

CITY OF NORTON, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Honorable Mayor and Members of City Council
City of Norton
4060 Columbia Woods Dr.
Norton, OH 44203

We have reviewed the Independent Auditor's Report of the City of Norton, Summit County, prepared by James G. Zupka, C.P.A., Inc., for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 22, 2003

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CITY OF NORTON, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2002

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Certified Public Accountants
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Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

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

The Honorable Mayor and Members of City Council
City of Norton, Ohio

We have audited the general purpose financial statements of the City of Norton, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated May 22, 2003. We conducted our audit in accordance with auditing standard generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Norton's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards, which are described below:

1. **Appropriations Exceed Estimated Resources**

Ohio Revised Code Section 5705.36(A)(5) states that the total appropriations made during a fiscal year from any fund shall not exceed the amount set forth in the certificate of estimated resources, or amended certificate of estimated resources, which was certified prior to making the appropriation or supplemental appropriation. Additionally, Ohio Revised Code 5705.39 states that the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditures therefrom, as certified by the budget commission or, in the case of appeal, by the board of tax appeals.

The following fund had total appropriations exceeding estimated resources for the year ended December 31, 2002.

	<u>Amended</u> <u>Certificate</u>	<u>Appropriation</u>	<u>Variance</u>
Capital Projects - Sanitary Sewers	\$2,631,903	\$2,994,538	\$(362,635)

Effect

For the above noted fund, total appropriations exceeded the amended certificate of estimated resources for the year ended December 31, 2002.

Cause

The City did not comply with the requirements set forth in Ohio Revised Code Sections 5705.36(A)(5) and 5705.39 for the capital projects sanitary sewers fund.

Recommendation

The City's total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or amended certificate of estimated resources.

2. Expenditures vs. Appropriations

Ohio Revised Code Section 5705.41 states in part that.....”no subdivision shall make any expenditure unless it has been appropriated”. Contrary to the aforementioned authority, the City’s total expenditures exceeded the total appropriations in the following funds:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
<u>General</u>			
Security of Persons and Property			
Personnel Services	\$ 1,372,000	\$ 1,523,687	\$ (151,687)
Travel and Transportation	750	1,629	(879)
Leisure Time Activities			
Contractual Services	18,050	28,019	(9,969)
Building			
Refunds	500	26,409	(25,909)
General Government			
Personnel Services	91,000	101,879	(10,879)
Travel and Transportation	350	1,289	(939)
Mayor			
Personnel Services	26,525	28,962	(2,437)
Administrative Officer			
Personnel Services	110,000	163,067	(53,067)
Finance			
Contractual Services	53,050	57,753	(4,703)
Law			
Personnel Services	47,300	58,533	(11,233)
Parks and Recreation Board			
Personnel Services	4,050	7,923	(3,873)
Supplies and Materials	0	61	(61)
Building and Zoning Board			
Contractual Services	250	2,250	(2,000)
Supplies and Materials	150	472	(322)
Cemetery Board			
Personnel Services	4,000	6,937	(2,937)
Contractual Services	0	109	(109)
Supplies and Materials	0	15	(15)
Planning Commission			
Personnel Services	4,275	9,020	(4,745)
Contractual Services	1,300	2,072	(772)
Supplies and Materials	100	273	(173)
Mayor’s Court			
Personnel Services	70,200	82,676	(12,476)
<u>Special Revenue</u>			
State Highway Transportation	64,841	71,908	(7,067)
<u>PFDPF Revenue Funds</u>			
Security of Persons and Property	0	150	(150)
<u>Mayor’s Court</u>			
General Government	800	2,880	(2,080)
<u>Special Events</u>			
General Government	7,800	8,239	(439)

2. **Expenditures vs. Appropriations** (Continued)

Effect

For the above noted funds and line items, expenditures exceeded appropriations for the year ended December 31, 2002.

Cause

The City did not comply with ORC Section 5705.41.

Recommendation

We recommend that the City prepare City Council and approve supplemental appropriations and/or transfers during the year as needed in order to ensure that the City is in compliance with Ohio Revised Code 5705.41.

Internal Control Over Compliance

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated May 22, 2003.

This report is intended solely for the information and use of the City Council, management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

May 22, 2003

James G. Zupka
Certified Public Accountant

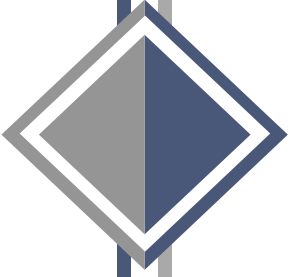
NORTON



CITY OF
NORTON
OHIO



COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT
2002



INTRODUCTORY SECTION

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CITY OF NORTON, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED
DECEMBER 31, 2002**

**ISSUED BY: RON BROOKS
 INTERIM FINANCE DIRECTOR**

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CITY OF NORTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

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City of Norton

4060 Columbia Woods Drive
Norton, Ohio 44203

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Fax: (330) 825-3104



June 16, 2003

A Bicentennial Community

To the Honorable Members of Norton City Council and
The Citizens of the City of Norton, Ohio

We are pleased to present the first Comprehensive Annual Financial Report (CAFR) for the City of Norton, Ohio for the fiscal year ended December 31, 2002. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Norton to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects. Furthermore, this information is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

The Report

This Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. *The Introductory Section* includes this letter of transmittal which presents the City's organization, operational structure and accomplishments; an organizational chart, a list of principal elected officials; and a list of principal administrative personnel.
2. *The Financial Section* contains the City's General Purpose Financial Statements and explanatory notes thereto, the combining and individual fund and account group financial statements and schedules and the Independent Auditor's Report.
3. *The Statistical Section* presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

The Reporting Entity

The accompanying general purpose financial statements comply with the provisions of Government Accounting Standards Board (the "GASB") Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units but includes the following services as authorized by its charter: public safety (police and fire), health services, culture and recreation (parks and recreation), community environment (planning, zoning, and community development), highways and streets (streets and highway maintenance), and general government.

The Norton Local School District is a distinct government entity, independent of the City and one another. The District represents a body politic and corporate and the City of Norton is not financially accountable for the District.

The City is located in the County of Summit in northeastern Ohio, approximately 40 miles south of Cleveland. It was incorporated as a village in 1961, became a charter village in 1962 and became a charter city in 1968. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution the City of Norton may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws.

The City is in the Akron Primary Metropolitan Statistical Area (PMSA) comprised of Summit County and Portage County with a population of 694,960 according to the 2000 census. More importantly, the City's 2000 census population of 11,523 placed it as the 9th largest in the County. Additionally, its area of 20.43 square miles is broken down by land use as follows: residential 81.1%, commercial/industrial 17.2%, public utility less than 5%, and agricultural 1.7%.

Early History

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 only lightly 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. In the area's first election, twenty-two votes were polled in a precinct covering 150 square miles.

Independent Norton Township was formed in the spring of 1818 and named after landowner Birdseye Norton.

Construction of the Ohio and Erie Canal, which began in 1827, allowed improved North-South boat travel options until its abandonment in 1913. Electric trolley lines were installed from Barberton to Wadsworth through Norton in 1905 and interconnected Norton Township to other lines throughout Northern Ohio.

Norton's population remained small until after 1900. In 1920 it increased to 2,935. By 1940, it had risen to 4,204. By 1950, the population had grown to 7,454. In 1980, the population peaked at over 12,000, but dropped slightly in 1990 to 11,452. The 2000 census estimated the population at 11,523.

Form of Government

The City of Norton is a home-rule municipal corporation created under the laws of the State of Ohio and operating under its own Charter. The current charter, which was adopted in 1962, provides for a Council/Mayor form of government. The current charter was amended in 1991 and 1994.

Legislative authority is vested in a seven member City Council. The seven members of Council are elected by wards (4) and three at-large. These members elect a President and Vice-President at the annual organizational meeting in January. Council has an important role as the legislative body of the City. Local legislation (resolutions and ordinances) are voted on by Council. The Mayor may approve the legislation or disapprove with a veto.

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

Day to day operations of the City are directed by the Administrative Officer, who is responsible to the Mayor. The Administrative Officer serves as the Director of Public Safety, Director of Public Service, and Personnel Director. The Finance Director and Director of Community Development and Planning are also responsible to the Mayor. Each of these offices are charter-authorized Mayoral appointments with Council confirmation.

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

City Services

Police

The Norton Police Department is a full-time department with an authorized strength of 22 sworn full-time positions. Current staffing includes the chief, lieutenant, 3 sergeants, 11 full-time patrol officers, 4 part-time patrol officers, one full-time dispatcher and a secretary. The City received a COPS More Grant of \$103,879 to update the Police Department CAD Equipment.

The Department includes dispatching for both police and fire and is staffed by 6 full-time and 2 part-time dispatchers.

The Norton Police Department services the community in many different capacities. The Police are involved in the protection of life and property, law enforcement and community education.

The department has earned a reputation for its strict enforcement of DUI (Driving while Under the Influence) violations. One hundred and nineteen (119) arrests for DUI were made in 2002. The efforts of the department have been recognized both locally and statewide. The Norton Police Department was named Law Enforcement Agency of the Year by MADD (Mothers Against Drunk Driving) in 1993, 1994, 1997 and 1999. In addition, several Norton police officers have been honored as Law Enforcement Officer's of the Year by MADD. The Ohio Department of Public Safety has also recognized the Norton Police Department for their support and cooperation with the Habitual DUI Offender Tally Program (HOT).

Fire

The City maintains a paid on-call fire and emergency medical services operations. There are 5 full-time positions including the chief, three firefighters/EMS people and a secretary. The other 29 Fire/EMS personnel are part-time.

The department provides Fire Suppression, Fire Prevention and Inspection and EMS services to the City of Norton and its residents. The equipment includes 2 ambulance units, 3 fire pumpers, 2 brush trucks, a pick-up truck and 2 sport utility vehicles.

Parks and Recreation

The City of Norton owns two major parks: Columbia Woods Park is located on Columbia Woods Drive and features a pavilion, football field, volleyball court, basketball court and playground equipment. Oak Leak Park, located on Loyal Oak Road, features a pavilion, 2 soccer fields and 2 baseball fields. The City also has a community center within the municipal complex. Residents can rent the shelters and community room for various functions.

Streets

The Public Works Department maintains the 41 miles of streets in the City of Norton. The department's functions include repairs to City streets as well as cleaning and snow removal. The Street Department provides a brush pick-up service to the residents as well as a fall leaf collection and a Christmas tree recycling/mulching program. Tree maintenance and new tree plantings are planned each year.

Basis of Accounting

Except for that used for budgetary purposes, the basis of accounting utilized by the City is in conformity with generally accepted accounting principles (GAAP) applicable to governmental units and is consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental funds are accounted for using current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservation of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 2002, all accounting policies were applied consistently with those of 2001. Accounting policies are further explained in Note 1.

Economic Outlook

The City's largest employer is B & C Communications with 949 employees and paid \$147,883 in taxes to the City during 2002. Ganley Ford (automobile sales) began operations in Norton during 2002 adding approximately 150 jobs.

The City of Norton has a J.E.D.Z. (Joint Economic Development Zone) agreement with the City of Barberton.

Unemployment Rates

According to the Ohio Bureau of Employment Services, the 2002 annual average unemployment rate for Summit County was 4.3 percent, which was significantly lower than the state and national unemployment rates of 5.7 percent and 5.8 percent respectively.

Employee Relations

The City has 59 full-time and 45 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining. There are three bargaining units representing 47 full-time employees. The A.F.S.C.M.E. (American Federation of State, County and Municipal Employees) Local 265 Ohio represents 25 full-time employees. The O.P.B.A. (Ohio Patrolmen's Benevolent Association) represents 22 police officers and police dispatchers.

