s charter. The amendment covers the four following items: (1) No City resident or owner of property within the boundaries of the City shall be assessed a fee for construction of any sewer or water lines within the City limits; (2) City residents or owners of property within the boundaries of the City who are currently paying assessments for water or sewer lines within the City limits, shall have future payments of their assessments paid by the City from the date this Charter Amendment is approved by electors; (3) No City resident or owner of property within the boundaries of the City shall be charged to tie into, connect to, or otherwise access sewer or water lines within the City; and (4) Within the boundaries of the City, no residential water bill or sewer bill shall exceed \$35 per month, except that these monthly billing limits may be increased by an amount not to exceed 2 percent per year by a majority vote of Council in favor of such an increase.

The City has been working with the Ohio EPA to resolve the alleged illicit and unsanitary condition of discharging sewage to the storm sewer system in the City. On January 21, 2013, the City submitted a plan and schedule to the Ohio EPA to address the alleged illicit discharges from failing septic systems into the City’s Municipal Separate Storm Sewers System (MS4) and the Wolf Creek watershed. On April 29, 2013, the Board of Health of the Summit County General Health District submitted a Declaration of Public Health Nuisance to the Ohio EPA. This nuisance declaration was in regards to unsanitary conditions in the Nash Heights area of the City. Subsequently, on June 19, 2013, the Ohio EPA conducted bacteria samplings in Nash Heights, finding that *Escherichia coli* (*E. coli*) levels in various waterways far exceeded the public health nuisance standard due to illicit discharge of sanitary sewage. The City was notified on July 23, 2013, by the Ohio EPA that Director’s Findings and Orders requiring the installation of sanitary sewers to abate the unsanitary conditions will be issued in the near future. At this time, it is not known if the City will be held responsible for new sewer lines to remedy the situation, nor is it known what the true cost will be.

On May 8, 2013, the City entered into a capital lease agreement with Kansas State Bank of Manhattan for a Kobelco excavator with a value of \$64,172. The City will make six annual payments of \$11,709, which includes interest, with the first payment being made in May of 2014. This lease has an interest rate of 2.65 percent and a maturity date of May 10, 2019.

# ***Combining and Individual Fund Statements and Schedules***

## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Nonmajor Special Revenue Funds***

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, assigned or committed to expenditures for specified purposes other than debt service or capital projects.

***State Highway Improvement Fund*** To account for and report that portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of dedicated streets.

***Fire Fund*** To account for and report revenues received from real and personal property taxes. Expenditures are restricted for fire department operations and fire pension.

***Emergency Medical Services Fund*** To account for and report revenues received from real and personal property taxes and EMS billings. Expenditures are restricted for EMS operations and EMS pension.

***DARE Program Fund*** To account for and report revenues received from DARE activities. Expenditures are restricted for DARE activities.

***Drug Law Enforcement Fund*** To account for and report proceeds received from mandatory drug fines restricted for law enforcement purposes.

***Law Enforcement Fund*** To account for and report proceeds received from the sale of property confiscated/forfeited during criminal related arrests. Expenditures are restricted for law enforcement purposes.

***Law Enforcement Assistance Fund*** To account for and report revenues and expenditures restricted for the Law Enforcement Assistance program.

***DWI Enforcement and Education Fund*** To account for and report financial resources restricted 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.

***Cemetery Fund*** To provide for and report the deposit of funds received from the sale of cemetery lots and the disbursement of said funds thereon committed to the perpetual care of the cemetery.

***Police and Fire Disability and Pension Fund*** To account for and report restricted property taxes levied for the partial payment of the current and accrued liability for police and fire disability and pension. Amounts collected for the police and fire disability and pension are periodically remitted to the State operated Police and Fire Disability and Pension Fund.

***Mayor's Court Fund*** To account for and report fines and forfeitures restricted to computerize the Court and the Clerk of Court and to make computerized legal research available to the Court.

***Water System Fund*** To account for and report charges for services revenue restricted for water line maintenance fees.

***Sanitary Sewer Fund*** To account for and report charges for services revenue restricted for sewer line maintenance fees.

(continued)

### ***Fund Descriptions – Nonmajor Governmental Funds (continued)***

***Special Permissive License Plate Tax Fund*** To account for and report assigned revenues received from license plates. Expenditures may only be used for street construction, maintenance and repair. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Community Center Fund*** To account for and report revenue assigned from rental fees which provides for the furnishings and upkeep of the Community Center building supplemented by the general fund. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Greenwich Road Fund*** To provide for and report the collection of rent and future payments for repairs and expenditures assigned for the rental of the property supplemented by the general fund. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Recycling Fund*** To account for and report grant revenue restricted to the recycling of solid waste within the City. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Scrap Tire Fund*** To account for and report various assigned revenues to provide for a scrap tire management and recovery program. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Brentwood Water Fund*** To account for and report water line maintenance fees committed for water lines in the Brentwood area. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

### ***Nonmajor Debt Service Fund***

The debt service fund is used to account for and report financial resources that are restricted to expenditures for principal and interest.

***General Obligation Bond Retirement Fund*** To account for and report restricted monies for the payment of interest and principal on general obligation bonds.

### ***Nonmajor Capital Projects Funds***

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***Land and Land Improvements Fund*** To account for and report charges for services revenues and expenditures assigned for the acquisition of land and major land improvements.

***Buildings Fund*** To account for and report various revenues and expenditures assigned for constructing new operations and storage areas.

***Streets, Highways and Bridges Fund*** To account for and report grant revenues restricted for the maintaining of City streets and highways within City limits.

(continued)

***Fund Descriptions – Nonmajor Governmental Funds (continued)***

***Storm Sewers Fund*** To account for and report various revenues and expenditures assigned for the construction and acquisition of capital storm sewer projects.

***Waterlines Fund*** To account for and report various revenues and expenditures assigned for the construction and maintenance of waterlines.

***Sanitary Sewers Fund*** To account for and report charges for services revenues and expenditures assigned for the construction and acquisition of capital sanitary sewer projects.

***Gardner Phase I Fund*** To account for and report charges for services revenues and expenditures assigned for water line construction.

***Gardner Phase III Fund*** To account for and report grants and expenditures restricted for water line construction.

***Water and Sewer Improvements Fund*** To account for and report committed income tax revenues generated from a reduction in the credit for income tax paid to other municipalities.

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,047,047	\$170,451	\$1,753,113	\$3,970,611
Accounts Receivable	244,894	0	34,586	279,480
Intergovernmental Receivable	34,389	0	2,562	36,951
Prepaid Items	11,722	0	0	11,722
Income Taxes Receivable	0	0	137,176	137,176
Property Taxes Receivable	160,509	0	0	160,509
<i>Total Assets</i>	<u>\$2,498,561</u>	<u>\$170,451</u>	<u>\$1,927,437</u>	<u>\$4,596,449</u>
<b>Liabilities</b>				
Accounts Payable	\$2,031	\$0	\$0	\$2,031
Intergovernmental Payable	8,311	0	0	8,311
Contracts Payable	10,271	0	2,420	12,691
Interfund Payable	0	0	70,000	70,000
<i>Total Liabilities</i>	<u>20,613</u>	<u>0</u>	<u>72,420</u>	<u>93,033</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	64,553	0	0	64,553
Unavailable Revenue	298,200	0	78,408	376,608
<i>Total Deferred Inflows of Resources</i>	<u>362,753</u>	<u>0</u>	<u>78,408</u>	<u>441,161</u>
<b>Fund Balances</b>				
Nonspendable	11,722	0	0	11,722
Restricted	2,092,437	170,451	454,614	2,717,502
Committed	11,036	0	1,165,488	1,176,524
Assigned	0	0	156,507	156,507
<i>Total Fund Balances</i>	<u>2,115,195</u>	<u>170,451</u>	<u>1,776,609</u>	<u>4,062,255</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,498,561</u>	<u>\$170,451</u>	<u>\$1,927,437</u>	<u>\$4,596,449</u>

**City of Norton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$650,135	\$0	\$0	\$650,135
Municipal Income Tax	0	0	542,212	542,212
Charges for Services	574,728	0	154,279	729,007
Special Assessments	0	22,077	0	22,077
Fines and Forfeitures	22,010	0	0	22,010
Intergovernmental	154,330	0	153,555	307,885
Interest	16	0	0	16
Other	27,660	7,344	1,373	36,377
<i>Total Revenues</i>	<u>1,428,879</u>	<u>29,421</u>	<u>851,419</u>	<u>2,309,719</u>
<b>Expenditures</b>				
Current:				
General Government	101,532	1,998	0	103,530
Security of Persons and Property	819,188	0	0	819,188
Transportation	45,514	0	0	45,514
Public Health Services	112,082	0	0	112,082
Capital Outlay	0	0	392,174	392,174
Debt Service:				
Principal Retirement	235,000	185,000	180,000	600,000
Interest and Fiscal Charges	5,323	122,663	7,141	135,127
Bond Issuance Costs	40,835	37,487	31,121	109,443
Refunded Bonds Redeemed	0	12,876	2,747	15,623
<i>Total Expenditures</i>	<u>1,359,474</u>	<u>360,024</u>	<u>613,183</u>	<u>2,332,681</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>69,405</u>	<u>(330,603)</u>	<u>238,236</u>	<u>(22,962)</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	235,000	0	170,000	405,000
Special Assessment Bonds Issued	473,197	0	181,278	654,475
Premium on Special Assessment Bonds	18,076	0	6,900	24,976
Refunding Bonds Issued	0	693,000	157,000	850,000
Premium on Refunding Bonds	0	73,642	5,131	78,773
Payments to Refunded Bond Escrow Agent	0	(722,951)	(154,253)	(877,204)
Transfers In	0	362,421	10,000	372,421
Transfers Out	0	0	(3,106)	(3,106)
<i>Total Other Financing Sources (Uses)</i>	<u>726,273</u>	<u>406,112</u>	<u>372,950</u>	<u>1,505,335</u>
<i>Net Change in Fund Balances</i>	795,678	75,509	611,186	1,482,373
<i>Fund Balances Beginning of Year</i>	<u>1,319,517</u>	<u>94,942</u>	<u>1,165,423</u>	<u>2,579,882</u>
<i>Fund Balances End of Year</i>	<u>\$2,115,195</u>	<u>\$170,451</u>	<u>\$1,776,609</u>	<u>\$4,062,255</u>

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2012*

	State Highway Improvement	Fire	Emergency Medical Services	DARE Program
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$11,583	\$155,630	\$274,592	\$1,117
Accounts Receivable	0	0	214,642	0
Intergovernmental Receivable	22,664	0	0	5,323
Prepaid Items	0	5,363	4,854	0
Property Taxes Receivable	0	47,947	38,218	0
<i>Total Assets</i>	<u>\$34,247</u>	<u>\$208,940</u>	<u>\$532,306</u>	<u>\$6,440</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$572	\$1,459	\$0
Intergovernmental Payable	0	3,904	4,407	0
Contracts Payable	0	333	2,452	0
<i>Total Liabilities</i>	<u>0</u>	<u>4,809</u>	<u>8,318</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	15,202	47,947	215,097	5,323
<i>Total Deferred Inflows of Resources</i>	<u>15,202</u>	<u>47,947</u>	<u>215,097</u>	<u>5,323</u>
<b>Fund Balances</b>				
Nonspendable	0	5,363	4,854	0
Restricted	19,045	150,821	304,037	1,117
Committed	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>19,045</u>	<u>156,184</u>	<u>308,891</u>	<u>1,117</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$34,247</u>	<u>\$208,940</u>	<u>\$532,306</u>	<u>\$6,440</u>



<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>DWI Enforcement and Education</u>	<u>Cemetery</u>	<u>Police and Fire Disability and Pension</u>	<u>Mayor's Court</u>
\$2,367	\$3,792	\$4,780	\$14,947	\$11,036	\$41,839	\$51,069
0	0	0	0	0	0	0
1,562	0	0	0	0	4,840	0
0	0	0	0	0	0	1,505
0	0	0	0	0	74,344	0
<u>\$3,929</u>	<u>\$3,792</u>	<u>\$4,780</u>	<u>\$14,947</u>	<u>\$11,036</u>	<u>\$121,023</u>	<u>\$52,574</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	64,553	0
0	0	0	0	0	14,631	0
0	0	0	0	0	79,184	0
0	0	0	0	0	0	1,505
3,929	3,792	4,780	14,947	0	41,839	51,069
0	0	0	0	11,036	0	0
<u>3,929</u>	<u>3,792</u>	<u>4,780</u>	<u>14,947</u>	<u>11,036</u>	<u>41,839</u>	<u>52,574</u>
<u>\$3,929</u>	<u>\$3,792</u>	<u>\$4,780</u>	<u>\$14,947</u>	<u>\$11,036</u>	<u>\$121,023</u>	<u>\$52,574</u>

(continued)

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2012*

	Water System	Sanitary Sewer	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$622,422	\$851,873	\$2,047,047
Accounts Receivable	18,217	12,035	244,894
Intergovernmental Receivable	0	0	34,389
Prepaid Items	0	0	11,722
Property Taxes Receivable	0	0	160,509
<i>Total Assets</i>	<u>\$640,639</u>	<u>\$863,908</u>	<u>\$2,498,561</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$2,031
Intergovernmental Payable	0	0	8,311
Contracts Payable	3,743	3,743	10,271
<i>Total Liabilities</i>	<u>3,743</u>	<u>3,743</u>	<u>20,613</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	0	0	64,553
Unavailable Revenue	0	0	298,200
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>362,753</u>
<b>Fund Balances</b>			
Nonspendable	0	0	11,722
Restricted	636,896	860,165	2,092,437
Committed	0	0	11,036
<i>Total Fund Balances (Deficit)</i>	<u>636,896</u>	<u>860,165</u>	<u>2,115,195</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$640,639</u>	<u>\$863,908</u>	<u>\$2,498,561</u>