The City negotiated in 1999 with A.F.S.C.M.E. for a 3-year term ending on December 31, 2002. The contract with O.P.B.A. was negotiated in 1999 for a 3-year term ending December 31, 2002.

MAJOR CITY INITIATIVES

During 2002, the City continued focusing on improving the quality of life and employment opportunities for its residents and taxpayers.

The Barber Road widening and sewer project lines were completed as well as the Johnson Road waterline which is close to completion. The Police Computer Aided Dispatching Grant was received in 2002. Police-in-the Car data units were installed for 2002 as well as a 900 MHZ radio system for police, fire, and service departments. A brush fire truck worth \$70,000 was donated to the Fire Department by the Fireman's Association bingo. The City built new tennis courts with the Norton City School District sharing the cost.

Continuing and Future Projects

The City is currently working on an agreement with Summit County for sewers in the northern half of the City. The Cleveland-Massillon Road widening project is in the engineering phase and a completion date has not yet been determined.

FINANCIAL INFORMATION

Accounting Controls

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

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

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

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

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

Budgetary Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The Mayor, with the assistance of the Finance Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by July 15 and to be submitted to the County Budget Commission by July 20 of each year. The Mayor, with the assistance of the Finance Director, is required by Charter to submit to Council, on or before December 15 of each fiscal year, an appropriation ordinance, based on the tax budget, for the next succeeding fiscal year. Council is required to adopt the appropriation ordinance (the budget) in its original form or with those revisions as it may find proper, within thirty days of the beginning of the fiscal year covered by such ordinance.

The City maintains budgetary control on a non-GAAP basis by fund and within each fund by department at major object levels, which include personal services, contractual services, supplies and materials, other expenditures, capital outlay, debt service and operating transfers. For management purposes, the major object level is further defined with budgeted amounts not to exceed the aggregate appropriated by Council.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are submitted to the Finance Director for approval, preparation of a purchase order and certification, after approval by the appropriate Department Director. The purchase order is reviewed for the availability of funds and the estimated expenditure is encumbered against the available appropriation. Encumbrances, which would exceed the available appropriation, are not approved or recorded until City Council authorizes additional appropriations. Unencumbered appropriations lapse at the end of each year.

The City's accounting system provides interim financial reports which detail year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. The reports permit the Finance Director and other city officials to ascertain the status of each department's appropriations at any time during the year.

General Governmental Revenues

Revenues for general governmental functions (including all governmental fund types except capital projects funds) totaled \$5,888,616, representing an increase of \$27,659 over 2001. The following schedule presents a summary of general governmental revenues for the years ended December 31, 2002 and 2001, the percentage of each revenue source to total revenues for 2002 and the amount and percentage of increase/(decrease) in relation to 2001 revenues.

<u>Revenue Source</u>	<u>2002</u>	<u>Percent of Total</u>	<u>2001</u>	<u>Increase (Decrease) Over 2001</u>	<u>Percentage of Increase (Decrease)</u>
Taxes	\$ 3,472,350	58.97%	\$ 3,503,951	\$ (31,601)	(0.90%)
Intergovernmental	1,455,420	24.72%	1,583,826	(128,406)	(8.11%)
Special Assessments	11,348	0.19%	8,107	3,241	39.98%
Charges for Services	267,185	4.54%	116,729	150,456	128.89%
Fines, Licenses and Permits	299,808	5.09%	287,468	12,340	4.29%
Interest Income	28,259	0.48%	87,903	(59,644)	(67.85%)
All Other	354,246	6.01%	272,973	81,273	29.77%
Totals	<u>\$ 5,888,616</u>	<u>100.00%</u>	<u>\$ 5,860,957</u>	<u>\$ 27,659</u>	

Revenue Narrative

The City's income tax continues to be its primary source of revenue. The tax applies to all wages, salaries, commissions and other compensation paid by employers and/or the net proceeds from the operation of a business, profession or other enterprise activity. The tax rate of 1.5% was established in February of 1973 by Ordinance #29-1973. The current allocation of income tax is as follows:

1. At least fifty percent of the net available income tax receipts received annually may be used to defray operating expenses of the City, to be placed in the General Fund.
2. Up to forty-five percent of the net available income tax receipts received annually shall be set aside and used for capital improvements for the City, including, but not limited to, development and construction of storm sewers and street improvements, treatment of the surface of any street, alley, public road or place or parts thereof with dust-laying or preservative substances, and for equipment necessary for the Police and Fire Divisions, the Public Safety Department and other departments and divisions.
3. Up to five percent of the net available income tax receipts received annually may be used to defray the cost of lighting by electricity any public street, public road or place or part thereof, to be placed in the Street Lighting Fund.
4. The annual tax collected at a rate in excess of one and one-half percent per year shall be placed in the Environmental and Natural Resources Fund. (Ord. 49-1983, Passed 7/11/83.)

Property taxes are levied and collected by the Summit County Treasurer and remitted periodically to the City by the County Auditor. The property tax rate for the City is 6.5 mills which represents \$65 per \$1,000 of taxable valuation.. The tax rate is applied to the assessed value of the property located within the City. Assessed value is approximately 35% of appraised value. Increases in the property tax rate can only occur with the approval of the City voters. Revenues from property taxes are used for general fund, fire fund, emergency medical service fund, and police pension fund operations.

Total assessed values in the City over the past five years are shown below:

<u>Levy Year</u>	<u>Collection Year</u>	<u>Value (in Thousands)</u>
1998	1999	\$ 185,678
1999	2000	188,843
2000	2001	212,535
2001	2002	218,597
2002	2003	216,846

Intergovernmental revenues consist primarily of state levied shared taxes consisting of local government assistance provided by the State of Ohio through reimbursement for real and personal property tax reductions, gasoline tax, state-levied motor vehicle license tax, inheritance tax, permissive motor vehicle license tax and local government and revenue assistance allocations. These revenues are collected by the State or County and partially redistributed to the City or other political subdivisions. This revenue category also includes grant funds received from either County, State or Federal sources.

General Governmental Expenditures

Expenditures for general governmental purposes, including general, special revenue and debt service funds totaled \$4,805,972 in 2002 an increase of \$179,378 over 2001. Expenditures for the major functions of the City for the years ended December 31, 2002 and 2001, and the percentage of expenditures type to total expenditures for 2002 and the amount and percentage of increase/(decrease) in relation to 2001 expenditures are shown in the following table:

<u>Expenditures</u>	<u>2002</u>	<u>Percent of Total</u>	<u>2001</u>	<u>Increase (Decrease) Over 2001</u>	<u>Percentage of Increase (Decrease)</u>
Security of Persons and Property	\$ 2,318,526	48.24%	\$ 2,297,744	\$ 20,782	0.90%
Public Health Services	40	0.00%	601	(561)	(93.34%)
Leisure Time Activities	123,360	2.57%	106,894	16,466	15.40%
Community Environment	228,436	4.75%	196,305	32,131	16.37%
Transportation	983,519	20.46%	741,285	242,234	32.68%
General Government	992,074	20.64%	1,255,564	(263,490)	(20.99%)
Other	141,665	2.95%	11,141	130,524	1171.56%
Capital Outlay	7,082	0.15%	5,460	1,622	29.71%
Debt Service	11,270	0.24%	11,600	(330)	(2.84%)
Total	<u>\$ 4,805,972</u>	<u>100.00%</u>	<u>\$ 4,626,594</u>	<u>\$ 179,378</u>	

Expenditure Narrative

Security of persons and property includes primarily the cost of operations of the Police and Fire Departments, including dispatching. The increase of \$20,782 in security of persons and property was primarily due to increased wages in the Police Department and dispatching. The City had a decrease of \$263,490 in general governmental expenses. This was mainly due to a fund balance adjustment in 2002 for a large medical claim liability in 2001 which was not recognized in 2001.

Debt Administration

The total bonded debt of the City of Norton at December 31, 2002 consisted of special assessments of \$90,000. These are paid out of the debt service funds which accumulate resources for the payment of principle and interest on the City's long-term general obligation debt.

The City has an outstanding note liability of \$3,525,000 at December 31, 2002. During the year the City issued \$3,525,00 in notes and retired \$3,705,000. The City recently converted these notes into bonds in June of 2003.

CASH MANAGEMENT

Cash management is an integral component of the City's overall financial plan. The City attempts to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. Cash flow forecasting and the use of short-term investments, such as repurchase agreements, allows the City to earn interest on funds.

The City's investments comply with Section 135.14 of the Ohio Revised Code. Most investments mature within the current fiscal year. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution, state statutes and local ordinances. As required by law, all deposits and repurchase agreements are covered by eligible collateral, while investment securities (treasuries and agency/instrumentality issues) are specifically permitted by the Ohio Revised Code and the City's investment policy.

Authorized investments are described in detail in Note 5 of the footnotes to the general-purpose financial statements included within the financial section of this comprehensive annual financial report.

The City's cash resources were invested as follows at December 31, 2002:

<u>Cash Resources</u>	<u>2002</u>	<u>%</u>
Cash	\$1,020,485	47.02%
Repurchase Agreement	1,150,000	52.98%
	<u>\$2,170,485</u>	<u>100.00%</u>

At December 31, 2002 the City had bank balances of \$2,101,525. Federal depository insurance covered \$300,000 of the bank balance and the rest of the deposits were classified as Category 3. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105 percent of the carrying value of all public deposit held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

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. During 2002, the City contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Description</u>	<u>Deductible</u>
Ohio Casualty Ins. Co.	Bond-Public Employees	\$ 0
National Casualty Co.	Public Officials Liability	\$ 5,000
National Casualty Co.	Law Enforcement Liability	\$ 5,000
Wichert Insurance	Commercial Property	\$ 1,000
Wichert Insurance	Inland Marine	\$ 500
Wichert Insurance	Automobile Liability	\$ 250
Wichert Insurance	Automobile Collision	\$ 500
Wichert Insurance	General Liability	\$ 2,500
	\$1,000,000 per occurrence	
	\$2,000,000 per aggregate	
Wichert Insurance	Umbrella Liability	\$ 10,000
Ohio Casualty Ins. Co.	Bond-Finance Director	\$ 0
Ohio Casualty Ins. Co.	Bond-Mayor	\$ 0
Ohio Casualty Ins. Co.	Bond-Administrator	\$ 0

<u>Company</u>	<u>Description</u>	<u>Deductible</u>
Ohio Casualty Ins. Co.	Bond-Clerk of Mayor's Court	\$ 0
Wichert Insurance	Commercial Crime	\$ 0
Wichert Insurance	Ambulance and EMT Liability \$1,000,000 per occurrence \$2,000,000 aggregate	\$ 0
Wichert Insurance	Firemen's Errors and Omissions \$1,000,000 per occurrence \$2,000,000 per occurrence	\$ 0

The City decided to stop carrying commercial insurance for health insurance because of its prohibitive cost and began covering all claim settlements and judgements out of its general fund resources. The City currently reports all of its risk management activities in the general fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, the amount of these liabilities was \$83,300. This liability is the City's best estimate based on available information.

OTHER INFORMATION

Independent Audit

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2002, by James G. Zupka, CPA, Inc. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

Awards

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

Public Disclosure

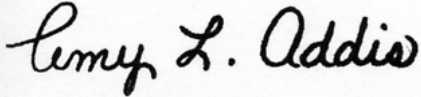
The publication of this report represents an important achievement in the ability of the City of Norton to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City Administration and investors. In addition to the citizens of Norton, the recipients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

Acknowledgments

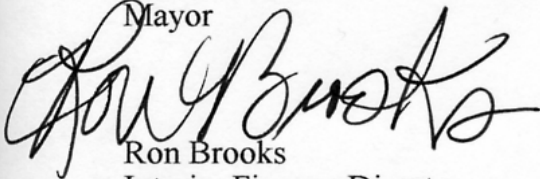
The City of Norton is proud to be submitting this GAAP financial report utilizing the guidelines recommended by GFOA. This report is the result of continued cooperation, and combined services of the Mayor, City Council, administrative officials, City employees, the Summit County Auditor's Office and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

Sincere appreciation and acknowledgment is extended to James G. Zupka, CPA, Inc. for their guidance and assistance in the preparation of this report.