**City of Norton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2012*

	State Highway Improvement	Fire	Emergency Medical Services	DARE Program	Drug Law Enforcement
<b>Revenues</b>					
Property Taxes	\$0	\$326,032	\$259,519	\$0	\$0
Charges for Services	0	0	239,037	0	0
Fines and Forfeitures	0	0	0	0	2,857
Intergovernmental	48,684	45,507	37,250	9,271	0
Interest	16	0	0	0	0
Other	0	250	0	0	0
<i>Total Revenues</i>	<u>48,700</u>	<u>371,789</u>	<u>535,806</u>	<u>9,271</u>	<u>2,857</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	367,097	418,765	18,527	0
Transportation	45,514	0	0	0	0
Public Health Services	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>45,514</u>	<u>367,097</u>	<u>418,765</u>	<u>18,527</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,186</u>	<u>4,692</u>	<u>117,041</u>	<u>(9,256)</u>	<u>2,857</u>
<b>Other Financing Sources</b>					
General Obligation Notes Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Premium on Special Assessment Bonds	0	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	3,186	4,692	117,041	(9,256)	2,857
<i>Fund Balances Beginning of Year</i>	<u>15,859</u>	<u>151,492</u>	<u>191,850</u>	<u>10,373</u>	<u>1,072</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$19,045</u>	<u>\$156,184</u>	<u>\$308,891</u>	<u>\$1,117</u>	<u>\$3,929</u>

(continued)

**City of Norton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2012*

	Law Enforcement	Law Enforcement Assistance	DWI Enforcement and Education	Cemetery	Police and Fire Disability and Pension
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$64,584
Charges for Services	0	0	0	512	0
Fines and Forfeitures	0	0	8,678	0	0
Intergovernmental	0	0	0	0	13,618
Interest	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>8,678</u>	<u>512</u>	<u>78,202</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	96,338
Security of Persons and Property	0	0	14,799	0	0
Transportation	0	0	0	0	0
Public Health Services	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>14,799</u>	<u>0</u>	<u>96,338</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>0</u>	<u>(6,121)</u>	<u>512</u>	<u>(18,136)</u>
<b>Other Financing Sources</b>					
General Obligation Notes Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Premium on Special Assessment Bonds	0	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	(6,121)	512	(18,136)
<i>Fund Balances Beginning of Year</i>	<u>3,792</u>	<u>4,780</u>	<u>21,068</u>	<u>10,524</u>	<u>59,975</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$3,792</u></u>	<u><u>\$4,780</u></u>	<u><u>\$14,947</u></u>	<u><u>\$11,036</u></u>	<u><u>\$41,839</u></u>

Mayor's Court	Water System	Sanitary Sewer	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$650,135
0	182,913	152,266	574,728
10,475	0	0	22,010
0	0	0	154,330
0	0	0	16
0	10,635	16,775	27,660
10,475	193,548	169,041	1,428,879
5,194	0	0	101,532
0	0	0	819,188
0	0	0	45,514
0	15,347	96,735	112,082
0	235,000	0	235,000
0	5,323	0	5,323
0	1,409	39,426	40,835
5,194	257,079	136,161	1,359,474
5,281	(63,531)	32,880	69,405
0	235,000	0	235,000
0	11,209	461,988	473,197
0	458	17,618	18,076
0	246,667	479,606	726,273
5,281	183,136	512,486	795,678
47,293	453,760	347,679	1,319,517
\$52,574	\$636,896	\$860,165	\$2,115,195

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2012*

	Land and Land Improvements	Buildings	Streets, Highways and Bridges
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$96,254	\$14,964	\$277,306
Accounts Receivable	34,586	0	0
Intergovernmental Receivable	0	0	2,562
Income Taxes Receivable	0	0	0
<i>Total Assets</i>	<u>\$130,840</u>	<u>\$14,964</u>	<u>\$279,868</u>
<b>Liabilities</b>			
Contracts Payable	\$0	\$0	\$2,420
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>2,420</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
<b>Fund Balances</b>			
Restricted	0	0	277,448
Committed	0	0	0
Assigned	130,840	14,964	0
<i>Total Fund Balances</i>	<u>130,840</u>	<u>14,964</u>	<u>277,448</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$130,840</u>	<u>\$14,964</u>	<u>\$279,868</u>

<u>Sanitary Sewers</u>	<u>Gardner Phase III</u>	<u>Water and Sewer Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$10,703	\$247,166	\$1,106,720	\$1,753,113
0	0	0	34,586
0	0	0	2,562
0	0	137,176	137,176
<u>\$10,703</u>	<u>\$247,166</u>	<u>\$1,243,896</u>	<u>\$1,927,437</u>
\$0	\$0	\$0	\$2,420
0	70,000	0	70,000
0	70,000	0	72,420
0	0	78,408	78,408
0	177,166	0	454,614
0	0	1,165,488	1,165,488
10,703	0	0	156,507
<u>10,703</u>	<u>177,166</u>	<u>1,165,488</u>	<u>1,776,609</u>
<u>\$10,703</u>	<u>\$247,166</u>	<u>\$1,243,896</u>	<u>\$1,927,437</u>

**City of Norton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2012*

	Land and Land Improvements	Buildings	Streets, Highways and Bridges	Storm Sewers
<b>Revenues</b>				
Municipal Income Tax	\$0	\$0	\$0	\$0
Charges for Services	154,279	0	0	0
Intergovernmental	0	0	145,167	0
Other	86	0	0	0
<i>Total Revenues</i>	<u>154,365</u>	<u>0</u>	<u>145,167</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	61,399	0	171,297	7,098
Debt Service:				
Principal Retirement	10,000	0	0	0
Interest and Fiscal Charges	3,750	0	0	0
Bond Issuance Costs	8,323	0	0	0
Refunded Bonds Redeemed	2,747	0	0	0
<i>Total Expenditures</i>	<u>86,219</u>	<u>0</u>	<u>171,297</u>	<u>7,098</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>68,146</u>	<u>0</u>	<u>(26,130)</u>	<u>(7,098)</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Special Assessment Bonds	0	0	0	0
Refunding Bonds Issued	157,000	0	0	0
Premium on Refunding Bonds	5,131	0	0	0
Payments to Refunded Bond Escrow Agent	(154,253)	0	0	0
Transfers In	0	0	10,000	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>7,878</u>	<u>0</u>	<u>10,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	76,024	0	(16,130)	(7,098)
<i>Fund Balances Beginning of Year</i>	<u>54,816</u>	<u>14,964</u>	<u>293,578</u>	<u>7,098</u>
<i>Fund Balances End of Year</i>	<u>\$130,840</u>	<u>\$14,964</u>	<u>\$277,448</u>	<u>\$0</u>



<u>Waterlines</u>	<u>Sanitary Sewers</u>	<u>Gardner Phase I</u>	<u>Gardner Phase III</u>	<u>Water and Sewer Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$0	\$0	\$0	\$542,212	\$542,212
0	0	0	0	0	154,279
0	0	0	8,388	0	153,555
0	0	0	1,287	0	1,373
0	0	0	9,675	542,212	851,419
1,090	0	0	17,549	133,741	392,174
0	0	0	170,000	0	180,000
0	0	0	3,391	0	7,141
0	0	0	22,798	0	31,121
0	0	0	0	0	2,747
1,090	0	0	213,738	133,741	613,183
(1,090)	0	0	(204,063)	408,471	238,236
0	0	0	170,000	0	170,000
0	0	0	181,278	0	181,278
0	0	0	6,900	0	6,900
0	0	0	0	0	157,000
0	0	0	0	0	5,131
0	0	0	0	0	(154,253)
0	0	0	0	0	10,000
0	0	(3,106)	0	0	(3,106)
0	0	(3,106)	358,178	0	372,950
(1,090)	0	(3,106)	154,115	408,471	611,186
1,090	10,703	3,106	23,051	757,017	1,165,423
<u>\$0</u>	<u>\$10,703</u>	<u>\$0</u>	<u>\$177,166</u>	<u>\$1,165,488</u>	<u>\$1,776,609</u>

### ***Fund Descriptions - Fiduciary Funds***

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governments. The following is the City's fiduciary fund type:

#### **Agency Funds**

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

***General Agency Fund*** To hold funds received from a contractor, developer or individual to insure compliance with the ordinances of the City.

***Building Standards Fund*** To account for building deposits and reimbursements for those deposits when projects are complete.

**City of Norton, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2012*

	Beginning Balance 12/31/11	Additions	Deductions	Ending Balance 12/31/12
<b>General Agency</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$206,542	\$155,324	\$223,915	\$137,951
<b>Liabilities</b>				
Undistributed Assets	\$206,542	\$155,324	\$223,915	\$137,951
<b>Building Standards</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$100	\$643	\$624	\$119
<b>Liabilities</b>				
Undistributed Assets	\$100	\$643	\$624	\$119
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$206,642	\$155,967	\$224,539	\$138,070
<b>Liabilities</b>				
Undistributed Assets	\$206,642	\$155,967	\$224,539	\$138,070

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**Individual Fund Schedules of Revenues,  
Expenditures/Expenses  
and Changes in Fund Balances -  
Budget (Non-GAAP Basis) and Actual**

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**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$398,381	\$398,381	\$390,405	(\$7,976)
Municipal Income Tax	3,901,975	3,901,975	4,308,228	406,253
Charges for Services	115,688	115,688	169,322	53,634
Licenses, Permits and Fees	32,179	32,179	59,013	26,834
Fines and Forfeitures	142,854	142,854	89,664	(53,190)
Intergovernmental	520,002	520,002	573,515	53,513
Interest	3,802	3,802	5,643	1,841
Other	3,761	3,761	61,060	57,299
<i>Total Revenues</i>	5,118,642	5,118,642	5,656,850	538,208
<b>Expenditures</b>				
Current:				
General Government:				
Mayor:				
Salaries and Wages	29,750	29,350	28,996	354
Fringe Benefits	13,473	14,137	12,202	1,935
Purchased Services	2,621	2,750	2,086	664
Materials and Supplies	107	112	57	55
Capital Outlay	143	150	136	14
Other	266	280	48	232
Total Mayor	46,360	46,779	43,525	3,254
City Council:				
Salaries and Wages	97,600	96,100	95,548	552
Fringe Benefits	32,509	34,509	32,020	2,489
Purchased Services	19,314	18,544	16,300	2,244
Materials and Supplies	377	400	242	158
Capital Outlay	283	300	250	50
Other	891	782	304	478
Total City Council	150,974	150,635	144,664	5,971
Mayor's Court:				
Salaries and Wages	58,700	57,800	57,221	579
Fringe Benefits	17,600	20,214	18,679	1,535
Purchased Services	1,741	2,000	1,850	150
Materials and Supplies	64	74	8	66
Other	269	309	217	92
Total Mayor's Court	\$78,374	\$80,397	\$77,975	\$2,422

(continued)

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance Office:				
Salaries and Wages	\$199,000	\$126,190	\$122,456	\$3,734
Fringe Benefits	77,058	69,216	65,350	3,866
Purchased Services	24,901	20,570	14,359	6,211
Materials and Supplies	743	667	619	48
Capital Outlay	2,984	2,680	2,680	0
Other	2,568	2,307	1,132	1,175
<b>Total Finance Office</b>	<b>307,254</b>	<b>221,630</b>	<b>206,596</b>	<b>15,034</b>
Income Tax:				
Salaries and Wages	8,600	5,100	3,659	1,441
Fringe Benefits	2,927	3,683	2,290	1,393
Purchased Services	519,412	582,634	545,210	37,424
Materials and Supplies	79	100	0	100
Capital Outlay	517	650	50	600
Other	435	547	40	507
<b>Total Income Tax</b>	<b>531,970</b>	<b>592,714</b>	<b>551,249</b>	<b>41,465</b>
Law Director:				
Salaries and Wages	12,500	10,712	10,712	0
Fringe Benefits	2,118	2,325	1,988	337
Purchased Services	111,679	106,884	96,748	10,136
Capital Outlay	1,457	1,600	1,520	80
<b>Total Law Director</b>	<b>127,754</b>	<b>121,521</b>	<b>110,968</b>	<b>10,553</b>
Engineer:				
Salaries and Wages	10,950	10,800	9,315	1,485
Fringe Benefits	3,451	2,400	1,583	817
Purchased Services	104,694	70,993	57,493	13,500
Materials and Supplies	431	300	6	294
Capital Outlay	1,438	1,000	330	670
Other	9	6	6	0
<b>Total Engineer</b>	<b>120,973</b>	<b>85,499</b>	<b>68,733</b>	<b>16,766</b>
Administrative Officer:				
Salaries and Wages	67,000	79,632	78,771	861
Fringe Benefits	45,063	42,554	39,282	3,272
Purchased Services	3,895	3,678	567	3,111
Materials and Supplies	301	284	76	208
Capital Outlay	424	400	200	200
Other	1,808	1,516	803	713
<b>Total Administrative Officer</b>	<b>\$118,491</b>	<b>\$128,064</b>	<b>\$119,699</b>	<b>\$8,365</b>

(continued)

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Planning Commission:</b>				
Purchased Services	\$4,151	\$4,175	\$2,080	\$2,095
Materials and Supplies	65	60	0	60
Capital Outlay	354	820	820	0
Other	215	200	36	164
<b>Total Planning Commission</b>	<b>4,785</b>	<b>5,255</b>	<b>2,936</b>	<b>2,319</b>
<b>Other General Government:</b>				
Salaries and Wages	53,500	56,920	53,094	3,826
Fringe Benefits	22,483	25,968	25,600	368
Purchased Services	393,155	429,649	352,499	77,150
Materials and Supplies	11,259	12,768	11,725	1,043
Capital Outlay	9,265	9,800	9,723	77
Other	132,844	153,438	117,917	35,521
<b>Total Other General Government</b>	<b>622,506</b>	<b>688,543</b>	<b>570,558</b>	<b>117,985</b>
<b>Parks and Recreation Board:</b>				
Purchased Services	3,871	2,250	1,757	493
Other	69	40	0	40
<b>Total Parks and Recreation Board</b>	<b>3,940</b>	<b>2,290</b>	<b>1,757</b>	<b>533</b>
<b>Building and Zoning Board:</b>				
Purchased Services	2,744	2,250	1,045	1,205
Materials and Supplies	58	50	0	50
Other	288	250	36	214
<b>Total Building and Zoning Board</b>	<b>3,090</b>	<b>2,550</b>	<b>1,081</b>	<b>1,469</b>
<b>Health Advisory Board:</b>				
Purchased Services	3,287	2,310	810	1,500
Other	43	30	0	30
<b>Total Health Advisory Board</b>	<b>3,330</b>	<b>2,340</b>	<b>810</b>	<b>1,530</b>
<b>Civil Service Commission:</b>				
Purchased Services	3,505	3,505	1,855	1,650
Materials and Supplies	140	140	0	140
Other	20	20	1	19
<b>Total Civil Service Commission</b>	<b>\$3,665</b>	<b>\$3,665</b>	<b>\$1,856</b>	<b>\$1,809</b>

(continued)

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Storm Sewer:				
Purchased Services	\$2,420	\$2,420	\$2,414	\$6
Capital Outlay	13,580	13,580	12,048	1,532
<b>Total Storm Sewer</b>	<b>16,000</b>	<b>16,000</b>	<b>14,462</b>	<b>1,538</b>
<b>Total General Government</b>	<b>2,139,466</b>	<b>2,147,882</b>	<b>1,916,869</b>	<b>231,013</b>
Security of Persons and Property:				
Police:				
Salaries and Wages	1,307,800	1,314,897	1,226,320	88,577
Fringe Benefits	535,118	524,667	484,324	40,343
Purchased Services	113,443	110,869	105,151	5,718
Materials and Supplies	94,468	91,140	90,562	578
Capital Outlay	84,246	76,466	75,687	779
Other	620	608	555	53
<b>Total Security of Persons and Property</b>	<b>2,135,695</b>	<b>2,118,647</b>	<b>1,982,599</b>	<b>136,048</b>
Community Environment:				
Community Development:				
Salaries and Wages	62,000	51,800	49,946	1,854
Fringe Benefits	22,653	9,779	7,233	2,546
Purchased Services	8,164	3,524	3,486	38
Materials and Supplies	463	200	76	124
<b>Total Community Development</b>	<b>93,280</b>	<b>65,303</b>	<b>60,741</b>	<b>4,562</b>
Building:				
Salaries and Wages	133,250	68,932	67,652	1,280
Fringe Benefits	58,107	44,042	42,080	1,962
Purchased Services	30,576	22,152	14,530	7,622
Materials and Supplies	3,490	2,645	2,246	399
Capital Outlay	732	555	555	0
Other	1,583	1,200	206	994
<b>Total Building</b>	<b>227,738</b>	<b>139,526</b>	<b>127,269</b>	<b>12,257</b>
<b>Total Community Environment</b>	<b>321,018</b>	<b>204,829</b>	<b>188,010</b>	<b>16,819</b>
Leisure Time Activities:				
Recreation Center:				
Salaries and Wages	71,200	21,800	21,335	465
Fringe Benefits	13,648	12,245	9,076	3,169
Purchased Services	30,818	27,650	15,462	12,188
Materials and Supplies	23,684	21,250	16,871	4,379
<b>Total Leisure Time Activities</b>	<b>\$139,350</b>	<b>\$82,945</b>	<b>\$62,744</b>	<b>\$20,201</b>

(continued)



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	\$231,978	\$540,000	\$540,000	\$0
Interest and Fiscal Charges	9,408	21,900	10,770	11,130
Total Debt Service	241,386	561,900	550,770	11,130
<i>Total Expenditures</i>	4,976,915	5,116,203	4,700,992	415,211
<i>Excess of Revenues Over Expenditures</i>	141,727	2,439	955,858	953,419
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	480,000	480,000	510,000	30,000
Advances In	264,000	264,000	300,000	36,000
Advances Out	(395,000)	(355,000)	(355,000)	0
Transfers Out	(1,342,864)	(1,081,098)	(1,122,228)	(41,130)
Total Other Financing Sources (Uses)	(993,864)	(692,098)	(667,228)	24,870
<i>Net Change in Fund Balance</i>	(852,137)	(689,659)	288,630	978,289
<i>Fund Balance Beginning of Year</i>	1,711,549	1,711,549	1,711,549	0
Prior Year Encumbrances Appropriated	102,714	102,714	102,714	0
<i>Fund Balance End of Year</i>	\$962,126	\$1,124,604	\$2,102,893	\$978,289

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Construction, Maintenance and Repair Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$19,000	\$19,000	\$9,192	(\$9,808)
Intergovernmental	616,073	616,073	625,835	9,762
Interest	130	130	191	61
Other	6,000	6,000	4,147	(1,853)
<i>Total Revenues</i>	<u>641,203</u>	<u>641,203</u>	<u>639,365</u>	<u>(1,838)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	444,800	488,412	426,827	61,585
Fringe Benefits	209,325	202,834	189,887	12,947
Purchased Services	64,817	62,377	46,265	16,112
Materials and Supplies	416,504	403,587	391,685	11,902
Capital Outlay	7,980	7,733	5,255	2,478
Other	12,680	9,754	9,291	463
<i>Total Expenditures</i>	<u>1,156,106</u>	<u>1,174,697</u>	<u>1,069,210</u>	<u>105,487</u>
<i>Excess of Revenues Under Expenditures</i>	(514,903)	(533,494)	(429,845)	103,649
<b>Other Financing Sources</b>				
Transfers In	418,000	418,000	418,700	700
<i>Net Change in Fund Balance</i>	(96,903)	(115,494)	(11,145)	104,349
<i>Fund Balance Beginning of Year</i>	274,484	274,484	274,484	0
Prior Year Encumbrances Appropriated	23,056	23,056	23,056	0
<i>Fund Balance End of Year</i>	<u>\$200,637</u>	<u>\$182,046</u>	<u>\$286,395</u>	<u>\$104,349</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire/EMS Levy Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
<b>Revenues</b>				
Property Taxes	\$745,461	\$745,461	\$645,840	(\$99,621)
Charges for Services	5	5	2,590	2,585
Intergovernmental	512	512	101,497	100,985
Other	0	0	5,611	5,611
<i>Total Revenues</i>	<u>745,978</u>	<u>745,978</u>	<u>755,538</u>	<u>9,560</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Salaries and Wages	340,647	318,628	284,801	33,827
Fringe Benefits	103,780	135,134	89,333	45,801
Purchased Services	99,004	104,009	41,902	62,107
Materials and Supplies	60,533	78,816	49,677	29,139
Capital Outlay	116,812	87,492	13,095	74,397
Other	16,841	21,929	13,384	8,545
Total Security of Persons and Property	<u>737,617</u>	<u>746,008</u>	<u>492,192</u>	<u>253,816</u>
Debt Service:				
Principal Retirement	450,000	450,000	450,000	0
Interest and Fiscal Charges	9,000	9,000	8,975	25
Total Debt Service	<u>459,000</u>	<u>459,000</u>	<u>458,975</u>	<u>25</u>
<i>Total Expenditures</i>	<u>1,196,617</u>	<u>1,205,008</u>	<u>951,167</u>	<u>253,841</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(450,639)</u>	<u>(459,030)</u>	<u>(195,629)</u>	<u>263,401</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	300,000	300,000	400,000	100,000
Transfers Out	(175,085)	(175,085)	(175,085)	0
<i>Total Other Financing Sources (Uses)</i>	<u>124,915</u>	<u>124,915</u>	<u>224,915</u>	<u>100,000</u>
<i>Net Change in Fund Balance</i>	(325,724)	(334,115)	29,286	363,401
<i>Fund Balance Beginning of Year</i>	440,134	440,134	440,134	0
Prior Year Encumbrances Appropriated	<u>68,751</u>	<u>68,751</u>	<u>68,751</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$183,161</u>	<u>\$174,770</u>	<u>\$538,171</u>	<u>\$363,401</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
<b>Revenues</b>				
Special Assessments	\$166,754	\$166,754	\$167,642	\$888
<b>Expenditures</b>				
Current:				
General Government:				
Purchased Services	6,132	0	0	0
Other	171	8,183	3,035	5,148
Total General Government	6,303	8,183	3,035	5,148
Debt Service:				
Principal Retirement:				
1996 Special Assessment Bonds	5,000	5,000	5,000	0
2003 Barber Road General Obligation Bonds	68,451	68,451	68,451	0
2003 Barber Road Special Assessment Bonds	41,549	41,549	41,549	0
2010 Various Purpose Bonds - Series B	50,000	50,000	50,000	0
Total Principal Retirement	165,000	165,000	165,000	0
Interest and Fiscal Charges:				
1996 Special Assessment Bonds	2,970	2,970	2,970	0
2003 Barber Road General Obligation Bonds	20,784	20,784	20,783	1
2003 Barber Road Special Assessment Bonds	12,615	12,615	12,615	0
2010 Various Purpose Bonds - Series B	46,654	46,654	46,653	1
Total Interest and Fiscal Charges	83,023	83,023	83,021	2
Issuance Costs	0	74,076	74,076	0
Refunded Bonds Redeemed	24,464	24,464	24,464	0
Total Debt Service	272,487	346,563	346,561	2
<i>Total Expenditures</i>	278,790	354,746	349,596	5,150
<i>Excess of Revenues Under Expenditures</i>	(112,036)	(187,992)	(181,954)	6,038
<b>Other Financing Sources (Uses)</b>				
Special Assessment Bonds Issued	0	2,525	2,525	0
Premium on Special Assessment Bonds	0	1,924	1,924	0
Refunding Bonds Issued	0	1,388,000	1,388,000	0
Premium on Refunding Bonds	0	44,244	43,538	(706)
Payments to Refunded Bond Escrow Agents	0	(1,363,536)	(1,363,536)	0
Advances In	395,000	395,000	285,000	(110,000)
Advances Out	(300,000)	(300,000)	(300,000)	0
Transfers In	0	138,000	137,398	(602)
<i>Total Other Financing Sources (Uses)</i>	95,000	306,157	194,849	(111,308)
<i>Net Change in Fund Balance</i>	(17,036)	118,165	12,895	(105,270)
<i>Fund Balance Beginning of Year</i>	63,539	63,539	63,539	0
<i>Fund Balance End of Year</i>	\$46,503	\$181,704	\$76,434	(\$105,270)

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Highway Improvement Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$47,369	\$48,795	\$1,426
Interest	20	16	(4)
<i>Total Revenues</i>	47,389	48,811	1,422
<b>Expenditures</b>			
Current:			
Transportation:			
State Highway:			
Materials and Supplies	45,514	45,514	0
<i>Net Change in Fund Balance</i>	1,875	3,297	1,422
<i>Fund Balance Beginning of Year</i>	8,286	8,286	0
<i>Fund Balance End of Year</i>	\$10,161	\$11,583	\$1,422

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$334,307	\$326,032	(\$8,275)
Intergovernmental	369	45,507	45,138
Other	4	0	(4)
<i>Total Revenues</i>	<u>334,680</u>	<u>371,539</u>	<u>36,859</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Fire Department:			
Salaries and Wages	288,561	259,671	28,890
Fringe Benefits	101,948	75,338	26,610
Purchased Services	44,854	42,789	2,065
Materials and Supplies	8,060	2,560	5,500
Capital Outlay	9,655	9,654	1
Other	8,560	7,486	1,074
<i>Total Expenditures</i>	<u>461,638</u>	<u>397,498</u>	<u>64,140</u>
<i>Net Change in Fund Balance</i>	(126,958)	(25,959)	100,999
<i>Fund Balance Beginning of Year</i>	174,613	174,613	0
Prior Year Encumbrances Appropriated	<u>3,040</u>	<u>3,040</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$50,695</u></u>	<u><u>\$151,694</u></u>	<u><u>\$100,999</u></u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Emergency Medical Services Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$266,179	\$259,519	(\$6,660)
Charges for Services	167,237	230,169	62,932
Intergovernmental	32,222	37,250	5,028
<i>Total Revenues</i>	<u>465,638</u>	<u>526,938</u>	<u>61,300</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Emergency Medical Services:			
Salaries and Wages	328,100	293,178	34,922
Fringe Benefits	114,112	91,660	22,452
Purchased Services	72,017	50,449	21,568
Materials and Supplies	17,700	14,731	2,969
Capital Outlay	9,655	9,654	1
Other	6,399	5,872	527
<i>Total Expenditures</i>	<u>547,983</u>	<u>465,544</u>	<u>82,439</u>
<i>Net Change in Fund Balance</i>	(82,345)	61,394	143,739
<i>Fund Balance Beginning of Year</i>	196,784	196,784	0
Prior Year Encumbrances Appropriated	<u>3,985</u>	<u>3,985</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$118,424</u></u>	<u><u>\$262,163</u></u>	<u><u>\$143,739</u></u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*DARE Program Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$9,271	\$9,271	\$0
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Salaries and Wages	18,527	18,527	0
<i>Net Change in Fund Balance</i>	(9,256)	(9,256)	0
<i>Fund Balance Beginning of Year</i>	10,373	10,373	0
<i>Fund Balance End of Year</i>	\$1,117	\$1,117	\$0



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Drug Law Enforcement Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$500	\$1,295	\$795
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Drug Law Enforcement:			
Purchased Services	500	0	500
<i>Net Change in Fund Balance</i>	0	1,295	1,295
<i>Fund Balance Beginning of Year</i>	1,072	1,072	0
<i>Fund Balance End of Year</i>	<u>\$1,072</u>	<u>\$2,367</u>	<u>\$1,295</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$4,000	\$0	(\$4,000)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	1,219	0	1,219
Other	2,000	0	2,000
<i>Total Expenditures</i>	3,219	0	3,219
<i>Net Change in Fund Balance</i>	781	0	(781)
<i>Fund Balance Beginning of Year</i>	2,573	2,573	0
Prior Year Encumbrances Appropriated	1,219	1,219	0
<i>Fund Balance End of Year</i>	\$4,573	\$3,792	(\$781)

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Law Enforcement Assistance Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,500	\$0	(\$2,500)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	2,400	0	2,400
<i>Net Change in Fund Balance</i>	100	0	(100)
<i>Fund Balance Beginning of Year</i>	4,780	4,780	0
<i>Fund Balance End of Year</i>	<u>\$4,880</u>	<u>\$4,780</u>	<u>(\$100)</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
DWI Enforcement and Education Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$13,725	\$10,094	(\$3,631)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	21,219	14,799	6,420
<i>Net Change in Fund Balance</i>	(7,494)	(4,705)	2,789
<i>Fund Balance Beginning of Year</i>	18,433	18,433	0
Prior Year Encumbrances Appropriated	1,219	1,219	0
<i>Fund Balance End of Year</i>	\$12,158	\$14,947	\$2,789