Respectfully,



Amy Addis
Mayor



Ron Brooks
Interim Finance Director

**CITY OF NORTON, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2002**

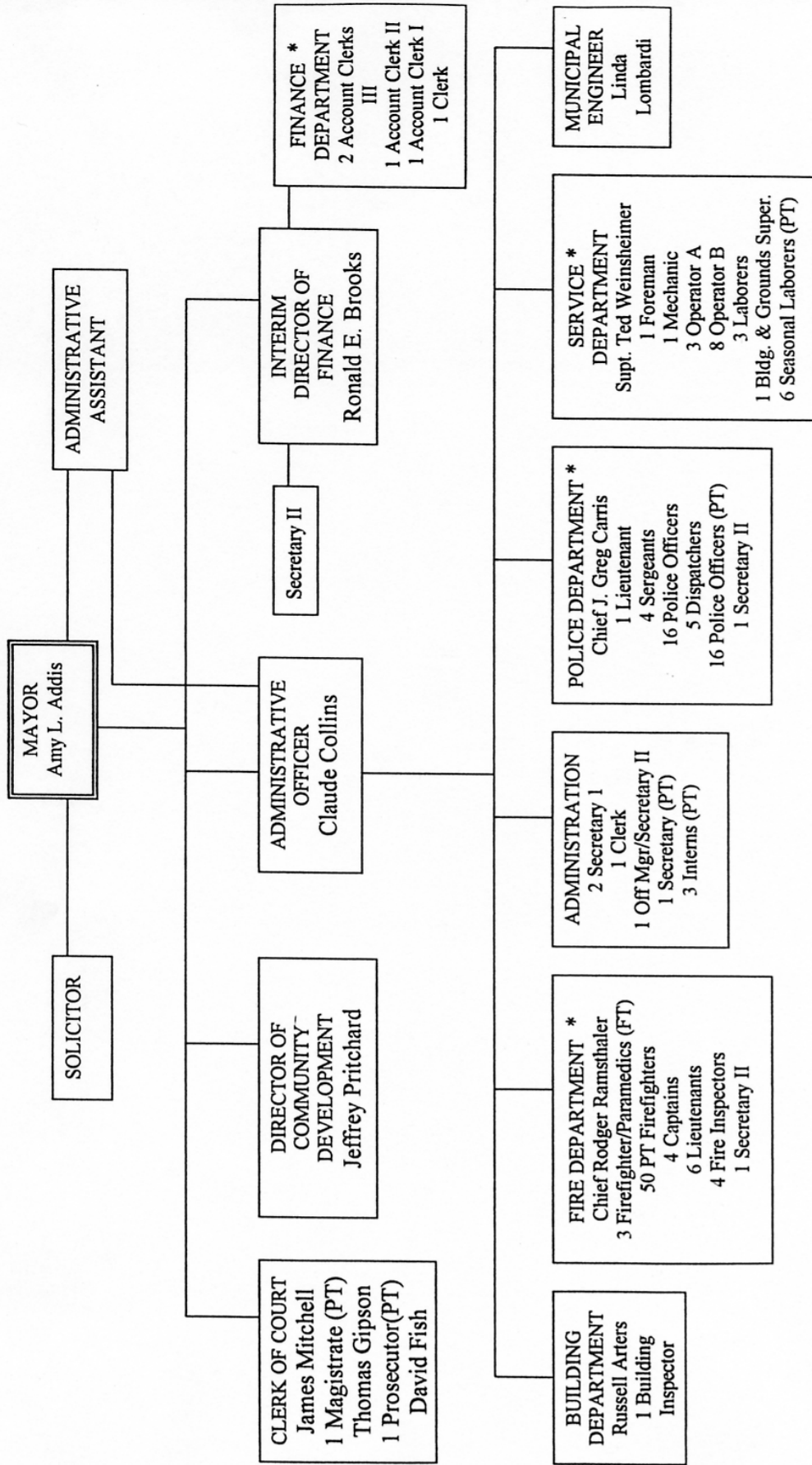
ELECTED OFFICIALS

Amy Addis	Mayor
Joseph Kernan	City Council, President
William Mowery	City Council, Vice-President At-Large
John Conklin	City Council
William Helmick	City Council
Thomas Jones	City Council
David Koontz	City Council
James Price	City Council

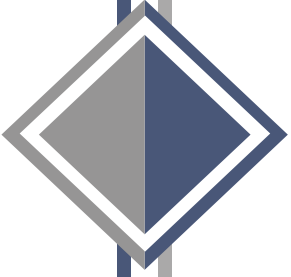
ADMINISTRATORS

Michael Lyons	Director of Law
Claude Collins	Administrative Officer
J. Greg Carris	Chief of Police
Rodger Ramsthaler	Chief of Fire
Ron Brooks	Interim Director of Finance
Position is Vacant	City Engineer
Rus Arters	Superintendent of Buildings and Zoning Inspector
James Mitchell	Clerk of Mayor's Court
Thomas Gipson	Court Magistrate
Karla Richards	Clerk

CITY OF NORTON



* AUTHORIZED STRENGTH



FINANCIAL SECTION

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor Amy Addis
and Members of City Council
City of Norton, Ohio

The Honorable Betty Montgomery
Auditor of the State of Ohio

We have audited the accompanying general purpose financial statements of the City of Norton, Ohio, as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Norton, Ohio's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Norton, Ohio as of December 31, 2002 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 22, 2003 on our consideration of the City of Norton, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Norton, Ohio taken as a whole. The combining and individual fund and account group financial statement and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Norton, Ohio. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

We did not audit the statistical data included in the statistical section of this report and, therefore, express no opinion thereon.

May 22, 2003


James G. Zupka
Certified Public Accountant

CITY OF NORTON, OHIO
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type Agency</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>		<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
<u>Assets and Other Debits</u>								
Equity in Pooled Cash and Cash								
Equivalents	\$ 23,032	\$ 612,612	\$ 11,040	\$ 1,429,752	\$ 86,600	\$ 0	\$ 0	\$ 2,163,036
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	7,449	0	0	7,449
Receivables:								
Taxes	1,198,794	744,906	0	0	0	0	0	1,943,700
Accounts	10,452	3,877	0	12,922	0	0	0	27,251
Intergovernmental	454,261	248,666	0	4,569	0	0	0	707,496
Due from Other Funds	20,314	0	0	0	0	0	0	20,314
Inventory	463	12,760	0	0	0	0	0	13,223
Prepaid Items	34,429	11,157	0	969	0	0	0	46,555
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0	0	12,108,932	0	12,108,932
Other Debits:								
Amount Available in Debt Service Fund	0	0	0	0	0	0	11,040	11,040
Amount to be Provided for General Long-Term Obligations	0	0	0	0	0	0	803,323	803,323
Total Assets and Other Debits	\$ 1,741,745	\$ 1,633,978	\$ 11,040	\$ 1,448,212	\$ 94,049	\$ 12,108,932	\$ 814,363	\$ 17,852,319

See accompanying notes to the general purpose financial statements.

CITY OF NORTON, OHIO
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type and Agency</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>		<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
<u>Liabilities, Fund Equity and Other Credits</u>								
<u>Liabilities</u>								
Accounts Payable	\$ 65,645	\$ 142,588	\$ 0	\$ 26,710	\$ 7,538	\$ 0	\$ 0	\$ 242,481
Contracts Payable	0	0	0	370,379	0	0	0	370,379
Claims Payable	83,300	0	0	0	0	0	0	83,300
Accrued Wages and Benefits	68,428	40,940	0	0	0	0	0	109,368
Funds Held on Deposit	0	0	0	0	86,511	0	0	86,511
Due to Other Funds	0	17,471	0	2,843	0	0	0	20,314
Deferred Revenue	918,566	932,901	0	4,569	0	0	0	1,856,036
General Obligation Notes Payable	0	0	0	3,525,000	0	0	0	3,525,000
Special Assessment Commitment Bonds Payable	0	0	0	0	0	0	90,000	90,000
Compensated Absences Payable	7,481	3,856	0	0	0	0	617,352	628,689
Ohio Police and Fire Pension Accrued Liability	0	0	0	0	0	0	107,011	107,011
Total Liabilities	1,143,420	1,137,756	0	3,929,501	94,049	0	814,363	7,119,089
<u>Fund Equity and Other Credits</u>								
Investment in General Fixed Assets	0	0	0	0	0	12,108,932	0	12,108,932
Fund Balances:								
Reserved for:								
Encumbrances	0	0	0	1,019,395	0	0	0	1,019,395
Inventory	463	12,760	0	0	0	0	0	13,223
Prepaid Items	34,429	11,157	0	969	0	0	0	46,555
Debt Service	0	0	11,040	0	0	0	0	11,040
Unreserved:								
Undesignated	563,433	472,305	0	(3,501,653)	0	0	0	(2,465,915)
Total Fund Equity (Deficit) and Other Credits	598,325	496,222	11,040	(2,481,289)	0	12,108,932	0	10,733,230
Total Liabilities, Fund Equity, and Other Credits	\$ 1,741,745	\$ 1,633,978	\$ 11,040	\$ 1,448,212	\$ 94,049	\$ 12,108,932	\$ 814,363	\$ 17,852,319

See accompanying notes to the general purpose financial statements.

CITY OF NORTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues					
Local Taxes - Income Tax	\$ 2,431,936	\$ 12,000	\$ 0	\$ 71,197	\$ 2,515,133
Local Taxes - Property Tax	317,462	693,120	0	0	1,010,582
Other Taxes	14,103	3,729	0	41,554	59,386
Intergovernmental	933,388	522,032	0	248,697	1,704,117
Special Assessments	0	0	11,348	0	11,348
Charges for Services	55,086	212,099	0	0	267,185
Fines, Licenses, and Permits	274,264	25,544	0	0	299,808
Interest Income	1,560	26,699	0	0	28,259
Miscellaneous	36,848	38,946	0	67,884	143,678
Total Revenues	4,064,647	1,534,169	11,348	429,332	6,039,496
Expenditures					
Current:					
Security of Persons and Property	1,520,716	797,810	0	0	2,318,526
Public Health Services	0	40	0	0	40
Leisure Time Activities	104,810	18,550	0	0	123,360
Community Environment	227,164	1,272	0	0	228,436
Basic Utilities Services	0	0	0	873	873
Transportation	0	983,519	0	0	983,519
General Government	980,875	11,199	0	13,232	1,005,306
Other	141,665	0	0	0	141,665
Capital Outlay	0	7,082	0	1,641,763	1,648,845
Debt Service:					
Principal Retirement	0	0	5,000	0	5,000
Interest and Fiscal Charges	0	0	6,270	128,154	134,424
Total Expenditures	2,975,230	1,819,472	11,270	1,784,022	6,589,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,089,417	(285,303)	78	(1,354,690)	(550,498)
Other Financing Sources (Uses)					
Sale of Fixed Assets	278,452	0	0	0	278,452
Transfers In	105,440	252,306	0	1,077,427	1,435,173
Transfers Out	(1,239,733)	(195,440)	0	0	(1,435,173)
Total Other Financing Sources (Uses)	(855,841)	56,866	0	1,077,427	278,452
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	233,576	(228,437)	78	(277,263)	(272,046)
Fund Balance (Deficit) - Beginning of Year, Restated	364,665	718,202	10,962	(2,204,026)	(1,110,197)
Increase in Reserve for Inventory	84	6,457	0	0	6,541
Fund Balance (Deficit) - End of Year	\$ 598,325	\$ 496,222	\$ 11,040	\$(2,481,289)	\$(1,375,702)

See accompanying notes to the general purpose financial statements.

CITY OF NORTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES (Continued)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Local Taxes - Income Tax	\$ 2,496,115	\$ 2,445,796	\$ (50,319)
Local Taxes - Property Tax	304,168	317,462	13,294
Other Taxes	15,000	14,103	(897)
Intergovernmental	1,218,610	1,066,955	(151,655)
Special Assessments	0	0	0
Charges for Services	75,669	55,086	(20,583)
Fines, Licenses, and Permits	318,881	288,355	(30,526)
Interest Income	40,500	1,560	(38,940)
Miscellaneous	30,836	26,626	(4,210)
Total Revenues	4,499,779	4,215,943	(283,836)
Expenditures			
Current:			
Security of Persons and Property	1,539,750	1,681,902	(142,152)
Public Health Services	0	0	0
Leisure Time Activities	126,100	106,921	19,179
Community Environment	354,750	223,560	131,190
Basic Utilities Services	0	0	0
Transportation	0	0	0
General Government	1,406,075	1,170,286	235,789
Other	177,000	141,665	35,335
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	3,603,675	3,324,334	279,341
Excess (Deficiency) of Revenues Over (Under) Expenditures	896,104	891,609	(4,495)
Other Financing Sources (Uses)			
Proceeds from Sale of Notes	495,600	0	(495,600)
Retirement of General Obligation Notes	0	0	0
Sale of Fixed Assets	260,000	278,452	18,452
Transfers In	165,996	105,440	(60,556)
Transfers Out	(1,374,348)	(1,239,733)	134,615
Other Uses	0	0	0
Total Other Financing Sources (Uses)	(452,752)	(855,841)	(403,089)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	443,352	35,768	(407,584)
Fund Balance - Beginning of Year	3,514	3,514	0
Fund Balance - End of Year	\$ 446,866	\$ 39,282	\$ (407,584)

See accompanying notes to the general purpose financial statements.

CITY OF NORTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES (Continued)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	SPECIAL REVENUE FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Local Taxes - Income Tax	\$ 21,000	\$ 12,000	\$ (9,000)
Local Taxes - Property Tax	652,283	693,120	40,837
Other Taxes	756	3,729	2,973
Intergovernmental	1,857,205	520,818	(1,336,387)
Special Assessments	0	0	0
Charges for Services	134,662	212,099	77,437
Fines, Licenses, and Permits	34,300	27,396	(6,904)
Interest Income	33,000	26,699	(6,301)
Miscellaneous	126,900	46,856	(80,044)
Total Revenues	<u>2,860,106</u>	<u>1,542,717</u>	<u>(1,317,389)</u>
Expenditures			
Current:			
Security of Persons and Property	844,400	772,526	71,874
Public Health Services	10,500	40	10,460
Leisure Time Activities	25,250	17,901	7,349
Community Environment	300,286	1,970	298,316
Basic Utilities Services	0	0	0
Transportation	1,001,591	878,661	122,930
General Government	8,600	11,119	(2,519)
Other	0	0	0
Capital Outlay	257,309	7,082	250,227
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	<u>2,447,936</u>	<u>1,689,299</u>	<u>758,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>412,170</u>	<u>(146,582)</u>	<u>(558,752)</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Notes	0	0	0
Retirement of General Obligation Notes	0	0	0
Sale of Fixed Assets	0	0	0
Transfers In	288,500	252,306	(36,194)
Transfers Out	(738,983)	(195,440)	543,543
Other Uses	(3,020)	0	3,020
Total Other Financing Sources (Uses)	<u>(453,503)</u>	<u>56,866</u>	<u>510,369</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(41,333)</u>	<u>(89,716)</u>	<u>(48,383)</u>
Fund Balance - Beginning of Year	<u>684,857</u>	<u>684,857</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 643,524</u></u>	<u><u>\$ 595,141</u></u>	<u><u>\$ (48,383)</u></u>

See accompanying notes to the general purpose financial statements.

DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	\$ 0	\$ 0	\$ 70,236	\$ 71,197	\$ 961
0	0	0	0	0	0
0	0	0	52,000	42,119	(9,881)
0	0	0	286,500	248,697	(37,803)
15,527	11,348	(4,179)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	99,000	69,290	(29,710)
<u>15,527</u>	<u>11,348</u>	<u>(4,179)</u>	<u>507,736</u>	<u>431,303</u>	<u>(76,433)</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	1,588	873	715
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	3,673,758	1,296,376	2,377,382
10,000	5,000	5,000	0	0	0
14,000	6,270	7,730	128,154	128,154	0
<u>24,000</u>	<u>11,270</u>	<u>12,730</u>	<u>3,803,500</u>	<u>1,425,403</u>	<u>2,378,097</u>
<u>(8,473)</u>	<u>78</u>	<u>8,551</u>	<u>(3,295,764)</u>	<u>(994,100)</u>	<u>2,301,664</u>
0	0	0	4,092,510	3,525,000	(567,510)
0	0	0	(3,705,000)	(3,705,000)	0
0	0	0	1,960,164	1,077,427	(882,737)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,347,674</u>	<u>897,427</u>	<u>1,450,247</u>
(8,473)	78	8,551	(948,090)	(96,673)	851,417
<u>10,962</u>	<u>10,962</u>	<u>0</u>	<u>1,523,582</u>	<u>1,523,582</u>	<u>0</u>
<u>\$ 2,489</u>	<u>\$ 11,040</u>	<u>\$ 8,551</u>	<u>\$ 575,492</u>	<u>\$ 1,426,909</u>	<u>\$ 851,417</u>

CITY OF NORTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES (Continued)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

	<u>TOTALS (MEMORANDUM ONLY)</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Local Taxes - Income Tax	\$ 2,587,351	\$ 2,528,993	\$ (58,358)
Local Taxes - Property Tax	956,451	1,010,582	54,131
Other Taxes	67,756	59,951	(7,805)
Intergovernmental	3,362,315	1,836,470	(1,525,845)
Special Assessments	15,527	11,348	(4,179)
Charges for Services	210,331	267,185	56,854
Fines, Licenses, and Permits	353,181	315,751	(37,430)
Interest Income	73,500	28,259	(45,241)
Miscellaneous	256,736	142,772	(113,964)
Total Revenues	<u>7,883,148</u>	<u>6,201,311</u>	<u>(1,681,837)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,384,150	2,454,428	(70,278)
Public Health Services	10,500	40	10,460
Leisure Time Activities	151,350	124,822	26,528
Community Environment	655,036	225,530	429,506
Basic Utilities Services	1,588	873	715
Transportation	1,001,591	878,661	122,930
General Government	1,414,675	1,181,405	233,270
Other	177,000	141,665	35,335
Capital Outlay	3,931,067	1,303,458	2,627,609
Debt Service:			
Principal Retirement	10,000	5,000	5,000
Interest and Fiscal Charges	142,154	134,424	7,730
Total Expenditures	<u>9,879,111</u>	<u>6,450,306</u>	<u>3,428,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,995,963)</u>	<u>(248,995)</u>	<u>1,746,968</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	4,588,110	3,525,000	(1,063,110)
Retirement of General Obligation Notes	(3,705,000)	(3,705,000)	0
Sale of Fixed Assets	260,000	278,452	18,452
Transfers In	2,414,660	1,435,173	(979,487)
Transfers Out	(2,113,331)	(1,435,173)	678,158
Other Uses	(3,020)	0	3,020
Total Other Financing Sources (Uses)	<u>1,441,419</u>	<u>98,452</u>	<u>(1,342,967)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(555,544)</u>	<u>(150,543)</u>	<u>404,001</u>
Fund Balance - Beginning of Year	<u>2,222,915</u>	<u>2,222,915</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1,668,371</u></u>	<u><u>\$ 2,072,372</u></u>	<u><u>\$ 404,001</u></u>

See accompanying notes to the general purpose financial statements.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Norton, Ohio is a charter municipal corporation operating under the charter and the laws of the State of Ohio. Norton became a city in March of 1961.

The City operates under a council/mayor form of government. Legislative power is vested in a seven-member council, including the President, each elected to four-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. The Administrator is appointed by the Mayor with Council approval and handles the operational activities of the City's departments. All other City officials are appointed by the Mayor with Council approval.

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups and the results of operations of the various fund types. The financial statements are presented as of December 31, 2002, and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification).

In evaluating how to define the governmental reporting entity, the City adopted the provision of GASB Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions, and component units for which the City (primary government) is financial accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either **(1)** the City's ability to impose its will over the component unit, or **(2)** the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

On this basis, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards, and commissions that are part of the primary government, including police and fire protection, waste collection, parks and recreation, health, certain social services, and general administrative services.

B. Basis of Presentation

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

B. Basis of Presentation (Continued)

The financial transactions of the City are recorded in individual funds and account groups. The various funds and account groups are reported by type in the general purpose financial statements. Amounts in the “Total - (Memorandum Only)” columns in the general purpose financial statements represent a summation of the combined groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different bases of accounting, both restricted and unrestricted amounts, interfund transactions that have not been eliminated, and the caption “Amounts to be Provided”, which does not represent an asset. Consequently, amounts shown in the “Total - (Memorandum Only)” columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the City. The City uses the following fund categories, fund types, and account groups:

Governmental Funds

Governmental funds are accounted for on a spending measurement focus. Only current assets and current liabilities are generally included on their balance sheet. Their operating statements present sources (revenue and other financing sources) and uses (expenditures and other financing uses) of “available spendable resources” during a period.

General Fund - To account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose, provided it is expended or transferred in accordance with the Charter and legislation of the City of Norton and or the general laws of the State of Ohio.

Special Revenue Funds - To account for the revenues derived from specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - To account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal and interest.

Capital Projects Funds - To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

B. **Basis of Presentation** (Continued)

Fiduciary Funds

Agency Funds - To account for assets held by the City as an agency for others and payroll deductions withheld and awaiting payment. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt.

General Fixed Assets Account Group - To account for all fixed assets of the City.

General Long-Term Obligations Account Group - To account for all unmatured long-term obligations of the City.

C. **Basis of Accounting**

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements including 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

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

C. **Basis of Accounting** (Continued)

provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, is recorded as revenue when received in cash because it is generally not measurable until received.

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2002, but which are not intended to finance 2002 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described Note 3.

D. **Budgetary Process**

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

All funds other than the agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department of the City. Budgetary modifications may only be made by ordinance of the City Council.

The City's budgetary process is as follows:

1. **Tax Budget**

A tax budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except for Agency funds, are legally required to be budgeted.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

D. **Budgetary Process** (Continued)

2. **Estimated Resources**

The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include January 1, 2002 unencumbered fund balances. However, those fund balances are available for appropriation.

3. **Appropriations**

A temporary appropriation measure to control the level of expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year to the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

4. **Encumbrances**

As part of formal budgetary control, contracts and other commitments for the expenditures of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriations and determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent expenditures for governmental funds.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. At the close of each fiscal year, encumbered appropriation balances lapse and are reencumbered and reappropriated to the subsequent fiscal year, with the exception of contract commitments in the capital projects fund.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

D. **Budgetary Process** (Continued)

5. **Governmental Fund Budgets**

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

The Combined Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types, are presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- a. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- b. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- c. Short-term note proceeds and note principal retirement for governmental funds are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The adjustments necessary to convert the results of operations for the year from the GAAP basis to the budget basis for the governmental funds are as follows:

Excess of Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses -				
All Governmental Fund Types				
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$ 233,576	\$ (228,437)	\$ 78	\$ (277,263)
Increase (Decrease) due to:				
Revenue Accruals	151,296	8,548	0	12,773
Expenditure Accruals	(349,104)	130,173	0	347,817
Debt Proceeds	0	0	0	3,525,000
Debt Retirement	0	0	0	(3,705,000)
Budget Basis	\$ 35,768	\$ (89,716)	\$ 78	\$ (96,673)

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

E. **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 the City's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the combined balance sheet.