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Cemetery Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$500	\$512	\$12
<b>Expenditures</b>			
Current:			
Public Health Services:			
Cemetery:			
Materials and Supplies	400	0	400
Other	100	0	100
<i>Total Expenditures</i>	500	0	500
<i>Net Change in Fund Balance</i>	0	512	512
<i>Fund Balance Beginning of Year</i>	10,524	10,524	0
<i>Fund Balance End of Year</i>	\$10,524	\$11,036	\$512

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police and Fire Disability and Pension Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$74,604	\$64,584	(\$10,020)
Intergovernmental	3,212	13,618	10,406
<i>Total Revenues</i>	<u>77,816</u>	<u>78,202</u>	<u>386</u>
<b>Expenditures</b>			
Current:			
General Government:			
Police and Fire Disability and Pension:			
Fringe Benefits	95,000	95,000	0
Other	1,500	1,338	162
<i>Total Expenditures</i>	<u>96,500</u>	<u>96,338</u>	<u>162</u>
<i>Net Change in Fund Balance</i>	(18,684)	(18,136)	548
<i>Fund Balance Beginning of Year</i>	<u>59,975</u>	<u>59,975</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$41,291</u></u>	<u><u>\$41,839</u></u>	<u><u>\$548</u></u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Mayor's Court Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$15,000	\$10,475	(\$4,525)
<b>Expenditures</b>			
Current:			
General Government:			
Mayor's Court:			
Purchased Services	19,000	4,308	14,692
Materials and Supplies	250	201	49
Capital Outlay	4,000	2,350	1,650
<i>Total Expenditures</i>	<u>23,250</u>	<u>6,859</u>	<u>16,391</u>
<i>Net Change in Fund Balance</i>	(8,250)	3,616	11,866
<i>Fund Balance Beginning of Year</i>	<u>47,293</u>	<u>47,293</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$39,043</u></u>	<u><u>\$50,909</u></u>	<u><u>\$11,866</u></u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Water System Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$85,000	\$180,531	\$95,531
Other	0	10,635	10,635
<i>Total Revenues</i>	<u>85,000</u>	<u>191,166</u>	<u>106,166</u>
<b>Expenditures</b>			
Current:			
Public Health Services:			
Waterline Improvement:			
Purchased Services	40,591	27,614	12,977
Capital Outlay	210,000	49,729	160,271
Total Public Health Services	<u>250,591</u>	<u>77,343</u>	<u>173,248</u>
Debt Service:			
Principal Retirement	285,000	285,000	0
Interest and Fiscal Charges	8,550	5,684	2,866
Bond Issuance Costs	1,409	1,409	0
Total Debt Service	<u>294,959</u>	<u>292,093</u>	<u>2,866</u>
<i>Total Expenditures</i>	<u>545,550</u>	<u>369,436</u>	<u>176,114</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(460,550)</u>	<u>(178,270)</u>	<u>282,280</u>
<b>Other Financing Sources</b>			
General Obligation Notes Issued	335,000	235,000	(100,000)
Special Assessment Bonds Issued	0	11,209	11,209
Premium on Special Assessment Bonds	0	458	458
<i>Total Other Financing Sources</i>	<u>335,000</u>	<u>246,667</u>	<u>(88,333)</u>
<i>Net Change in Fund Balance</i>	(125,550)	68,397	193,947
<i>Fund Balance Beginning of Year</i>	<u>488,286</u>	<u>488,286</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$362,736</u></u>	<u><u>\$556,683</u></u>	<u><u>\$193,947</u></u>



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitary Sewer Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$84,000	\$151,791	\$67,791
Other	0	16,775	16,775
<i>Total Revenues</i>	<u>84,000</u>	<u>168,566</u>	<u>84,566</u>
<b>Expenditures</b>			
Current:			
Public Health Services:			
Sewerline Improvement:			
Purchased Services	227,115	117,568	109,547
Capital Outlay	37,293	8,884	28,409
Other	3,327	0	3,327
Total Public Health Services	<u>267,735</u>	<u>126,452</u>	<u>141,283</u>
Debt Service:			
Bond Issuance Costs	<u>39,426</u>	<u>39,426</u>	<u>0</u>
<i>Total Expenditures</i>	<u>307,161</u>	<u>165,878</u>	<u>141,283</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(223,161)</u>	<u>2,688</u>	<u>225,849</u>
<b>Other Financing Sources</b>			
Special Assessment Bonds Issued	0	461,988	461,988
Premium on Special Assessment Bonds	0	17,618	17,618
<i>Total Other Financing Sources</i>	<u>0</u>	<u>479,606</u>	<u>479,606</u>
<i>Net Change in Fund Balance</i>	(223,161)	482,294	705,455
<i>Fund Balance Beginning of Year</i>	256,558	256,558	0
Prior Year Encumbrances Appropriated	<u>79,561</u>	<u>79,561</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$112,958</u>	<u>\$818,413</u>	<u>\$705,455</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Permissive License Plate Tax Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$50,000	\$0	(\$50,000)
Intergovernmental	118,000	90,340	(27,660)
Interest	140	238	98
Other	0	73,675	73,675
<i>Total Revenues</i>	<u>168,140</u>	<u>164,253</u>	<u>(3,887)</u>
<b>Expenditures</b>			
Current:			
Transportation:			
Special Permissive License Plate Tax:			
Purchased Services	57,500	33,219	24,281
Materials and Supplies	20,000	3,989	16,011
Capital Outlay	184,707	134,360	50,347
<i>Total Expenditures</i>	<u>262,207</u>	<u>171,568</u>	<u>90,639</u>
<i>Excess of Revenues Under Expenditures</i>	(94,067)	(7,315)	86,752
<b>Other Financing Sources</b>			
Transfers In	350,000	350,000	0
<i>Net Change in Fund Balance</i>	255,933	342,685	86,752
<i>Fund Balance Beginning of Year</i>	243,386	243,386	0
Prior Year Encumbrances Appropriated	17,550	17,550	0
<i>Fund Balance End of Year</i>	<u>\$516,869</u>	<u>\$603,621</u>	<u>\$86,752</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Center Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Other	\$8,000	\$7,300	(\$700)
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Community Recreation:			
Salaries and Wages	4,000	2,778	1,222
Fringe Benefits	760	443	317
Purchased Services	21,058	15,880	5,178
Materials and Supplies	16,370	13,222	3,148
<i>Total Expenditures</i>	42,188	32,323	9,865
<i>Excess of Revenues Under Expenditures</i>	(34,188)	(25,023)	9,165
<b>Other Financing Sources</b>			
Transfers In	20,000	20,000	0
<i>Net Change in Fund Balance</i>	(14,188)	(5,023)	9,165
<i>Fund Balance Beginning of Year</i>	24,584	24,584	0
Prior Year Encumbrances Appropriated	570	570	0
<i>Fund Balance End of Year</i>	\$10,966	\$20,131	\$9,165

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Greenwich Road Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Historical Greenwich Road:			
Purchased Services	2,550	1,737	813
<i>Excess of Revenues Under Expenditures</i>	(2,550)	(1,737)	813
<b>Other Financing Sources</b>			
Transfers In	1,900	1,900	0
<i>Net Change in Fund Balance</i>	(650)	163	813
<i>Fund Balance Beginning of Year</i>	1,608	1,608	0
<i>Fund Balance End of Year</i>	\$958	\$1,771	\$813

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Recycling Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Community Environment:			
Recycling:			
Purchased Services	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(2,000)	0	2,000
<i>Fund Balance Beginning of Year</i>	5,416	5,416	0
<i>Fund Balance End of Year</i>	\$3,416	\$5,416	\$2,000

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Scrap Tire Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Community Environment:			
Scrap Tires:			
Purchased Services	400	0	400
<i>Net Change in Fund Balance</i>	(400)	0	400
<i>Fund Balance Beginning of Year</i>	865	865	0
<i>Fund Balance End of Year</i>	\$465	\$865	\$400

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Brentwood Water Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Public Health Services:			
Brentwood Waterlines:			
Purchased Services	32,700	851	31,849
<i>Net Change in Fund Balance</i>	(32,700)	(851)	31,849
<i>Fund Balance Beginning of Year</i>	61,191	61,191	0
Prior Year Encumbrances Appropriated	700	700	0
<i>Fund Balance End of Year</i>	<u>\$29,191</u>	<u>\$61,040</u>	<u>\$31,849</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Special Assessments	\$21,247	\$22,077	\$830
Other	7,344	7,344	0
<i>Total Revenues</i>	<u>28,591</u>	<u>29,421</u>	<u>830</u>
<b>Expenditures</b>			
Current:			
General Government:			
Purchased Services	3,996	1,906	2,090
Other	200	92	108
Total General Government	<u>4,196</u>	<u>1,998</u>	<u>2,198</u>
Debt Service:			
Principal Retirement:			
2003 Various Purpose Bonds	115,000	115,000	0
2010 Various Purpose Bonds - Series A	70,000	70,000	0
Total Principal Retirement	<u>185,000</u>	<u>185,000</u>	<u>0</u>
Interest and Fiscal Charges:			
2003 Various Purpose Bonds	17,578	17,578	0
2010 Various Purpose Bonds - Series A	105,085	105,085	0
Total Interest and Fiscal Charges	<u>122,663</u>	<u>122,663</u>	<u>0</u>
Bond Issuance Costs	37,487	37,487	0
Refunded Bonds Redeemed	12,876	12,876	0
Total Debt Service	<u>358,026</u>	<u>358,026</u>	<u>0</u>
<i>Total Expenditures</i>	<u>362,222</u>	<u>360,024</u>	<u>2,198</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(333,631)</u>	<u>(330,603)</u>	<u>3,028</u>
<b>Other Financing Sources (Uses)</b>			
Refunding Bonds Issued	693,000	693,000	0
Premium on Refunding Bonds	73,642	73,642	0
Payments to Refunded Bond Escrow Agent	(722,951)	(722,951)	0
Transfers In	318,185	362,421	44,236
<i>Total Other Financing Sources (Uses)</i>	<u>361,876</u>	<u>406,112</u>	<u>44,236</u>
<i>Net Change in Fund Balance</i>	28,245	75,509	47,264
<i>Fund Balance Beginning of Year</i>	<u>94,942</u>	<u>94,942</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$123,187</u>	<u>\$170,451</u>	<u>\$47,264</u>



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Land and Land Improvements Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$80,000	\$140,023	\$60,023
Other	0	86	86
<i>Total Revenues</i>	<u>80,000</u>	<u>140,109</u>	<u>60,109</u>
<b>Expenditures</b>			
Capital Outlay:			
Capital Outlay	67,600	61,399	6,201
Debt Service:			
Principal Retirement	10,000	10,000	0
Interest and Fiscal Charges	3,750	3,750	0
Bond Issuance Costs	8,323	8,323	0
Refunded Bonds Redeemed	2,747	2,747	0
<i>Total Debt Service</i>	<u>24,820</u>	<u>24,820</u>	<u>0</u>
<i>Total Expenditures</i>	<u>92,420</u>	<u>86,219</u>	<u>6,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,420)</u>	<u>53,890</u>	<u>66,310</u>
<b>Other Financing Sources (Uses)</b>			
Refunding Bonds Issued	147,000	157,000	10,000
Premium on Refunding Bonds	649	5,131	4,482
Payments to Refunded Bond Escrow Agent	(154,253)	(154,253)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,604)</u>	<u>7,878</u>	<u>14,482</u>
<i>Net Change in Fund Balance</i>	(19,024)	61,768	80,792
<i>Fund Balance Beginning of Year</i>	29,885	29,885	0
Prior Year Encumbrances Appropriated	4,600	4,600	0
<i>Fund Balance End of Year</i>	<u>\$15,461</u>	<u>\$96,253</u>	<u>\$80,792</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**Buildings Fund**  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	14,964	14,964	0
<i>Fund Balance End of Year</i>	<u>\$14,964</u>	<u>\$14,964</u>	<u>\$0</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Streets, Highways and Bridges Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$450,000	\$142,605	(\$307,395)
<b>Expenditures</b>			
Capital Outlay:			
Capital Outlay	<u>331,085</u>	<u>220,963</u>	<u>110,122</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	118,915	(78,358)	(197,273)
<b>Other Financing Sources</b>			
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	128,915	(68,358)	(197,273)
<i>Fund Balance Beginning of Year</i>	32,122	32,122	0
Prior Year Encumbrances Appropriated	<u>261,455</u>	<u>261,455</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$422,492</u></u>	<u><u>\$225,219</u></u>	<u><u>(\$197,273)</u></u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Storm Sewers Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay:			
Capital Outlay	21,098	20,308	790
<i>Net Change in Fund Balance</i>	(21,098)	(20,308)	790
<i>Fund Balance Beginning of Year</i>	6,308	6,308	0
Prior Year Encumbrances Appropriated	14,000	14,000	0
<i>Fund Balance (Deficit) End of Year</i>	(\$790)	\$0	\$790

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Waterlines Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay:			
Capital Outlay	1,090	1,090	0
<i>Net Change in Fund Balance</i>	(1,090)	(1,090)	0
<i>Fund Balance Beginning of Year</i>	1,090	1,090	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitary Sewers Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	10,703	10,703	0
<i>Fund Balance End of Year</i>	<u>\$10,703</u>	<u>\$10,703</u>	<u>\$0</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Gardner Phase I Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<b>Other Financing Uses</b>			
Transfers Out	(3,106)	(3,106)	0
<i>Net Change in Fund Balance</i>	(3,106)	(3,106)	0
<i>Fund Balance Beginning of Year</i>	3,106	3,106	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Gardner Phase III Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$0	\$8,388	\$8,388
Other	1,509	1,287	(222)
<i>Total Revenues</i>	<u>1,509</u>	<u>9,675</u>	<u>8,166</u>
<b>Expenditures</b>			
Capital Outlay:			
Purchased Services	20,332	17,549	2,783
Debt Service:			
Principal Retirement	170,000	170,000	0
Interest and Fiscal Charges	3,391	3,391	0
Bond Issuance Costs	22,798	22,798	0
<i>Total Debt Service</i>	<u>196,189</u>	<u>196,189</u>	<u>0</u>
<i>Total Expenditures</i>	<u>216,521</u>	<u>213,738</u>	<u>2,783</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(215,012)</u>	<u>(204,063)</u>	<u>10,949</u>
<b>Other Financing Sources</b>			
General Obligation Notes Issued	170,000	170,000	0
Special Assessment Bonds Issued	120,000	181,278	61,278
Premium on Special Assessment Bonds	6,900	6,900	0
Advances In	70,000	70,000	0
Transfers In	66,550	0	(66,550)
<i>Total Other Financing Sources</i>	<u>433,450</u>	<u>428,178</u>	<u>(5,272)</u>
<i>Net Change in Fund Balance</i>	218,438	224,115	5,677
<i>Fund Balance Beginning of Year</i>	4,050	4,050	0
Prior Year Encumbrances Appropriated	19,001	19,001	0
<i>Fund Balance End of Year</i>	<u>\$241,489</u>	<u>\$247,166</u>	<u>\$5,677</u>



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Water and Sewer Improvements Fund  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Municipal Income Tax	\$980,000	\$540,136	(\$439,864)
<b>Expenditures</b>			
Capital Outlay:			
Purchased Services	227,990	227,990	0
Capital Outlay	915,135	97,500	817,635
Other	8,875	2,875	6,000
<i>Total Expenditures</i>	<u>1,152,000</u>	<u>328,365</u>	<u>823,635</u>
<i>Net Change in Fund Balance</i>	(172,000)	211,771	383,771
<i>Fund Balance Beginning of Year</i>	530,325	530,325	0
Prior Year Encumbrances Appropriated	<u>170,000</u>	<u>170,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$528,325</u></u>	<u><u>\$912,096</u></u>	<u><u>\$383,771</u></u>

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## Statistical

## Section



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# 2012

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# Statistical Section

This part of the City of Norton, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
------------------------	-----------------------

<b>Financial Trends</b>	<b>S2-S11</b>
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

<b>Revenue Capacity</b>	<b>S12-S20</b>
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These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.