The City complies with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. As a governmental entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at market value, except for interest-earnings investment contracts and external investment pools (see Note 5).

In applying GASB 31, the City utilized the following methods and assumptions as of December 31, 2002:

The portfolio was limited to a repurchase agreement in First Merit Bank;

Market value is based on quoted market prices as of the valuation date. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements are reported at cost;

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the general fund to the extent its cash and investment balances exceeds the cumulative value of those investments subject to GASB 31.

The City's policy is to hold investments until maturity, or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund and special revenue fund during fiscal year 2002 amounted to \$1,560 and \$26,699, respectively.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

E. **Investments** (Continued)

For purposes of the presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments within an initial maturity of more than three months are reported as investments.

F. **Cash and Cash Equivalents**

The City considers highly liquid investments with original maturities of three months or less to be cash equivalents.

G. **Fixed Assets**

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. General fixed assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental type funds and capitalized (recorded and accounted for) in the general fixed asset account group. Infrastructure fixed assets such as water lines and storm sewers are capitalized and are reported as part of the general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are recorded at fair market value at the date received.

H. **Compensated Absences**

In conformity with GASB Statement No. 16, the City accrues vacation and compensatory time benefits as earned by its employees if the leave is attributable to past service and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. Likewise, the City accrues for sick pay benefits as earned by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future. These compensated absences are measured using the pay rates in effect at December 31, 2001. Additionally, certain salary related payments associated with the payment of compensated absences have been accrued.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

H. **Compensated Absences** (Continued)

For governmental funds, the City provides a liability for unpaid accumulated sick leave and vacation time for eligible employees in the period the employees become eligible to receive payment. The current portion of unpaid compensated absences is the amount to be paid using expendable available compensated absences and is reported as an accrued liability in the fund from which the individuals who have accumulated the unpaid compensated absences are paid. The balance of the liability is reported in the general long-term obligations account group.

I. **Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

Under Ohio law, a debt retirement fund must be created and used for the payment of all long-term debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the capital projects funds and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt retirement fund has been split among the appropriate funds and account groups. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

J. **Deferred Revenue**

Deferred revenue consists of property taxes. Although property taxes receivables are measurable, they are recorded and deferred until they become available because the revenue is not available soon enough in the subsequent year to finance current period obligations.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

K. Inventory

Inventory of governmental funds is stated at cost. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when purchased. Reported materials and supplies are equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

L. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2002 are recorded as prepaid items. A portion of the relevant funds balances equal to the prepaid items has been reserved to indicate that is not available for appropriation.

M. Reserves of Fund Equity

Reserves of fund equity in governmental funds indicate that a portion of fund balance is not available for expenditures or is legally segregated for a specific use. Fund balances are reserved for encumbrances, supplies inventory, prepaids, and debt service.

N. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 2: **ACCOUNTABILITY AND COMPLIANCE**

A. Legal Compliance and Accountability

Section 5705.41(B), Ohio Revised Code, states that no subdivision shall make any expenditure of money unless it has been appropriated. Section 5705.41(D), Ohio Revised Code, states in part that encumbrances should be charged against proper appropriations and actual disbursements plus outstanding encumbrances should not be greater than the total appropriations. The following funds had expenditures in excess of appropriations:

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 2: **ACCOUNTABILITY AND COMPLIANCE** (Continued)

A. **Legal Compliance and Accountability** (Continued)

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
<u>General Fund</u>			
Security of Persons and Property:			
Police:			
Personnel Services	\$ 1,372,000	\$ 1,523,687	\$ (151,687)
Travel and Transportation	750	1,629	(879)
Leisure Time Activities:			
Parks:			
Contractual Services	18,050	28,019	(9,969)
Community Environment:			
Building:			
Refunds	500	26,409	(25,909)
General Government:			
Council:			
Personnel Services	91,000	101,879	(10,879)
Travel and Transportation	350	1,289	(939)
Mayor:			
Personnel Services	26,525	28,962	(2,437)
Administrative Officer:			
Personnel Services	110,000	163,067	(53,067)
Finance:			
Contractual Services	53,050	57,753	(4,703)
Law:			
Personnel Services	47,300	58,533	(11,233)
Parks and Recreation Board:			
Personnel Services	4,050	7,923	(3,873)
Supplies and Materials	0	61	(61)
Building and Zoning Board:			
Contractual Services	250	2,250	(2,000)
Supplies and Materials	150	472	(322)
Cemetery Board:			
Personnel Services	4,000	6,937	(2,937)
Contractual Services	0	109	(109)
Supplies and Materials	0	15	(15)
Planning Commission:			
Personnel Services	4,275	9,020	(4,745)
Contractual Services	1,300	2,072	(772)
Supplies and Materials	100	273	(173)
Mayor's Court:			
Personnel Services	70,200	82,676	(12,476)
<u>Special Revenue Funds</u>			
State Highway:			
Transportation	64,841	71,908	(7,067)
PFDPF:			
Security of Persons and Property	0	150	(150)
Mayor's Court:			
General Government	800	2,880	(2,080)
Special Events:			
General Government	7,800	8,239	(439)

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 2: **ACCOUNTABILITY AND COMPLIANCE** (Continued)

B. Fund Deficit

The fund deficits at December 31, 2002 of \$255,915 in the Equipment fund, \$121,671 in the State Highway fund, \$91,998 in the Waterline fund, and \$2,083,413 in the Sanitary Sewer fund (capital projects funds) arose from recording notes payable amounts in the individual fund balance sheets.

Fund deficits at December 31, 2002 of \$62,873 in the Street Construction, Maintenance, and Repair fund, \$11,340 in the State Highway Improvement fund, \$1,914 in the Community Center fund, and \$1,645 in the Greenwich Road fund (special revenue funds) were created from incurred expenditures that have not yet been reimbursed. The fund deficit will be eliminated by transfer of funds from the general fund. The general fund provides operating transfers when cash is required, not when accruals occur.

C. Fund Balance Restatement

General fund beginning balance was restated as follows due to an insurance claims liability balance that was understated in 2001.

Beginning Balance	\$ 769,572
Additional Insurance Claim Payable	(404,907)
Fund Balance, Restated	\$ 364,665

NOTE 3: **PROPERTY TAXES**

Real property taxes were levied on assessed values which equal 35 percent of appraised value. The County Auditor reappraises all real property every six years with a triennial update. The last appraisal was completed for tax year 2002.

Real property taxes become a lien on all non-exempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 3: PROPERTY TAXES (Continued)

The full tax rate applied to real property for the fiscal year ended December 31, 2002 was \$6.50 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$5.19 per \$1,000 of assessed valuation of real property classified as residential/agricultural and \$5.61 per \$1,000 of assessed evaluation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 2002 was \$6.50 per \$1,000 of assessed valuation.

<u>Real Estate - 2002 Valuation</u>	
Residential/Agricultural	\$ 157,133,622
Commercial/Industrial	31,502,178
Public Utilities	6,621,500
General Tangible Personal Property - 2002 Valuation	21,588,797
	<u>\$ 216,846,097</u>

The Summit County Treasurer collects property tax on behalf of all taxing districts within the County. The Summit County Auditor periodically remits to the taxing districts their portions of the taxes collected. Such collections are available only to pay current period liabilities.

NOTE 4: MUNICIPAL INCOME TAXES

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly. Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and file a final return annually.

Ohio law requires all municipal income tax rates above 1% to be voted by the residents of the municipality.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 5: DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The City maintains a separate cash and investment pool that is available for use by all funds and accounts. Each fund type's portion of this pool is displayed on the combined balance sheet as Cash and Cash Equivalents.

Legal Requirements - Statutes require the classifications of monies held by the City into three categories:

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

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

Category 3 - consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of depositories.

Legislation permits interim monies to be invested or deposited in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be directly issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Interim deposits in eligible institutions applying for interim funds;
5. Bonds or other obligations of the State of Ohio;

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreement secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
7. The State Treasury Asset Reserve of Ohio (STAROhio).

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation, or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, *Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*, collateral held in single financial collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

Deposits

The Governmental Accounting Standards Board has established risk categories for deposits as follows:

Category 1 - Insured or collateralized with securities held by the City or by its agent in the City's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 - Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging institution or its trust department or agent but not in the City's name.)

All deposits are carried at cost. At year end, the carrying amount of the City's cash and deposits was \$1,020,485 and the bank balance was \$2,101,525. Of the bank balance, \$300,000 was insured by the FDIC and \$1,801,525 was classified as Risk Category 3.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

Investments

The Governmental Accounting Standards Board has established risk categories for investments as follows:

Category 1 - Investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

Category 3 - Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

The City's categorized investments at December 31, 2002 were as follows:

	<u>Financial Institution</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Repurchase Agreement (Risk Category 3)	First Merit	\$ 1,150,000	\$ 1,150,000
Total Investments		<u>\$ 1,150,000</u>	<u>\$ 1,150,000</u>

Cash balances and investments of fund types are as follows:

Governmental Fund Types		
General Fund		\$ 23,032
Special Revenue Fund		612,612
Debt Service Fund		11,040
Capital Projects Fund		1,429,752
Fiduciary Fund Types		
Agency Funds		94,049
		<u>\$ 2,170,485</u>

The classification of cash and cash equivalents on the combined financial statements is based on criteria set forth in GASB Statement No. 9. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3. The captions on the combined balance sheet related to cash and cash equivalents as follows:

	<u>Cash/Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$ 2,170,485	\$ 0
Investments:		
Repurchase Agreements	(1,150,000)	1,150,000
GASB Statement No. 3	<u>\$ 1,020,485</u>	<u>\$ 1,150,000</u>

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 6: **RECEIVABLES**

The receivables at December 31, 2002 consist of taxes, intergovernmental receivables arising from grants, entitlements, or shared revenues. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivables follows:

<u>Fund Type/Fund</u>	<u>Amounts</u>
<u>General Fund</u>	
Estate Tax	\$ 74,362
Local Government Support	357,536
Homestead and Rollback	22,363
Total General Fund	<u>454,261</u>
<u>Special Revenue Funds</u>	
Street Construction, Maintenance, and Repair	
Gasoline Tax	129,160
Motor Vehicle License Tax	48,840
Total Street Construction, Maintenance and Repair	<u>178,000</u>
State Highway Improvement	
Gasoline Tax	10,473
Motor Vehicle License Tax	3,960
Total State Highway Improvement	<u>14,433</u>
Special Permissive License Plate Tax	
Permissive Tax	16,508
Total Special Permissive License Plate Tax	<u>16,508</u>
Fire	
Homestead and Rollback	19,768
Total Fire	<u>19,768</u>
Emergency Medical Service	
Homestead and Rollback	15,764
Total Emergency Medical Service	<u>15,764</u>
PFDPF	
Homestead and Rollback	4,193
Total PFDPF	<u>4,193</u>
Total Special Revenue Funds	<u>248,666</u>
<u>Capital Projects Funds</u>	
Equipment Fund Grants	4,569
Total Capital Projects Funds	<u>4,569</u>
Total All Funds	<u><u>\$ 707,496</u></u>

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 7: FIXED ASSETS

The general fixed assets in 2002 were as follows:

<u>Description</u>	<u>January 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2002</u>
Land and Land Improvements	\$ 328,990	\$ 1,132	\$ 0	\$ 330,122
Buildings and Building Improvements	1,549,803	0	0	1,549,803
Machinery, Equipment, Furniture and Fixtures	1,942,394	399,833	0	2,342,227
Infrastructure	3,354,263	0	0	3,354,263
Vehicles	1,815,184	354,138	19,025	2,150,297
Construction in Progress	2,168,031	214,189	0	2,382,220
Total	<u>\$ 11,158,665</u>	<u>\$ 969,292</u>	<u>\$ 19,025</u>	<u>\$ 12,108,932</u>

NOTE 8: DEFINED BENEFIT PENSION PLANS

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

A. Ohio Public Employees Retirement System

The following information was provided by the Ohio Public Employees Retirement System to assist the City in complying with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

The City of Norton contributes to the Ohio Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand alone financial report that includes financial statements and required supplementary information for OPERS. That report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222- 7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5 percent for employees other than law enforcement and public safety. The 2002 employer contribution rate for local government employer units was 13.55 percent of covered payroll, 8.55 percent to fund the pension and 5.0 percent to fund health care. Contribution rates are

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

A. **Public Employees Retirement System** (Continued)

determined actuarially. The contribution requirements of plan members and the City are established and may be amended by the Ohio Public Employees Retirement Board. The City's contributions to the OPERS for the years ending December 31, 2002, 2001, and 2000 were \$207,610, \$187,540, and \$131,758, respectively, which were equal to the required contributions for each year.

OPERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the OPERS. The portion of the 2002 employer contribution rate (identified above) that was used to fund health care for the year 2002 was 5.0 percent of covered payroll, which amounted to \$76,609.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the OPERS' latest actuarial review performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.0 percent. An annual increase of 4.0 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.5 percent to 6.3 percent. Health care costs were assumed to increase 4.0 percent annually.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

A. **Public Employees Retirement System** (Continued)

OPEBs are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The actuarial value of the OPERS net assets available for OPEB at December 31, 2001 was \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

In December 2001, the Board adopted the Health Care “Choices” Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year “cliff” eligibility standards for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing, multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent and 24.0 percent respectively for police officers and firefighters. The City’s contributions to the OP&F Fund for the years ending December 31, 2002, 2001, and 2000 were \$172,434, \$158,025, and \$148,567 for police and \$42,501, \$37,307, and \$30,877 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer’s contributions rate. The Ohio Revised Code also provides statutory authority allowing the Fund’s Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer’s contributions to the OP&F Fund.

The portion of the 2002 covered payroll that was used to fund postemployment health care benefits was \$66,513 representing 7.50 percent of covered payroll for police and \$13,721 representing 7.75 percent of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2001, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,174 for police and 10,239 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund’s total health care expenses for the year ended December 31, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699.

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 9: COMPENSATED ABSENCES

In accordance with Government Accounting Standards Board (GASB) Statement 16, the City of Norton, Ohio has accrued a liability for compensated absences (vacation and sick leave) at December 31, 2002 along with any salary-related payments associated with the payment of compensated absences.

Sick leave for City employees is accrued at rates of 4.6 for every 80 hours. Employees who retire or terminate service after 10 years may convert 25 percent of accumulated sick leave days into a lump-sum payment within certain limitations. For governmental funds, the City recognized the current portion of this liability at December 31, 2002 that is expected to be liquidated with expendable available financial resources.

City employees generally earn vacation leave ranging from 5 to 25 days per year based on length of service. No more than the amount of vacation accrued in the previous twelve-month period can be carried forward into the next calendar year without written consent of the City Mayor. For governmental fund types, accumulated vacation leave is recorded as a liability within the respective fund types since it has to be used in the following year or be forfeited.

The following is a summary of compensated absences payable by funds and groups:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>General Long-Term Account Group</u>
Sick Leave	\$ 2,541	\$ 1,593	\$ 478,739
Holiday	973	80	9,967
Vacation Leave	2,758	1,660	110,818
Comp	1,209	523	17,828
Totals	<u>\$ 7,481</u>	<u>\$ 3,856</u>	<u>\$ 617,352</u>

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 10: SHORT-TERM DEBT

Short-term debt outstanding at December 31, 2002 consisted of the following:

<u>Description</u>	<u>01/01/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/02</u>
Bond Anticipation Note -				
- Barber Road Sanitary Sewer	\$ 2,375,000	\$ 2,250,000	\$(2,375,000)	\$ 2,250,000
- Wooster Road Sanitary Sewer				
1999 Streets	400,000	220,000	(400,000)	220,000
- 2000 Streets Program	775,000	300,000	(775,000)	300,000
- Multi-Purpose Equipment	155,000	405,000	(155,000)	405,000
- Waterlines	0	350,000	0	350,000
Total	<u>\$ 3,705,000</u>	<u>\$ 3,525,000</u>	<u>\$(3,705,000)</u>	<u>\$ 3,525,000</u>

NOTE 11: LONG-TERM DEBT

Long-term obligations of the City at December 31, 2002 are as follows:

<u>Description</u>	<u>Balance at 01/01/02</u>	<u>Additions/ (Reductions)</u>	<u>Balance at 12/31/02</u>
Special Assessment Bonds	\$ 95,000	\$ (5,000)	\$ 90,000
Total Bond Indebtness	<u>\$ 95,000</u>	<u>\$ (5,000)</u>	<u>\$ 90,000</u>
<u>Other Long-Term Obligations:</u>			
Accrued Compensated Absences	\$ 548,955	\$ 68,397	\$ 617,352
Accrued Pension Liability	95,897	11,114	107,011
Total Other Long-Term Obligations	<u>644,852</u>	<u>79,511</u>	<u>724,363</u>
TOTAL LONG-TERM DEBT	<u>\$ 739,852</u>	<u>\$ 74,511</u>	<u>\$ 814,363</u>

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2002 are:

	<u>Obligation Bonds</u>
2003	\$ 10,940
2004	10,610
2005	10,280
2006	9,950
2007	9,620
2008-2012	43,150
2013-2016	46,600
Total	<u>141,150</u>
Less Interest	51,150
Outstanding Principal	<u>\$ 90,000</u>

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 12: CLAIMS AND JUDGMENTS

There are a few lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from litigation would not materially affect the financial statements of the City.

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

NOTE 13: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2002, the City contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Description</u>	<u>Deductible</u>
Ohio Casualty Ins. Co.	Bond-Public Employees	\$ 0
National Casualty Co.	Public Officials Liability	\$ 5,000
National Casualty Co.	Law Enforcement Liability	\$ 5,000
Wichert Insurance	Commercial Property	\$ 1,000
Wichert Insurance	Inland Marine	\$ 500
Wichert Insurance	Automobile Liability	\$ 250
Wichert Insurance	Automobile Collision	\$ 500
Wichert Insurance	General Liability	\$ 2,500
	\$1,000,000 per occurrence	
	\$2,000,000 aggregate	
Wichert Insurance	Umbrella Liability	\$ 10,000
Ohio Casualty Ins. Co.	Bond-Finance Director	\$ 0
Ohio Casualty Ins. Co.	Bond - Mayor	\$ 0
Ohio Casualty Ins. Co.	Bond - Administrator	\$ 0
Ohio Casualty Ins. Co.	Bond - Clerk of Mayor's Court	\$ 0
Wichert Insurance	Commercial Crime	\$ 0
Wichert Insurance	Ambulance and EMT Liability	\$ 0
	\$1,000,000 per occurrence	
	\$2,000,000 aggregate	
Wichert Insurance	Firemen's Errors and Omissions	\$ 0
	\$1,000,000 per occurrence	
	\$2,000,000 aggregate	

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 13: **RISK MANAGEMENT** (Continued)

The City decided to stop carrying commercial insurance for health insurance because of its prohibitive cost and began covering all claim settlements and judgments out of its general fund resources. The City currently reports all of its risk management activities in the general fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, the amount of these liabilities was \$83,300. This liability is the City's best estimate based on available information. Changes in the reported liability since December 31, 2002 resulted from the following:

	Beginning of Fiscal Year <u>Liability</u>	Current- Year Claims and Changes <u>in Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year-End</u>
2001 (restated)	\$ 62,738	\$ 868,710	\$ 463,803	\$ 467,645
2002	\$ 467,645	\$ 833,640	\$1,217,985	\$ 83,300

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.

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

CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 14: OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2002.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>General Fund</u>	\$ 105,440	\$ 1,239,733
<u>Special Revenue Funds</u>		
Street Construction, Maintenance, and Repair	234,306	18,000
State Highway Improvement	18,000	0
Special Permissive License Plate Tax	0	37,000
Fire	0	6,154
Emergency Medical Service	0	41,186
PFDPF	0	65,100
Mayor's Court	0	28,000
Total Special Revenue Funds	<u>252,306</u>	<u>195,440</u>
<u>Capital Projects Funds</u>		
Buildings	12,000	0
Equipment	435,725	0
State Highways	619,702	0
Sanitary Sewers	10,000	0
Total Capital Projects Funds	<u>1,077,427</u>	<u>0</u>
Total All Funds	<u>\$ 1,435,173</u>	<u>\$ 1,435,173</u>

NOTE 15: CONTINGENCIES

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

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

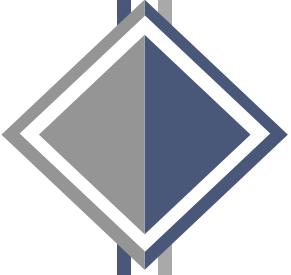
CITY OF NORTON, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 16: CONSTRUCTION COMMITMENTS

At December 31, 2002, the City had the following commitments with respect to capital projects.

<u>Capital Projects</u>	<u>Remaining Construction Commitments</u>	<u>Expected Date of Completion</u>
Cleveland-Massillon Road Widening	\$ 450,730	Not determined
Johnson Road Waterline	348,966	May 2003
Barber Road/Wolf Creek	213,086	September 2003

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**COMBINING, INDIVIDUAL FUND,
AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

CITY OF NORTON, OHIO

SUPPLEMENTAL DATA
GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Local Taxes - Income Tax	\$2,496,115	\$2,445,796	\$ (50,319)
Local Taxes - Property Tax	304,168	317,462	13,294
Other Taxes	15,000	14,103	(897)
Intergovernmental	1,218,610	1,066,955	(151,655)
Charges for Services	75,669	55,086	(20,583)
Fines, Licenses, and Permits	318,881	288,355	(30,526)
Interest Income	40,500	1,560	(38,940)
Miscellaneous	30,836	26,626	(4,210)
Total Revenues	4,499,779	4,215,943	(283,836)
Expenditures			
Current:			
Security of Persons and Property:			
Police:			
Personnel Services	1,372,000	1,523,687	(151,687)
Travel and Transportation	750	1,629	(879)
Contractual Services	127,500	123,286	4,214
Supplies and Materials	39,500	33,300	6,200
Total Police	1,539,750	1,681,902	(142,152)
Total Security of Persons and Property	1,539,750	1,681,902	(142,152)
Leisure Time Activities:			
Parks:			
Personnel Services	97,000	69,885	27,115
Contractual Services	18,050	28,019	(9,969)
Supplies and Materials	10,800	8,992	1,808
Refunds	250	25	225
Total Parks	126,100	106,921	19,179
Total Leisure Time Activities	126,100	106,921	19,179
Community Environment:			
Community Development:			
Personnel Services	55,000	12,827	42,173
Travel and Transportation	2,400	0	2,400
Contractual Services	87,700	16,995	70,705
Supplies and Materials	6,900	313	6,587
Total Community Development	152,000	30,135	121,865

(Continued)