<b>Debt Capacity</b>	<b>S21-S25</b>
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

<b>Economic and Demographic Information</b>	<b>S26-S28</b>
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These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

<b>Operating Information</b>	<b>S30-S37</b>
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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:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**City of Norton, Ohio**  
*Net Position By Component*  
*Last Nine Years*  
*(Accrual Basis of Accounting)*

	2012	2011	2010	2009
Governmental Activities				
Net Investment in Capital Assets	\$15,103,220	\$15,529,859	\$14,229,214	\$12,983,587
Restricted:				
Capital Projects	454,614	325,017	949,705	966,739
Debt Service	2,269,790	399,345	383,156	682,976
Police	62,123	83,564	66,161	33,363
Fire and EMS	1,338,729	1,186,143	1,632,559	922,576
Transportation	780,096	647,652	504,317	992,559
Sewerline/Waterline Maintenance	1,497,061	851,439	717,047	1,304,656
Other Purposes	57,990	52,709	113,047	160,556
Unclaimed Monies	6,633	5,320	5,320	0
Unrestricted	5,446,624	4,212,600	2,972,863	1,570,092
<i>Total Governmental Activities Net Position</i>	<u>\$27,016,880</u>	<u>\$23,293,648</u>	<u>\$21,573,389</u>	<u>\$19,617,104</u>

2008	2007	2006	2005	2004
\$10,673,140	\$9,834,555	\$7,828,844	\$6,350,813	\$6,015,088
768,494	423,673	979,920	2,146,426	1,877,579
820,130	918,452	955,831	861,303	915,517
45,893	36,217	34,637	46,168	58,012
735,962	186,546	315,989	340,123	198,162
1,012,433	1,063,984	1,593,221	557,757	463,227
1,146,715	881,202	655,415	484,483	238,163
393,029	180,234	48,876	20,960	33,510
0	0	0	0	0
1,365,408	2,070,283	2,185,965	1,662,417	666,646
<u>\$16,961,204</u>	<u>\$15,595,146</u>	<u>\$14,598,698</u>	<u>\$12,470,450</u>	<u>\$10,465,904</u>

**City of Norton, Ohio**  
*Changes in Net Position*  
*Last Nine Years*  
*(Accrual Basis of Accounting)*

	2012	2011	2010
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services:			
General Government	\$2,264,295	\$302,108	\$276,251
Security of Persons and Property	410,342	598,990	297,053
Transportation	5,346	97,791	19,669
Community Environment	13,861	9,913	11,201
Public Health Services	335,691	98,585	583,767
Leisure Time Activities	3,977	8,123	113,014
Subtotal - Charges for Services	<u>3,033,512</u>	<u>1,115,510</u>	<u>1,300,955</u>
Operating Grants and Contributions:			
General Government	0	0	0
Security of Persons and Property	236,940	245,158	431,812
Transportation	759,919	776,542	1,040,826
Community Environment	0	0	0
Leisure Time Activities	0	0	0
Subtotal - Operating Grants and Contributions	<u>996,859</u>	<u>1,021,700</u>	<u>1,472,638</u>
Capital Grants and Contributions:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Transportation	145,167	257,935	3,971
Public Health Services	0	8,388	377,076
Leisure Time Activities	0	0	0
Subtotal - Capital Grants and Contributions	<u>145,167</u>	<u>266,323</u>	<u>381,047</u>
<i>Total Governmental Activities Program Revenues</i>	<u>4,175,538</u>	<u>2,403,533</u>	<u>3,154,640</u>
<b>Expenses</b>			
Governmental Activities:			
General Government	2,024,702	1,867,424	2,162,226
Security of Persons and Property	3,404,024	3,894,241	4,596,289
Transportation	1,369,735	1,361,018	942,026
Community Environment	205,175	136,519	207,963
Public Health Services	90,538	336,423	0
Leisure Time Activities	132,009	173,648	151,742
Interest and Fiscal Charges	355,527	280,450	241,181
<i>Total Governmental Activities Expenses</i>	<u>7,581,710</u>	<u>8,049,723</u>	<u>8,301,427</u>
<b>Net (Expense)/Revenue</b>	<u>(\$3,406,172)</u>	<u>(\$5,646,190)</u>	<u>(\$5,146,787)</u>



2009	2008	2007	2006	2005	2004
\$300,905	\$301,207	\$227,855	\$252,100	\$369,512	\$193,091
360,415	396,414	408,448	460,447	427,016	384,907
17,867	44,801	15,047	12,295	19,795	40,639
9,121	14,141	19,018	32,387	0	0
229,682	313,884	321,192	214,416	317,382	229,228
9,285	7,983	9,893	1,349	47,823	58,631
<u>927,275</u>	<u>1,078,430</u>	<u>1,001,453</u>	<u>972,994</u>	<u>1,181,528</u>	<u>906,496</u>
33,741	1,520	9,030	48,886	29,435	13,221
293,797	190,692	57,822	89,332	139,065	35,910
861,965	835,367	751,886	908,733	635,167	635,810
0	0	4,293	0	2,878	0
0	0	0	7,353	0	0
<u>1,189,503</u>	<u>1,027,579</u>	<u>823,031</u>	<u>1,054,304</u>	<u>806,545</u>	<u>684,941</u>
0	27,549	47,346	0	0	0
0	0	125,852	0	0	0
1,156,369	12,282	0	512,808	134,890	671,481
597,946	53,216	0	503,239	60,701	697,612
247,550	0	146,993	0	0	0
<u>2,001,865</u>	<u>93,047</u>	<u>320,191</u>	<u>1,016,047</u>	<u>195,591</u>	<u>1,369,093</u>
<u>4,118,643</u>	<u>2,199,056</u>	<u>2,144,675</u>	<u>3,043,345</u>	<u>2,183,664</u>	<u>2,960,530</u>
2,125,361	1,960,544	1,797,290	2,258,088	1,657,936	1,496,946
3,663,609	3,635,906	3,486,686	3,697,437	2,749,595	2,907,755
1,350,060	1,890,748	1,305,616	1,105,515	1,168,903	1,306,330
215,613	264,377	266,813	310,737	245,311	251,646
149,466	134,428	167,598	101,908	128,117	86,907
130,210	187,932	172,172	230,960	179,714	149,725
219,038	130,774	174,121	169,150	166,384	167,244
<u>7,853,357</u>	<u>8,204,709</u>	<u>7,370,296</u>	<u>7,873,795</u>	<u>6,295,960</u>	<u>6,366,553</u>
<u>(\$3,734,714)</u>	<u>(\$6,005,653)</u>	<u>(\$5,225,621)</u>	<u>(\$4,830,450)</u>	<u>(\$4,112,296)</u>	<u>(\$3,406,023)</u>

(continued)

**City of Norton, Ohio**  
*Changes in Net Position (continued)*  
*Last Nine Years*  
*(Accrual Basis of Accounting)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities			
Taxes:			
Property Taxes Levied For:			
General Purposes	\$382,368	\$337,450	\$379,153
Fire	325,315	326,262	320,570
EMS	258,942	232,241	266,321
Police and Fire Disability and Pension	63,078	71,888	88,107
Fire/EMS Levy	630,836	745,316	699,056
Municipal Income Taxes levied for			
General Purposes	4,091,218	4,227,715	3,745,475
Debt Service	225,000	80,000	113,273
Capital Projects	549,706	0	0
Street Repair and Maintenance	0	0	0
Water and Sewer Improvements	0	406,234	310,855
Grants and Entitlements not Restricted to			
Specific Programs	409,661	753,015	908,884
Interest	6,069	6,412	9,242
Gain on Sale of Capital Assets	0	0	0
Other	187,211	179,916	262,136
<i>Total Governmental Activities</i>	<u>7,129,404</u>	<u>7,366,449</u>	<u>7,103,072</u>
<b>Change in Net Position</b>	<u><u>\$3,723,232</u></u>	<u><u>\$1,720,259</u></u>	<u><u>\$1,956,285</u></u>

2009	2008	2007	2006	2005	2004
\$378,213	\$357,431	\$430,607	\$420,666	\$391,304	\$364,278
319,334	423,795	422,687	368,796	387,997	358,948
261,571	371,831	319,338	306,426	301,426	289,622
70,915	67,018	81,662	77,621	73,369	68,302
700,260	530,585	0	0	0	0
3,461,568	3,903,789	2,759,385	3,383,613	2,548,525	2,483,503
0	0	252,565	337,550	259,260	67,904
0	0	157,456	79,365	60,989	16,050
0	0	542,585	784,923	602,001	147,741
135,842	0	0	0	0	0
811,264	1,577,087	953,675	857,119	1,278,637	1,096,348
75,019	101,997	282,650	276,651	113,769	55,784
0	0	0	0	0	26,184
176,628	38,178	19,459	65,968	99,565	112,326
6,390,614	7,371,711	6,222,069	6,958,698	6,116,842	5,086,990
\$2,655,900	\$1,366,058	\$996,448	\$2,128,248	\$2,004,546	\$1,680,967

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

	2012	2011	2010	2009
<b>General Fund</b>				
Nonspendable	\$44,748	\$32,783	\$27,921	\$27,037
Restricted	5,416	5,416	10,736	10,736
Committed	119,975	253,670	217,314	218,844
Assigned	419,152	91,109	97,352	552,453
Unassigned	3,154,498	2,403,847	1,130,346	384,481
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
<b>Total General Fund</b>	<u>3,743,789</u>	<u>2,786,825</u>	<u>1,483,669</u>	<u>1,193,551</u>
<b>All Other Governmental Funds</b>				
Nonspendable	329,246	260,680	247,239	273,409
Restricted	3,607,869	2,476,805	3,254,262	2,208,636
Committed	1,176,524	767,541	372,084	62,195
Assigned	156,507	91,777	211,448	208,707
Unassigned (Deficit)	(253,907)	(236,462)	(184,108)	(1,759,933)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds (Deficit)	N/A	N/A	N/A	N/A
<b>Total All Other Governmental Funds</b>	<u>5,016,239</u>	<u>3,360,341</u>	<u>3,900,925</u>	<u>993,014</u>
<b>Total Governmental Funds</b>	<u>\$8,760,028</u>	<u>\$6,147,166</u>	<u>\$5,384,594</u>	<u>\$2,186,565</u>

Note: Due to the implementation of GASB Statement No. 54, in 2009-2012 the special permissive license plate tax, community center, Greenwich Road, recycling, scrap tire and Brentwood water funds are included with general fund on a GAAP basis. In 2008 and prior years, these fund balances was included in all other governmental funds.