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Building:			
Personnel Services	139,600	133,981	5,619
Travel and Transportation	3,700	1,761	1,939
Contractual Services	52,850	27,197	25,653
Supplies and Materials	6,100	4,077	2,023
Refunds	500	26,409	(25,909)
Total Building	<u>202,750</u>	<u>193,425</u>	<u>9,325</u>
Total Community Environment	<u>354,750</u>	<u>223,560</u>	<u>131,190</u>
General Government:			
Council:			
Personnel Services	91,000	101,879	(10,879)
Travel and Transportation	350	1,289	(939)
Contractual Services	31,725	14,078	17,647
Supplies and Materials	2,600	1,631	969
Total Council	<u>125,675</u>	<u>118,877</u>	<u>6,798</u>
Mayor:			
Personnel Services	26,525	28,962	(2,437)
Travel and Transportation	350	183	167
Contractual Services	9,550	4,905	4,645
Supplies and Materials	2,000	929	1,071
Total Mayor	<u>38,425</u>	<u>34,979</u>	<u>3,446</u>
Administrative Officer:			
Personnel Services	110,000	163,067	(53,067)
Travel and Transportation	300	284	16
Contractual Services	63,700	51,546	12,154
Supplies and Materials	8,500	5,981	2,519
Total Administrative Officer	<u>182,500</u>	<u>220,878</u>	<u>(38,378)</u>
Finance:			
Personnel Services	367,700	268,101	99,599
Travel and Transportation	1,750	764	986
Contractual Services	53,050	57,753	(4,703)
Supplies and Materials	11,750	9,598	2,152
Statutory Contractual Services	128,250	105,930	22,320
Total Finance	<u>562,500</u>	<u>442,146</u>	<u>120,354</u>
Law:			
Personnel Services	47,300	58,533	(11,233)
Travel and Transportation	400	0	400
Contractual Services	48,000	3,099	44,901
Total Law	<u>95,700</u>	<u>61,632</u>	<u>34,068</u>

(Continued)

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Public Service:			
Personnel Services	120,000	49,608	70,392
Contractual Services	63,250	32,195	31,055
Supplies and Materials	8,700	6,090	2,610
Total Public Service	191,950	87,893	104,057
Engineering:			
Personnel Services	68,800	66,081	2,719
Travel and Transportation	500	0	500
Contractual Services	4,900	4,026	874
Supplies and Materials	2,000	1,481	519
Total Engineering	76,200	71,588	4,612
Parks and Recreation Board:			
Personnel Services	4,050	7,923	(3,873)
Contractual Services	150	135	15
Supplies and Materials	0	61	(61)
Total Parks and Recreation Board	4,200	8,119	(3,919)
Building and Zoning Board:			
Personnel Services	4,150	3,628	522
Contractual Services	250	2,250	(2,000)
Supplies and Materials	150	472	(322)
Total Building and Zoning Board	4,550	6,350	(1,800)
Cemetery Board:			
Personnel Services	4,000	6,937	(2,937)
Contractual Services	0	109	(109)
Supplies and Materials	0	15	(15)
Total Cemetery Board	4,000	7,061	(3,061)
Voluntary Fire Board:			
Personnel Services	450	0	450
Total Voluntary Fire Board	450	0	450
Planning Commission:			
Personnel Services	4,275	9,020	(4,745)
Contractual Services	1,300	2,072	(772)
Supplies and Materials	100	273	(173)
Total Planning Commission	5,675	11,365	(5,690)
Civil Service Commission:			
Personnel Services	9,150	3,847	5,303
Contractual Services	4,800	3,265	1,535
Supplies and Materials	200	80	120
Total Civil Service Commission	14,150	7,192	6,958

(Continued)

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Mayor's Court:			
Personnel Services	70,200	82,676	(12,476)
Travel and Transportation	350	0	350
Contractual Services	13,450	6,195	7,255
Supplies and Materials	1,100	398	702
Miscellaneous	15,000	2,937	12,063
Total Mayor's Court	100,100	92,206	7,894
Total General Government	1,406,075	1,170,286	235,789
Miscellaneous	177,000	141,665	35,335
Total Expenditures	3,603,675	3,324,334	279,341
Excess (Deficiency) of Revenues Over (Under) Expenditures	896,104	891,609	(4,495)
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	495,600	0	(495,600)
Sale of Fixed Assets	260,000	278,452	18,452
Transfers In	165,996	105,440	(60,556)
Transfers Out	(1,374,348)	(1,239,733)	134,615
Total Other Financing Sources (Uses)	(452,752)	(855,841)	(403,089)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	443,352	35,768	(407,584)
Fund Balance - Beginning of Year	3,514	3,514	0
Fund Balance (Deficit) - End of Year	\$ 446,866	\$ 39,282	\$ (407,584)

See accompanying notes to the general purpose financial statements.

CITY OF NORTON, OHIO

SPECIAL REVENUE FUNDS

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

Street Construction, Maintenance, and Repair Fund - to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of dedicated streets.

State Highway Improvement Fund - to account for that portion of the state gasoline tax and motor vehicle registration fees designated for street maintenance and repair of state highways within the City.

Special Permissive License Plate Tax Fund - to account for revenues received from license plates. Expenditures may only be used for street construction, maintenance, and repair.

Street Lighting Fund - the City assesses a rate on all real property to provide city wide public street lights. These funds are collected in the same manner as other assessments by the County Treasurer.

Issue II Fund - to account for funds received from State Issue II grant funds used for the improvement of various roads within the City.

Fire Fund - to account for revenues received from real and personal property taxes. Expenditures may only be used for fire department operations and fire pension.

Emergency Medical Service Fund - to account for fire and ambulance service expenditures relative to the distribution of municipal income tax monies as required by the City Charter.

D.A.R.E. Program Fund - to account for revenues received from D.A.R.E. activities and transfers from the General Fund. Expenditures may only be used for D.A.R.E. activities.

Drug Law Enforcement Fund - to account for proceeds from mandatory drug fines disbursed for law enforcement purposes.

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

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

CITY OF NORTON, OHIO

SPECIAL REVENUE FUNDS

Beautification Fund - to receive funds to be used by the Parks Board for plants, flowers, and shrubs.

Environmental and Natural Resources Fund - to provide monies to be used for legal services to prevent the disposal of hazardous wastes.

Community Development Block Grant Fund (CDBG) - to account for the revenue from the federal government and expenditures as prescribed under the Community Development Block Grant and the Comprehensive Housing Improvement Program.

Community Center Fund - to account for revenue from rental fees which provides for the furnishings and upkeep of the Community Center building.

Greenwich Road Fund - to provide for the collection of rent and future payments for repairs and expenses for the rental of the property.

Cemetery Fund - to provide for the deposit and investment of funds received from the sale of cemetery lots and the disbursement of said funds or interest thereon for the perpetual care of the cemetery.

Special Event Fund - to account for revenue provided by donations from local persons/businesses to be used to pay the cost of presenting band concerts during the summer months at a City-owned pavilion.

Federal Emergency Management Assistance Fund (F.E.M.A.) - to account for funds provided by grants to pay for damage survey reports in the event of emergencies.

Recycling Fund - to provide for the recycling of solid waste within the city.

Scrap Tire Fund - to provide for a scrap tire management and recovery program.

Policemen/Firemen Disability and Pension Fund (PFDPF) - to accumulate property taxes levied for the partial payment of the current and accrued liability for police and firemen's disability and pension. Amounts collected for the police and firemen's disability and pension are periodically remitted to the state operated Police and Firemen's Disability and Pension Fund.

Mayor's Court Fund - to provide funds to computerize the Court and the Clerk of Court and to make computerized legal research available to the Court.

**CITY OF NORTON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2002**

	Street Construction, Maintenance, and Repair	State Highway Improvement	Special Permissive License Plate Tax	Street Lighting	Issue II
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 1,999	\$ 0	\$ 10,443	\$ 15,596	\$ 2,392
Receivables:					
Taxes	0	0	0	0	0
Accounts	3,759	0	0	0	0
Intergovernmental	178,000	14,433	16,508	0	0
Inventory	12,760	0	0	0	0
Prepaid Items	4,828	1,436	0	0	0
Total Assets	\$ 201,346	\$ 15,869	\$ 26,951	\$ 15,596	\$ 2,392
<u>Liabilities</u>					
Accounts Payable	\$ 117,644	\$ 2,594	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	17,916	0	0	0	0
Due to Other Funds	0	15,211	0	0	0
Deferred Revenue	126,601	9,404	12,265	0	0
Compensated Absences Payable		2,058	0	0	0
Total Liabilities	264,219	27,209	12,265	0	0
<u>Fund Equity</u>					
Fund Balances:					
Reserved for Inventory	12,760	0	0	0	0
Reserved for Prepays	4,828	1,436	0	0	0
Unreserved:					
Undesignated	(80,461)	(12,776)	14,686	15,596	2,392
Total Fund Equity (Deficit)	(62,873)	(11,340)	14,686	15,596	2,392
Total Liabilities and Fund Equity	\$ 201,346	\$ 15,869	\$ 26,951	\$ 15,596	\$ 2,392

CITY OF NORTON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (Continued)
DECEMBER 31, 2002

	<u>Fire</u>	<u>Emergency Medical Service</u>	<u>D.A.R.E. Program</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 24,720	\$ 143,106	\$ 1,386	\$ 1,799	\$ 7,658
Receivables:					
Taxes	297,490	375,869	0	0	0
Accounts	0	0	0	0	58
Intergovernmental	19,768	15,764	0	0	0
Inventory	0	0	0	0	0
Prepaid Items	2,446	2,045	0	0	0
Total Assets	\$ 344,424	\$ 536,784	\$ 1,386	\$ 1,799	\$ 7,716
<u>Liabilities</u>					
Accounts Payable	\$ 6,814	\$ 14,237	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	12,866	10,158	0	0	0
Due to Other Funds	0	0	0	0	0
Deferred Revenue	317,258	391,633	0	0	0
Compensated Absences Payable	899	899	0	0	0
Total Liabilities	337,837	416,927	0	0	0
<u>Fund Equity</u>					
Fund Balances:					
Reserved for Inventory	0	0	0	0	0
Reserved for Prepays	2,446	2,045	0	0	0
Unreserved:					
Undesignated	4,141	117,812	1,386	1,799	7,716
Total Fund Equity (Deficit)	6,587	119,857	1,386	1,799	7,716
Total Liabilities and Fund Equity	\$ 344,424	\$ 536,784	\$ 1,386	\$ 1,799	\$ 7,716

<u>DWI Enforcement and Education</u>	<u>Beautification</u>	<u>Environmental and Natural Resources</u>	<u>CDBG</u>	<u>Community Center</u>	<u>Greenwich Road</u>	<u>Cemetery</u>
\$ 24,771	\$ 287	\$ 304,045	\$ 25	\$ 0	\$ 0	\$ 15,569
0	0	0	0	0	0	0
60	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 24,831</u>	<u>\$ 287</u>	<u>\$ 304,045</u>	<u>\$ 25</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,569</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,299	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	615	1,645	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,914</u>	<u>1,645</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
24,831	287	304,045	25	(1,914)	(1,645)	15,569
<u>24,831</u>	<u>287</u>	<u>304,045</u>	<u>25</u>	<u>(1,914)</u>	<u>(1,645)</u>	<u>15,569</u>
<u>\$ 24,831</u>	<u>\$ 287</u>	<u>\$ 304,045</u>	<u>\$ 25</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,569</u>

(Continued)

CITY OF NORTON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (Continued)
DECEMBER 31, 2002