2008	2007	2006	2005	2004	2003
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$152,340	\$29,733	\$153,661	\$192,524	\$44,672	\$42,751
1,534,583	1,871,927	1,795,049	787,233	750,252	706,069
1,686,923	1,901,660	1,948,710	979,757	794,924	748,820
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
342,587	219,485	269,137	1,140,679	1,158,506	132,269
2,122,723	1,830,304	2,041,482	1,269,915	859,357	681,639
63,349	61,381	40,203	56,643	65,404	(194)
(182,235)	38,243	333,382	283,899	(45,352)	1,293,887
2,346,424	2,149,413	2,684,204	2,751,136	2,037,915	2,107,601
\$4,033,347	\$4,051,073	\$4,632,914	\$3,730,893	\$2,832,839	\$2,856,421

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

	2012	2011	2010	2009
<b>Revenues</b>				
Property Taxes	\$1,686,380	\$1,683,465	\$1,730,639	\$1,690,813
Municipal Income Taxes	4,837,150	4,645,951	4,182,044	3,738,028
Charges for Services	889,126	665,220	919,612	706,886
Special Assessments	189,719	160,343	270,117	75,171
Licenses, Permits and Fees	47,727	33,694	73,657	74,823
Fines and Forfeitures	90,768	170,662	145,257	115,799
Intergovernmental	1,659,832	2,256,857	2,660,564	2,533,500
Interest	6,069	6,412	9,242	75,019
Other	187,211	179,916	262,136	176,628
<b>Total Revenues</b>	<b>9,593,982</b>	<b>9,802,520</b>	<b>10,253,268</b>	<b>9,186,667</b>
<b>Expenditures</b>				
Current:				
General Government	1,798,467	2,039,058	2,237,251	2,577,602
Security of Persons and Property	3,222,091	3,763,267	6,642,568	3,716,697
Transportation	1,163,451	1,382,450	1,715,431	1,708,913
Community Environment	181,650	136,317	209,513	221,965
Public Health Services	112,933	69,907	1,037,150	230,224
Leisure Time Activities	92,904	140,871	133,830	251,167
Other	0	0	0	0
Capital Outlay	392,174	365,560	516,896	1,878,003
Debt Service:				
Principal Retirement	1,675,000	2,312,000	225,000	229,364
Principal Retirement - Current Refunding	0	0	0	0
Interest and Fiscal Charges	237,315	296,328	221,843	219,514
Bond Issuance Costs	183,519	0	126,198	0
Refunded Bonds Redeemed	40,087	0	0	0
<b>Total Expenditures</b>	<b>9,099,591</b>	<b>10,505,758</b>	<b>13,065,680</b>	<b>11,033,449</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>494,391</i>	<i>(703,238)</i>	<i>(2,812,412)</i>	<i>(1,846,782)</i>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	0
Inception of Capital Lease	0	0	0	0
Refunding Bonds Issued	2,238,000	0	0	0
General Obligation Bonds Issued	0	0	3,890,000	0
Special Assessment Bonds Issued	657,000	0	0	0
Premium on Bonds	149,211	0	136,235	0
Notes Issued	1,315,000	1,315,000	1,967,000	0
Premium on Notes	0	0	17,206	0
Current Refunding	0	0	0	0
Payments to Refunded Bond Escrow Agent	(2,240,740)	0	0	0
Transfers In	928,519	1,010,988	655,094	1,043,419
Transfers Out	(928,519)	(860,178)	(655,094)	(1,043,419)
<b>Total Other Financing Sources (Uses)</b>	<b>2,118,471</b>	<b>1,465,810</b>	<b>6,010,441</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>\$2,612,862</b>	<b>\$762,572</b>	<b>\$3,198,029</b>	<b>(\$1,846,782)</b>
Debt Service as a Percentage of Noncapital Expenditures	22.8%	27.5%	4.6%	5.0%

2008	2007	2006	2005	2004	2003
\$1,758,595	\$1,164,082	\$1,172,254	\$1,102,775	\$1,088,710	\$1,222,603
3,995,958	3,880,264	3,949,257	3,365,754	2,641,551	2,625,238
819,646	720,637	497,209	768,912	560,027	419,741
76,111	71,790	40,373	100,833	55,660	12,756
102,918	102,217	99,401	125,671	66,295	101,487
109,155	170,967	228,170	160,972	256,268	224,804
2,543,424	1,925,630	2,378,753	1,667,640	1,761,685	1,336,911
101,997	282,650	276,651	113,769	55,784	18,544
38,178	19,459	65,968	99,565	112,326	290,026
9,545,982	8,337,696	8,708,036	7,505,891	6,598,306	6,252,110
2,004,444	1,819,921	1,828,117	1,543,564	1,449,123	1,532,231
4,056,371	3,198,169	2,959,561	2,780,456	2,779,708	2,639,560
1,758,624	2,155,630	1,003,741	1,174,789	1,102,624	902,554
258,713	256,666	310,102	254,385	287,058	290,668
54,164	92,725	42,742	35,125	59,445	6,281
171,382	159,719	51,096	165,894	137,530	197,901
0	0	0	0	0	30,172
975,903	802,520	1,006,410	181,315	324,995	536,282
232,931	262,917	260,033	260,311	577,835	5,000
0	0	0	50,000	0	0
131,176	171,270	175,213	161,998	170,754	299,338
0	0	0	0	0	0
0	0	0	0	0	0
9,643,708	8,919,537	7,637,015	6,607,837	6,889,072	6,439,987
(97,726)	(581,841)	1,071,021	898,054	(290,766)	(187,877)
80,000	0	0	0	26,184	0
0	0	16,000	0	6,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	185,000	235,000	4,420,000
0	0	0	0	0	0
0	0	(185,000)	(185,000)	0	0
0	0	0	0	0	0
1,627,890	613,230	682,724	460,251	1,433,843	725,160
(1,627,890)	(613,230)	(682,724)	(460,251)	(1,433,843)	(725,160)
80,000	0	(169,000)	0	267,184	4,420,000
(\$17,726)	(\$581,841)	\$902,021	\$898,054	(\$23,582)	\$4,232,123
4.7%	6.2%	6.6%	7.3%	11.4%	5.2%

**City of Norton, Ohio**  
*Assessed Valuation and Estimated Actual Values of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2012	\$203,018,390	\$36,257,850	\$683,646,400	\$6,104,960	\$6,937,455
2011	220,399,790	43,550,250	754,142,971	5,777,560	6,565,409
2010	220,322,280	43,993,900	755,189,086	5,582,820	6,344,114
2009	219,772,920	43,273,710	751,561,800	5,339,870	6,068,034
2008	218,888,440	41,757,830	744,703,629	5,144,670	5,846,216
2007	216,297,250	40,422,950	733,486,286	6,507,780	7,395,205
2006	212,333,270	40,000,130	720,952,571	6,507,780	7,395,205
2005	191,812,190	38,656,010	658,480,571	6,562,270	7,457,125
2004	187,630,300	37,741,080	643,918,229	6,977,590	7,929,080
2003	183,280,910	38,181,150	632,748,743	6,754,770	7,675,875

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006.

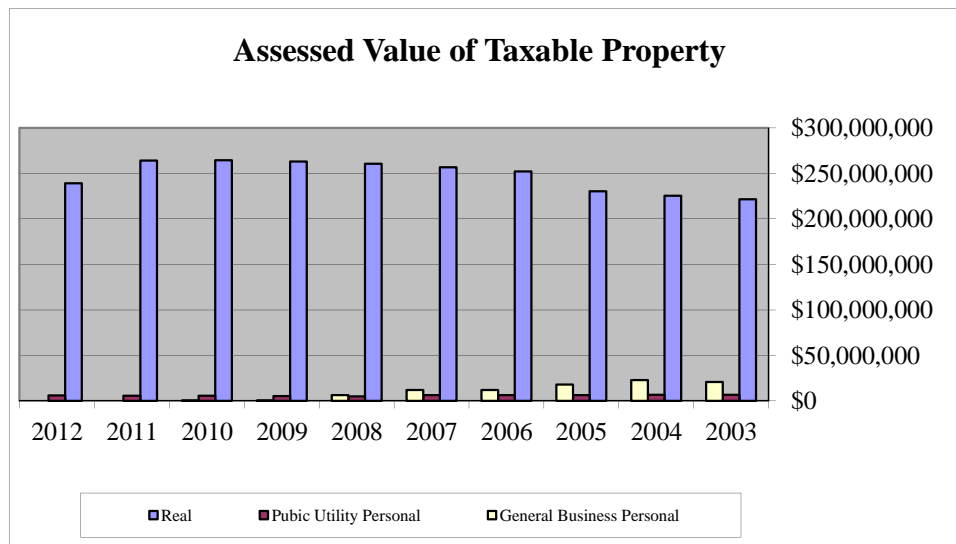
The tangible personal property values associated with each year are the value that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Summit County, Fiscal Officer



**Tangible Personal Property**

General Business		Total			Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$0	\$0	\$245,381,200	\$690,583,855	35.53%	\$9.5000	\$8.6702
0	0	269,727,600	760,708,381	35.46	9.5000	7.6108
238,565	3,817,040	270,137,565	765,350,239	35.30	9.5000	7.3530
480,359	7,685,744	268,866,859	765,315,578	35.13	9.5000	7.3157
6,536,255	104,580,080	272,327,195	855,129,924	31.85	9.5000	7.3518
12,197,400	97,579,200	275,425,380	838,460,690	32.85	6.5000	4.4009
12,197,400	65,052,800	271,038,580	793,400,576	34.16	6.5000	4.4212
17,925,833	71,703,332	254,956,303	737,641,028	34.56	6.5000	4.6551
22,835,501	91,342,004	255,184,471	743,189,312	34.34	6.5000	4.7100
20,700,235	82,800,940	248,917,065	723,225,558	34.42	6.5000	4.6900



**City of Norton, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

	2012	2011	2010	2009
<b>Unvoted Millage</b>				
Operating	\$1.6000	\$1.6000	\$1.6000	\$1.6000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>
<b>Voted Millage by Levy</b>				
1988 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.4622	0.4233	0.4226
Commerical/Industrial and Public Utility Real	0.0000	0.6722	0.5599	0.5606
General Business and Public Utility Personal	0.0000	1.0000	1.0000	1.0000
1988 Fire				
Residential/Agricultural Real	0.0000	0.7395	0.6772	0.6762
Commerical/Industrial and Public Utility Real	0.0000	1.0755	0.8958	0.8970
General Business and Public Utility Personal	0.0000	1.6000	1.6000	1.6000
1996 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.6313	0.5781	0.5772
Commerical/Industrial and Public Utility Real	0.0000	0.9049	0.7537	0.7547
General Business and Public Utility Personal	0.0000	1.0000	1.0000	1.0000
1996 Fire				
Residential/Agricultural Real	0.0000	0.6313	0.5781	0.5772
Commerical/Industrial and Public Utility Real	0.0000	0.9049	0.7537	0.7547
General Business and Public Utility Personal	0.0000	1.0000	1.0000	1.0000
2007 Fire				
Residential/Agricultural Real	3.0000	3.0000	3.0000	3.0000
Commerical/Industrial and Public Utility Real	3.0000	3.0000	2.9765	2.9805
General Business and Public Utility Personal	3.0000	3.0000	3.0000	3.0000
2012 Fire				
Residential/Agricultural Real	4.6000	0.0000	0.0000	0.0000
Commerical/Industrial and Public Utility Real	4.6000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	4.6000	0.0000	0.0000	0.0000
<b>Total Voted Millage by type of property</b>				
Residential/Agricultural Real	\$7.6000	\$5.4643	\$5.2567	\$5.2532
Commerical/Industrial and Public Utility Real	7.6000	6.5575	5.9396	5.9475
General Business and Public Utility Personal	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>
<b>Total Millage by type of property</b>				
Residential/Agricultural Real	\$9.5000	\$7.3643	\$7.1567	\$7.1532
Commerical/Industrial and Public Utility Real	9.5000	8.4575	7.8396	7.8475
General Business and Public Utility Personal	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>
<b>Total Weighted Average Tax Rate</b>	<u>\$6.9169</u>	<u>\$7.3406</u>	<u>\$7.3515</u>	<u>\$7.3069</u>
<b>Overlapping Rates by Taxing District</b>				
Norton City School District				
Residential/Agricultural Real	\$33.2344	\$31.3055	\$29.2630	\$29.2311
Commerical/Industrial and Public Utility Real	44.8455	42.5417	37.1239	37.1675
General Business and Public Utility Personal	61.8000	59.9000	59.9000	59.9000
Summit County				
Residential/Agricultural Real	12.6205	12.6193	12.5601	12.5592
Commerical/Industrial and Public Utility Real	12.6934	12.6843	12.2165	12.2347
General Business and Public Utility Personal	12.7000	12.7000	12.7000	12.7000
Akron/Summit Library				
Residential/Agricultural Real	2.1400	2.1000	2.1000	2.0170
Commerical/Industrial and Public Utility Real	2.1400	2.1000	2.0972	2.0199
General Business and Public Utility Personal	2.1400	2.1000	2.1000	2.1000
Summit Metropolitan Park District				
Residential/Agricultural Real	1.4600	1.4600	1.4600	1.4600
Commerical/Industrial and Public Utility Real	1.4600	1.4600	1.4075	1.4102
General Business and Public Utility Personal	1.4600	1.4600	1.4600	1.4600

Source: County Fiscal Officer

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents. Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Overlapping rates are those of local and county governments that apply to property owners within the City.

2008	2007	2006	2005	2004	2003
\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
0.4219	0.4180	0.4203	0.4590	0.4627	0.4639
0.5572	0.5643	0.5741	0.5884	0.5825	0.5627
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.6751	0.6688	0.6724	0.7344	0.7403	0.7422
0.8915	0.9029	0.9186	0.9415	0.9320	0.9003
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
0.5763	0.5709	0.5740	0.6269	0.6320	0.6336
0.7501	0.7596	0.7728	0.7921	0.7841	0.7575
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5763	0.5709	0.5740	0.6269	0.6320	0.6336
0.7501	0.7596	0.7728	0.7921	0.7841	0.7575
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2.9622	0.0000	0.0000	0.0000	0.0000	0.0000
3.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$5.2496	\$2.2286	\$2.2407	\$2.4472	\$2.4670	\$2.4733
5.9111	2.9864	3.0383	3.1141	3.0827	2.9780
7.6000	4.6000	4.6000	4.6000	4.6000	4.6000
\$7.1496	\$4.1286	\$4.1407	\$4.3472	\$4.3670	\$4.3733
7.8111	4.8864	4.9383	5.0141	4.9827	4.8780
9.5000	6.5000	6.5000	6.5000	6.5000	6.5000
\$7.3467	\$4.4009	\$4.4212	\$4.6551	\$4.7100	\$4.6900
\$29.1958	\$28.8335	\$28.9406	\$31.1576	\$26.4282	\$26.5082
36.9567	37.2881	37.8347	38.6235	33.4429	32.5120
59.9000	59.9000	59.9000	59.9000	55.0000	55.0000
12.5574	10.5997	9.0633	9.6107	9.6343	9.6215
12.1034	11.4020	10.0247	10.3113	10.2999	10.2128
12.7000	13.1100	12.2200	12.2200	12.2200	12.2200
1.9921	1.9206	1.9333	2.1358	0.7800	1.2633
1.9799	1.9896	1.9907	2.1400	0.7800	1.4346
2.0800	2.0300	2.0400	2.1400	0.7800	1.5900
1.4600	1.4573	0.6959	0.7517	0.7540	0.7526
1.3914	1.4600	0.7470	0.7743	0.7730	0.7652
1.4600	1.4600	0.8500	0.8500	0.8500	0.8500

**City of Norton, Ohio**  
*Property Tax Levies And Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2012	\$1,859,759	\$1,779,092	95.66%	\$125,306	\$1,904,398
2011	1,973,642	1,867,333	94.61	88,101	1,955,434
2010	1,974,665	1,873,101	94.86	71,363	1,944,464
2009	1,960,075	1,855,966	94.69	59,685	1,915,651
2008	1,940,960	1,859,423	95.80	33,625	1,893,048
2007	1,132,826	1,085,632	95.83	30,202	1,115,834
2006	1,119,491	1,071,160	95.68	33,666	1,104,826
2005	1,073,413	1,026,171	95.60	31,942	1,058,113
2004	1,098,882	1,017,803	92.62	35,748	1,053,551
2003	1,034,972	989,267	95.58	33,414	1,022,681

Source: Summit County Fiscal Officer

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, our current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to improve the presentation.

Percentage of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
102.40%	\$155,992	8.39%
99.08	200,631	10.17
98.47	182,423	9.24
97.73	152,552	7.78
97.53	108,128	5.57
98.50	60,217	5.32
98.69	65,655	5.86
98.57	60,368	5.62
95.87	45,331	4.13
98.81	52,891	5.11

**City of Norton, Ohio**  
*Income Tax Revenue Base and Collections (1)*  
*Last Ten Years*

<u>Tax Year</u>	<u>Tax Rate (2)</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>
2012	2.00 %	\$4,877,323	\$1,406,929	28.85 %	\$3,006,175	61.63 %
2011	2.00	4,577,929	1,329,387	29.04	2,872,936	62.76
2010	2.00	4,094,388	782,847	19.12	3,057,230	74.67
2009	2.00	3,734,277	702,980	18.83	2,625,335	70.30
2008	2.00	4,014,015	726,135	18.09	2,888,084	71.95
2007	2.00	3,979,767	626,813	15.75	2,873,790	72.21
2006	2.00	3,958,650	677,192	17.11	2,816,173	71.14
2005	2.00	3,794,343	508,573	13.40	2,866,905	75.56
2004	1.50	2,657,039	411,098	15.47	1,899,297	71.48
2003	1.50	2,600,731	432,067	16.61	1,880,010	72.29

(1) Cash Basis

(2) Effective January 1, 2005, City of Norton Electors voted to increase the City income tax by .50%

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<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>
\$464,218	9.52 %
395,974	8.65
254,261	6.21
405,962	10.87
399,796	9.96
479,164	12.04
465,285	11.75
418,865	11.04
346,644	13.05
288,654	11.10

**City of Norton, Ohio**  
*Principal Real Estate Property Taxpayers*  
 2012 and 2003

Taxpayer	2012	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Albrecht, Incorporated	\$2,423,700	1.01 %
Columbia Woods Apartments, LLC	2,241,520	0.93
J R Engineering, Incorporated	1,575,030	0.66
World Real Estate Services, LTD	1,250,010	0.52
Seal Real Estate Holdings, LLC	1,065,420	0.45
Pittsburgh Plate Glass Company	979,330	0.41
Falkenstein, Albert J. Trustee	827,820	0.35
Newpark Drive Limited Partnership	809,620	0.34
Barber Road Storage, LLC	796,680	0.33
Strachan, Wyman ET AIL	566,290	0.24
<b>Total</b>	<b>\$12,535,420</b>	<b>5.24 %</b>
<b>Total Real Assessed Valuation</b>	<b>\$239,276,240</b>	

Taxpayer	2003	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$3,458,640	1.56 %
B&C Corporation	2,527,730	1.14
Albrecht, Incorporated	2,176,540	0.98
Seal Mack W.	1,959,100	0.88
Pittsburgh Plate Glass Company	1,260,100	0.57
Falkenstein, Albert J. Trustee	973,800	0.44
Newpark Drive Limited Partnership	846,300	0.39
Brookside Land Company	756,260	0.35
Strachan, Wyman ET AIL	723,860	0.33
Norton Energy Storage, LLC	648,260	0.28
<b>Total</b>	<b>\$15,330,590</b>	<b>6.92 %</b>
<b>Total Real Assessed Valuation</b>	<b>\$221,462,060</b>	

Source: Summit County Fiscal Officer



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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of General Obligation Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>General Obligation Bonded Debt Per Capita</u>
2012	12,085	\$690,583,855	\$4,557,733	0.66 %	\$377.14
2011	12,085	760,708,381	4,717,669	0.62	390.37
2010	12,085	765,350,239	4,972,443	0.65	411.46
2009	11,523	765,315,578	2,464,119	0.32	213.84
2008	11,523	855,129,924	2,641,884	0.31	229.27
2007	11,523	838,460,690	2,829,649	0.34	245.57
2006	11,523	793,400,576	3,012,414	0.38	261.43
2005	11,523	737,641,028	3,192,041	0.43	277.01
2004	11,523	743,189,312	3,371,668	0.45	292.60
2003	11,523	723,225,558	4,420,000	0.61	383.58

Sources:

(1) U. S. Bureau of Census, 2002-2009 - 2000 Census of Population; 2010-2012 - 2010 Census of Population.

(2) Summit County Fiscal Officer

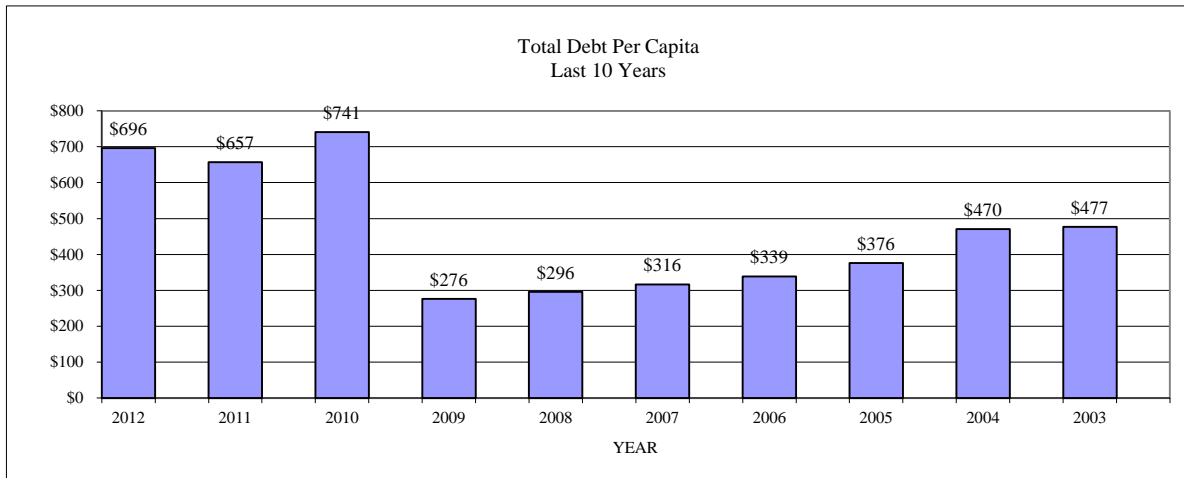
(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

Note: Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

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

Year	General Obligation Bonds	Long-Term Notes	Special Assessment Bonds	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
2012	\$4,557,733	\$1,315,000	\$2,543,111	\$0	\$8,415,844	2.67%	\$696
2011	4,717,669	1,315,000	1,910,222	0	7,942,891	2.52	657
2010	4,972,443	1,979,422	2,006,706	0	8,958,571	2.84	741
2009	2,464,119	0	715,881	0	3,180,000	1.34	276
2008	2,641,884	0	758,116	9,364	3,409,364	1.43	296
2007	2,829,649	0	800,351	12,295	3,642,295	1.53	316
2006	3,012,414	35,000	842,586	15,212	3,905,212	1.64	339
2005	3,192,041	255,000	882,959	4,245	4,334,245	1.82	376
2004	3,371,668	1,116,000	923,332	9,556	5,420,556	2.28	470
2003	4,420,000	978,000	85,000	8,391	5,491,391	2.31	477

Note: Population and Personal Income data are presented on page S26.



**City of Norton, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2012*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct</b>			
General Obligation Bonds	\$4,557,733	100.00%	\$4,557,733
Special Assessment Bonds	2,543,111	100.00	2,543,111
General Obligation Notes	<u>1,315,000</u>	100.00	<u>1,315,000</u>
<i>Total Direct Debt</i>	<u>8,415,844</u>		<u>8,415,844</u>
<b>Overlapping</b>			
Summit County			
General Obligation Bonds	60,514,000	2.15	1,301,051
Akron-Summit County Library System			
General Obligation Bonds	35,405,000	3.06	1,083,393
Metro Regional Transit Authority			
General Obligation Bonds	<u>205,000</u>	2.15	<u>4,408</u>
<i>Total Overlapping Debt</i>	<u>96,124,000</u>		<u>2,388,852</u>
<b>Total</b>	<u><u>\$104,539,844</u></u>		<u><u>\$10,804,696</u></u>

Source: County Fiscal Officer

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

**City of Norton, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Assessed Property Value	<u>\$245,381,200</u>	<u>\$269,727,600</u>	<u>\$270,137,565</u>	<u>\$268,866,859</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$25,765,026</u>	<u>\$28,321,398</u>	<u>\$28,364,444</u>	<u>\$28,231,020</u>
Debt Outstanding:				
General Obligation Bonds	4,383,362	4,632,903	4,883,216	2,464,119
Special Assessment Bonds	2,446,638	1,867,097	1,961,784	715,881
Manuscript Notes	0	0	0	0
Notes	<u>1,315,000</u>	<u>1,445,000</u>	<u>1,979,422</u>	<u>3,139,099</u>
Total Gross Indebtedness	8,145,000	7,945,000	8,824,422	6,319,099
Less:				
Special Assessment Bonds	(2,446,638)	(1,867,097)	(1,961,784)	(715,881)
Amount Available in Debt Service	<u>(170,451)</u>	<u>(36,221)</u>	<u>(29,397)</u>	<u>(6,753)</u>
Total Net Debt Applicable to Debt Limit	<u>5,527,911</u>	<u>6,041,682</u>	<u>6,833,241</u>	<u>5,596,465</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$20,237,115</u>	<u>\$22,279,716</u>	<u>\$21,531,203</u>	<u>\$22,634,555</u>
Legal Debt Margin as a Percentage of the Debt Limit	78.54%	78.67%	75.91%	80.18%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$13,495,966</u>	<u>\$14,835,018</u>	<u>\$14,857,566</u>	<u>\$14,787,677</u>
Total Gross Indebtedness	8,145,000	7,945,000	8,824,422	6,319,099
Less:				
Special Assessment Bonds	(2,446,638)	(1,867,097)	(1,961,784)	(715,881)
Amount Available in Debt Service	<u>(170,451)</u>	<u>(36,221)</u>	<u>(29,397)</u>	<u>(6,753)</u>
Net Debt Within 5 ½ % Limitations	<u>5,527,911</u>	<u>6,041,682</u>	<u>6,833,241</u>	<u>5,596,465</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$7,968,055</u>	<u>\$8,793,336</u>	<u>\$8,024,325</u>	<u>\$9,191,212</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	59.04%	59.27%	54.01%	62.15%

Source: City Financial Records

2008	2007	2006	2005	2004	2003
<u>\$272,327,195</u>	<u>\$275,425,380</u>	<u>\$271,038,580</u>	<u>\$254,956,303</u>	<u>\$255,184,471</u>	<u>\$248,917,065</u>
<u>\$28,594,355</u>	<u>\$28,919,665</u>	<u>\$28,459,051</u>	<u>\$26,770,412</u>	<u>\$26,794,369</u>	<u>\$26,136,292</u>
2,641,884	2,829,649	3,012,414	3,192,041	3,371,668	4,420,000
758,116	800,351	842,586	882,959	923,332	85,000
560,000	806,000	0	0	0	0
563,000	0	220,000	840,800	1,116,000	978,000
4,523,000	4,436,000	4,075,000	4,915,800	5,411,000	5,483,000
(758,116)	(800,351)	(842,586)	(882,959)	(923,332)	(85,000)
0	(30,914)	(16,888)	(46,698)	(56,402)	(10,768)
<u>3,764,884</u>	<u>3,604,735</u>	<u>3,215,526</u>	<u>3,986,143</u>	<u>4,431,266</u>	<u>5,387,232</u>
<u>\$24,829,471</u>	<u>\$25,314,930</u>	<u>\$25,243,525</u>	<u>\$22,784,269</u>	<u>\$22,363,103</u>	<u>\$20,749,060</u>
86.83%	87.54%	88.70%	85.11%	83.46%	79.39%
<u>\$14,977,996</u>	<u>\$15,148,396</u>	<u>\$14,907,122</u>	<u>\$14,022,597</u>	<u>\$14,035,146</u>	<u>\$13,690,439</u>
4,523,000	4,436,000	4,075,000	4,915,800	5,411,000	5,483,000
(758,116)	(800,351)	(842,586)	(882,959)	(923,332)	(85,000)
0	(30,914)	(16,888)	(46,698)	(56,402)	(10,768)
<u>3,764,884</u>	<u>3,604,735</u>	<u>3,215,526</u>	<u>3,986,143</u>	<u>4,431,266</u>	<u>5,387,232</u>
<u>\$11,213,112</u>	<u>\$11,543,661</u>	<u>\$11,691,596</u>	<u>\$10,036,454</u>	<u>\$9,603,880</u>	<u>\$8,303,207</u>
74.86%	76.20%	78.43%	71.57%	68.43%	60.65%

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2012	12,085	\$314,923,015	\$26,059	\$56,645	43.7
2011	12,085	314,923,015	26,059	56,645	43.7
2010	12,085	314,923,015	26,059	56,645	43.7
2009	11,523	238,076,703	20,661	47,085	40.3
2008	11,523	238,076,703	20,661	47,085	40.3
2007	11,523	238,076,703	20,661	47,085	40.3
2006	11,523	238,076,703	20,661	47,085	40.3
2005	11,523	238,076,703	20,661	47,085	40.3
2004	11,523	238,076,703	20,661	47,085	40.3
2003	11,523	238,076,703	20,661	47,085	40.3

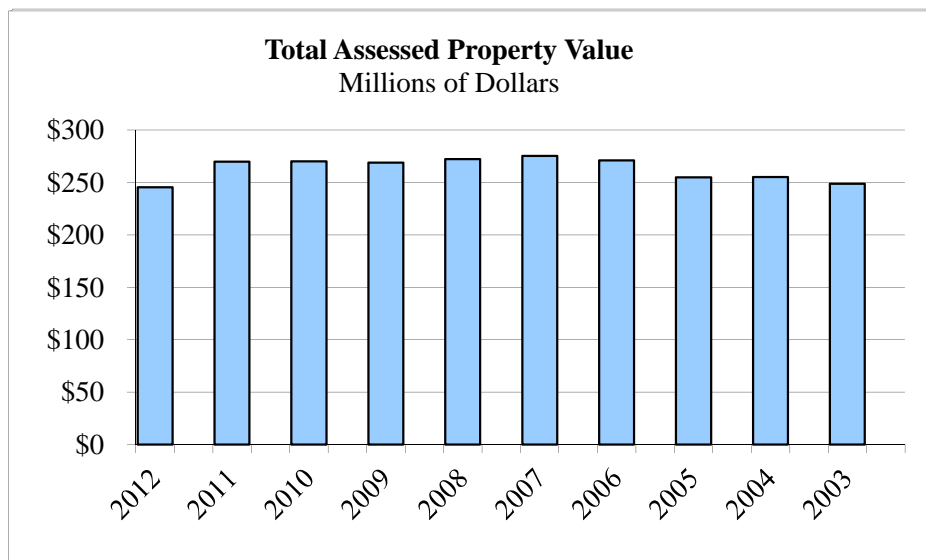
(1) Source: U. S. Census, 2003-2009 - 2000 Census of Population;  
2010-2012 - 2010 Census of Population

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

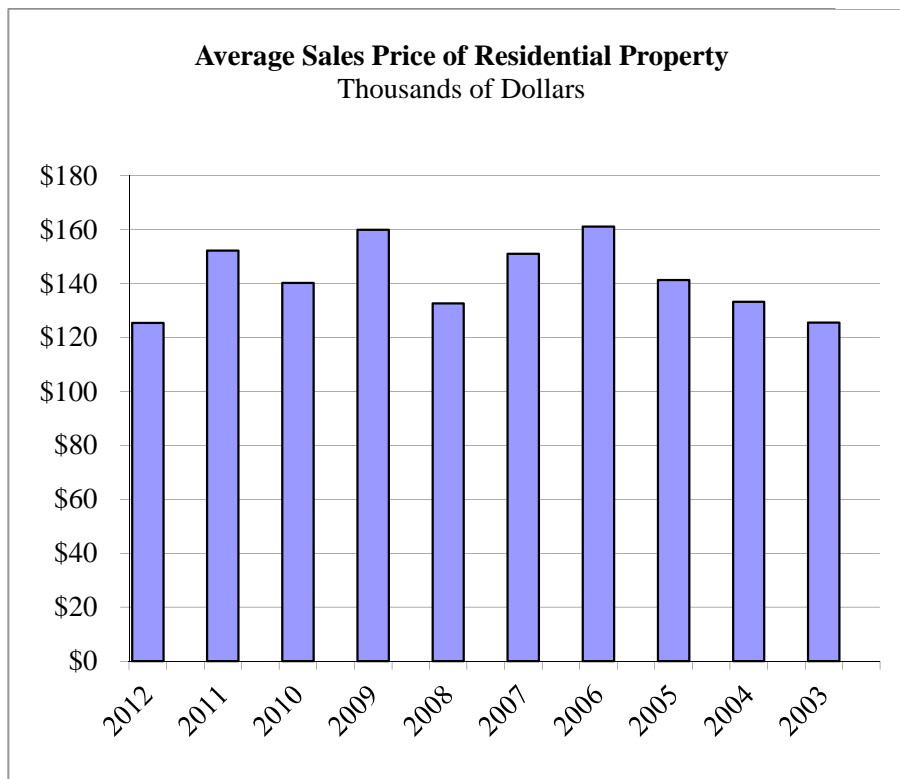
(3) Source: U.S. Bureau of Labor Statistics

(4) Source: Summit County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
18.90 %	2,582	6.80 %	\$125,430	\$245,381,200
18.90	2,586	8.50	152,129	269,727,600
18.90	2,642	10.00	140,246	270,137,565
17.10	2,682	9.80	159,827	268,866,859
17.10	2,587	6.10	132,566	272,327,195
17.10	2,585	5.40	150,956	275,425,380
17.10	2,501	5.20	161,104	271,038,580
17.10	2,434	5.70	141,264	254,956,303
17.10	2,448	6.00	133,257	255,184,471
17.10	2,558	6.20	125,468	248,917,065



**City of Norton, Ohio**

Principal Employers

2012 and 2003

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**2012 (1)**

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Employers

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Awken LTD	
City of Norton	
Fomo Products, Incorporated	
Fred Martin Motor Company	
Fred W Albrecht Grocery Company	
Ganley Ford	
JR Engineering	
Lenic Norton, Incorporated	
Norton City School District	
S.A. Comunale Company	
Total Employees of Top Ten Employers	<u><u>2,430</u></u>
Percentage of Total City Employment at Top Ten Employers	<u><u>35.69%</u></u>
Total Estimated Employment within the City	<u><u>6,808</u></u>

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**2003**

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Employers

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Albert Screen Print	
B&C Communications	
Fred Martin Motor Company	
Fred W Albrecht Grocery Company	
Ganley Ford	
Lenic Norton, Incorporated	
Norton City School District	
Perkineler Wallace, Incorporated	
PPG Industries	
S.A. Comunale Company	
Total Employees of Top Employers	<u><u>2,648</u></u>
Total Estimated Employment within the City	<u><u>N/A</u></u>

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

(1) Figures reflected are from the most recent and  
completed filing year available.



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

Function/Program	2012	2011	2010	2009
<b>General Government</b>				
<i><b>Council and Clerk</b></i>				
Number of Ordinances	68	58	101	77
Number of Resolutions	36	39	18	38
Number of Planning Commission docket items	49	45	16	71
Zoning Board of Appeals docket items	26	13	11	25
Park and Cemetery Board docket items	3	9	1	38
<i><b>Finance Department</b></i>				
Number of checks/ vouchers issued	1,545	1,700	2,172	2,397
General Fund Interest earnings for fiscal year (cash basis)	\$5,643	\$6,111	\$9,494	\$57,073
Agency Ratings - Fitch	A+	A+	A+	A
Health Insurance Costs (cash basis in thousands)	\$571	\$564	\$538	\$694
Health Insurance Costs vs General Fund Expenditures %	9.2%	9.7%	9.5%	10.8%
General Fund Receipts (cash basis in thousands)	\$6,467	\$6,738	\$6,173	\$6,603
General Fund Expenditures (cash basis in thousands)	\$6,178	\$5,788	\$5,689	\$6,425
General Fund Cash Balances (in thousands)	\$2,103	\$1,655	\$545	\$719
<i><b>Municipal Court</b></i>				
Number of Misdemeanor Cases	51	98	108	83
Number of OVI cases	43	71	63	14
Number of Traffic cases	845	1,766	1,195	1,401
<i><b>Building Department Indicators</b></i>				
Residential/Commercial Permits Issued	119	119	144	203
Zoning Permits	64	49	65	64
Electric Permits	90	76	110	107
Heating Permits	77	53	68	61
Number of permits issued	350	297	387	435
Permit Revenue	\$27,987	\$20,631	\$32,477	\$29,216

2008	2007	2006	2005	2004	2003
79	72	74	72	85	99
31	19	29	32	53	20
47	27	21	23	40	41
35	25	23	26	27	30
16	35	N/A	N/A	N/A	N/A
1,841	1,797	1,927	1,896	1,769	1,930
\$116,367	\$272,512	\$228,507	\$92,392	\$30,597	\$18,544
A	A	A	A	A	A
\$666	\$700	\$571	\$498	\$608	N/A
14.1%	9.9%	13.9%	10.3%	14.1%	N/A
\$5,827	\$5,892	\$5,328	\$5,238	\$4,416	\$4,297
\$4,728	\$7,090	\$4,122	\$4,856	\$4,302	\$4,203
\$767	\$156	\$1,584	\$438	\$191	\$122
99	124	175	178	139	N/A
22	25	52	51	64	N/A
1,280	1,473	2,935	2,135	2,689	N/A
356	189	241	269	306	197
65	66	84	78	79	58
150	162	206	206	211	191
77	58	74	108	120	114
648	475	605	661	716	560
\$53,652	\$48,397	\$61,643	\$69,236	\$80,614	\$86,287

**City of Norton, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Ten Years*

Function/Program	2012	2011	2010	2009
<b>Security of Persons &amp; Property</b>				
<i>Police</i>				
Felony Arrests	100	110	75	111
Misdemeanor Arrests	287	380	498	559
Arson	2	2	1	1
Assault	19	31	36	45
Residential Burglary	21	45	41	43
Domestic Violence	54	75	78	76
Drug Offense	57	101	101	46
Homicide	0	0	0	0
Larceny	222	227	255	232
Vandalism/Criminal Damaging	69	75	46	63
Robbery	3	1	2	2
Sex Offense	13	3	2	15
Auto Theft/Stolen Plates	23	17	18	31
Traffic Crashes	294	339	374	388
Traffic Fatalities	4	0	0	2
Driving While Intoxicated	144	159	269	102
Traffic Citations Issued	1,533	2,972	2,702	2,666
Warrant Arrests	219	217	182	254
<i>Fire</i>				
EMS Calls	876	980	1,046	1,005
Ambulance Billing Collections (GROSS)	\$230,169	\$291,695	\$264,759	\$292,858
Revenue per run	263	298	253	291
Fire Calls	451	378	379	378
<b>Public Health and Welfare</b>				
Cemetery burials	1	6	1	0
Cemetery foundations	1	5	0	1
Cemetery cremations	0	0	0	0
Cemetery (re)sale of lots	2	7	4	12
Cemetery receipts	\$512	\$2,765	\$2,546	\$4,130
Health Advisory Board docket items	1	15	0	29

N/A = Information is not available

Source: City Records

2008	2007	2006	2005	2004	2003
130	106	114	131	138	106
507	521	754	683	763	574
1	2	1	2	1	2
65	65	67	56	63	76
54	30	39	39	44	32
107	84	119	140	121	119
44	28	70	48	12	9
0	0	0	1	0	0
296	269	312	311	330	323
42	75	77	80	77	98
3	4	5	5	11	5
13	10	19	13	15	5
58	41	50	42	50	62
490	487	448	551	528	597
1	2	1	2	4	2
67	95	163	144	175	131
2,064	2,603	4,860	3,870	4,341	3,483
291	303	408	457	386	408
966	968	934	942	928	967
\$273,510	\$200,624	\$199,799	\$231,593	\$208,873	\$226,005
283	207	214	246	225	234
373	332	233	287	215	215
1	3	1	0	1	4
3	0	1	1	2	5
0	0	0	0	0	1
0	8	0	0	3	22
\$1,150	\$4,355	\$666	\$155	\$1,825	\$6,965
19	19	N/A	N/A	N/A	N/A

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

Function/Program	2012	2011	2010	2009
<b>General Government</b>				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	0	0	0	0
Inspection Vehicles	1	1	1	1
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	3,600	3,600	3,600	3,600
Vehicles	11	12	9	10
<b>Fire</b>				
Stations	2	2	2	2
<b>Recreation</b>				
Number of Parks	7	7	7	7
Number of Tennis Courts	4	4	4	4
Number of Baseball Diamonds	5	5	5	5
Number of Soccer Fields	3	3	3	3
Number of Football Fields	1	1	1	1
<b>Other Public Works</b>				
Service Garage Square Footage	6,800	6,800	6,800	6,800
Streets (lane miles)	260	260	260	260
Service Vehicles	15	15	15	15
City Cemeteries	2	2	2	2
<b>Wastewater</b>				
Sanitary Sewers (miles)	9.00	9.00	8.40	8.40
<b>Water Department</b>				
Water Lines (miles)	14.80	14.80	14.50	12.50

Source: City Records

2008	2007	2006	2005	2004	2003
4,080	4,080	4,080	4,080	4,080	4,080
1	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
3,600	3,600	3,600	3,600	3,600	3,600
8	10	10	10	10	N/A
2	2	2	2	2	2
7	7	7	7	7	6
4	4	4	4	4	4
5	5	3	3	3	3
3	3	3	3	3	3
1	1	1	1	1	1
6,800	6,800	6,800	6,800	6,800	6,800
260	260	260	260	260	260
13	12	12	12	12	12
2	2	2	2	2	2
8.40	8.40	8.40	8.40	8.40	8.40
12.50	12.50	12.50	12.50	12.50	12.50

**City of Norton, Ohio**  
*City Government Employees by Function/Program*  
*Last Ten Years*

Function/Program	2012	2011	2010	2009	2008
<b>General Government</b>					
Mayor	2	2	2	2	2
Council	8	8	8	8	8
Finance	3	3	3	5	5
City Administrator	1	1	1	1	1
Law	2	2	1	1	1
Administration	2	2	2	2	2
Engineer	0	1	0	0	1
Planning	1	0	0	0	0
Civil Service	0	0	0	0	0
Court	2	2	2	3	3
<b>Security of Persons and Property</b>					
Police	28	27	30	30	30
Fire Full Time	3	2	4	3	3
Fire Part Time	29	32	30	29	27
Fire - Secretary - Other	1	1	1	1	1
<b>Community Development</b>					
Building	1	1	1	2	2
<b>Transportation</b>					
Service	8	9	10	11	12
Totals:	<u>91</u>	<u>93</u>	<u>95</u>	<u>98</u>	<u>98</u>

**Source:** City Payroll Department

**Method:** Using 1.0 for each employee at December 31



2007	2006	2005	2004	2003
2	2	2	2	2
8	8	8	8	8
4	5	5	5	5
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
30	30	30	30	30
4	4	4	4	3
33	30	30	30	30
1	1	1	1	1
2	2	2	2	2
12	12	13	14	14
107	105	106	107	106

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# Dave Yost • Auditor of State

**CITY OF NORTON**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 27, 2013**