	<u>Special Event</u>	<u>F.E.M.A.</u>	<u>Recycling</u>	<u>Scrap Tire</u>	<u>PFDPF</u>	<u>Mayor's Court</u>	<u>Total</u>
<u>Assets</u>							
Equity in Pooled Cash and Cash Equivalents	\$ 2	\$ 278	\$ 2,243	\$ 2,243	\$ 44,914	\$ 9,136	\$ 612,612
Receivables:							
Taxes	0	0	0	0	71,547	0	744,906
Accounts Intergovernmental	0	0	0	0	0	0	3,877
Inventory	0	0	0	0	4,193	0	248,666
Prepaid Items	0	0	0	0	0	0	12,760
	0	0	0	0	0	402	11,157
Total Assets	\$ 2	\$ 278	\$ 2,243	\$ 2,243	\$ 120,654	\$ 9,538	\$1,633,978
<u>Liabilities</u>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 142,588
Accrued Wages and Benefits	0	0	0	0	0	0	40,940
Due to Other Funds	0	0	0	0	0	0	17,471
Deferred Revenue	0	0	0	0	75,740	0	932,901
Compensated Absences Payable	0	0	0	0	0	0	3,856
Total Liabilities	0	0	0	0	75,740	0	1,137,756
<u>Fund Equity</u>							
Fund Balances:							
Reserved for Inventory	0	0	0	0	0	0	12,760
Reserved for Prepays	0	0	0	0	0	402	11,157
Unreserved:							
Undesignated	2	278	2,243	2,243	44,914	9,136	472,305
Total Fund Equity (Deficit)	2	278	2,243	2,243	44,914	9,538	496,222
Total Liabilities and Fund Equity	\$ 2	\$ 278	\$ 2,243	\$ 2,243	\$ 120,654	\$ 9,538	\$1,633,978

CITY OF NORTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

	Street Construction, Maintenance, and Repair	State Highway Improvement	Special Permissive License Plate Tax	Street Lighting	Issue II
<u>Revenues</u>					
Local Taxes - Income Tax	\$ 0	\$ 0	\$ 0	\$ 12,000	\$ 0
Local Taxes - Property Tax	0	0	0	0	0
Other Taxes	0	0	0	0	0
Intergovernmental	378,214	31,527	33,533	0	0
Charges for Services	0	0	0	0	0
Fines, Licenses, and Permits	0	0	0	0	0
Interest Income	24,273	841	1,585	0	0
Miscellaneous	6,246	200	0	0	0
Total Revenues	408,733	32,568	35,118	12,000	0
<u>Expenditures</u>					
Security of Persons and Property	0	0	0	8,471	0
Public Health Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	910,184	73,335	0	0	0
General Government	0	0	0	0	0
Capital Outlay	6,773	309	0	0	0
Total Expenditures	916,957	73,644	0	8,471	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(508,224)	(41,076)	35,118	3,529	0
<u>Other Financing Sources (Uses)</u>					
Transfers In	234,306	18,000	0	0	0
Transfers Out	(18,000)	0	(37,000)	0	0
Total Other Financing Sources (Uses)	216,306	18,000	(37,000)	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(291,918)	(23,076)	(1,882)	3,529	0
Fund Balance - Beginning of Year	222,588	11,736	16,568	12,067	2,392
Increase (Decrease) in Reserve for Inventory	6,457	0	0	0	0
Fund Balance (Deficit) - End of Year	\$ (62,873)	\$ (11,340)	\$ 14,686	\$ 15,596	\$ 2,392

CITY OF NORTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS (Continued)
DECEMBER 31, 2002

	Fire	Emergency Medical Service	D.A.R.E. Program	Drug Law Enforcement	Law Enforcement
Revenues					
Local Taxes - Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Taxes - Property Tax	322,039	276,337	0	0	0
Other Taxes	378	3,295	0	0	0
Intergovernmental	39,007	32,547	0	0	0
Charges for Services	0	208,620	0	0	0
Fines, Licenses, and Permits	0	0	0	0	1,444
Interest Income	0	0	0	0	0
Miscellaneous	1,061	5,375	0	0	100
Total Revenues	<u>362,485</u>	<u>526,174</u>	<u>0</u>	<u>0</u>	<u>1,544</u>
Expenditures					
Security of Persons and Property	381,754	406,981	454	0	0
Public Health Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>381,754</u>	<u>406,981</u>	<u>454</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,269)	119,193	(454)	0	1,544
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	(6,154)	(41,186)	0	0	0
Total Other Financing Sources (Uses)	<u>(6,154)</u>	<u>(41,186)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(25,423)	78,007	(454)	0	1,544
Fund Balance - Beginning of Year	32,010	41,850	1,840	1,799	6,172
Increase (Decrease) in Reserve for Inventory	0	0	0	0	0
Fund Balance (Deficit) - End of Year	<u><u>\$ 6,587</u></u>	<u><u>\$ 119,857</u></u>	<u><u>\$ 1,386</u></u>	<u><u>\$ 1,799</u></u>	<u><u>\$ 7,716</u></u>

DWI Enforcement and Education	Beautification	Environmental and Natural Resources	CDBG	Community Center	Greenwich Road	Cemetery
\$ 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	0	3,479
1,264	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	7,458	0	12,366	0	0
<u>1,264</u>	<u>0</u>	<u>7,458</u>	<u>0</u>	<u>12,366</u>	<u>0</u>	<u>3,479</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	40
0	0	0	0	16,556	1,994	0
0	0	1,272	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>1,272</u>	<u>0</u>	<u>16,556</u>	<u>1,994</u>	<u>40</u>
1,264	0	6,186	0	(4,190)	(1,994)	3,439
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,264	0	6,186	0	(4,190)	(1,994)	3,439
23,567	287	297,859	25	2,276	349	12,130
0	0	0	0	0	0	0
<u>\$ 24,831</u>	<u>\$ 287</u>	<u>\$ 304,045</u>	<u>\$ 25</u>	<u>\$ (1,914)</u>	<u>\$ (1,645)</u>	<u>\$ 15,569</u>

(Continued)

CITY OF NORTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS (Continued)
DECEMBER 31, 2002

	Special Event	F.E.M.A.	Recycling	Scrap Tire	PFDPF	Mayor's Court	Total
Revenues							
Local Taxes - Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,000
Local Taxes - Property Tax	0	0	0	0	94,744	0	693,120
Other Taxes	0	0	0	0	56	0	3,729
Intergovernmental	0	0	0	0	7,204	0	522,032
Charges for Services	0	0	0	0	0	0	212,099
Fines, Licenses, and Permits	0	0	0	0	0	22,836	25,544
Interest Income	0	0	0	0	0	0	26,699
Miscellaneous	6,140	0	0	0	0	0	38,946
Total Revenues	<u>6,140</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,004</u>	<u>22,836</u>	<u>1,534,169</u>
Expenditures							
Security of Persons and Property	0	0	0	0	150	0	797,810
Public Health Services	0	0	0	0	0	0	40
Leisure Time Activities	0	0	0	0	0	0	18,550
Community Environment	0	0	0	0	0	0	1,272
Transportation	0	0	0	0	0	0	983,519
General Government	8,239	0	0	0	0	2,960	11,199
Capital Outlay	0	0	0	0	0	0	7,082
Total Expenditures	<u>8,239</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>2,960</u>	<u>1,819,472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,099)	0	0	0	101,854	19,876	(285,303)
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	0	0	252,306
Transfers Out	0	0	0	0	(65,100)	(28,000)	(195,440)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(65,100)</u>	<u>(28,000)</u>	<u>56,866</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,099)	0	0	0	36,754	(8,124)	(228,437)
Fund Balance - Beginning of Year	2,101	278	2,243	2,243	8,160	17,662	718,202
Increase (Decrease) in Reserve for Inventory	0	0	0	0	0	0	6,457
Fund Balance (Deficit) - End of Year	<u>\$ 2</u>	<u>\$ 278</u>	<u>\$ 2,243</u>	<u>\$ 2,243</u>	<u>\$ 44,914</u>	<u>\$ 9,538</u>	<u>\$ 496,222</u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
STREET CONSTRUCTION, MAINTENANCE, AND REPAIR SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$ 499,090	\$ 377,759	\$ (121,331)
Interest Income	30,000	24,273	(5,727)
Miscellaneous	3,000	2,487	(513)
Total Revenues	<u>532,090</u>	<u>404,519</u>	<u>(127,571)</u>
<u>Expenditures</u>			
Transportation	936,750	806,753	129,997
Capital Outlay	7,000	6,773	227
Total Expenditures	<u>943,750</u>	<u>813,526</u>	<u>130,224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(411,660)</u>	<u>(409,007)</u>	<u>2,653</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	235,000	234,306	(694)
Transfers Out	(18,000)	(18,000)	0
Total Other Financing Sources (Uses)	<u>217,000</u>	<u>216,306</u>	<u>(694)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(194,660)</u>	<u>(192,701)</u>	<u>1,959</u>
Fund Balance - Beginning of Year	<u>194,700</u>	<u>194,700</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 40</u>	<u>\$ 1,999</u>	<u>\$ 1,959</u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
STATE HIGHWAY IMPROVEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$ 38,172	\$ 30,629	\$ (7,543)
Interest Income	1,000	841	(159)
Miscellaneous	21,000	2,558	(18,442)
Total Revenues	<u>60,172</u>	<u>34,028</u>	<u>(26,144)</u>
<u>Expenditures</u>			
Transportation	64,841	71,908	(7,067)
Capital Outlay	309	309	0
Total Expenditures	<u>65,150</u>	<u>72,217</u>	<u>(7,067)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,978)</u>	<u>(38,189)</u>	<u>(33,211)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	0	18,000	18,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>18,000</u>	<u>18,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(4,978)</u>	<u>(20,189)</u>	<u>(15,211)</u>
Fund Balance - Beginning of Year	<u>4,978</u>	<u>4,978</u>	<u>0</u>
Fund Balance (Deficit) - End of Year	<u><u>\$ 0</u></u>	<u><u>\$ (15,211)</u></u>	<u><u>\$ (15,211)</u></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 SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$ 136,000	\$ 33,672	\$ (102,328)
Interest Income	2,000	1,585	(415)
Total Revenues	<u>138,000</u>	<u>35,257</u>	<u>(102,743)</u>
<u>Expenditures</u>			
	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>138,000</u>	<u>35,257</u>	<u>(102,743)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	(140,000)	(37,000)	103,000
Total Other Financing Sources (Uses)	<u>(140,000)</u>	<u>(37,000)</u>	<u>103,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,000)	(1,743)	257
Fund Balance - Beginning of Year	<u>12,186</u>	<u>12,186</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 10,186</u></u>	<u><u>\$ 10,443</u></u>	<u><u>\$ 257</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
STREET LIGHTING SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Local Taxes - Income Tax	\$ 21,000	\$ 12,000	\$ (9,000)
Total Revenues	<u>21,000</u>	<u>12,000</u>	<u>(9,000)</u>
<u>Expenditures</u>			
Security of Persons and Property	24,600	8,271	16,329
Total Expenditures	<u>24,600</u>	<u>8,271</u>	<u>16,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,600)	3,729	7,329
Fund Balance - Beginning of Year	<u>11,867</u>	<u>11,867</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 8,267</u></u>	<u><u>\$ 15,596</u></u>	<u><u>\$ 7,329</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ISSUE II SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$ 350,000	\$ 0	\$ (350,000)
Total Revenues	<u>350,000</u>	<u>0</u>	<u>(350,000)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>350,000</u>	<u>0</u>	<u>(350,000)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	(352,300)	0	352,300
Total Other Financing Sources (Uses)	<u>(352,300)</u>	<u>0</u>	<u>352,300</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,300)</u>	<u>0</u>	<u>2,300</u>
Fund Balance - Beginning of Year	<u>2,392</u>	<u>2,392</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 92</u>	<u>\$ 2,392</u>	<u>\$ 2,300</u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
FIRE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Local Taxes - Property Tax	\$ 341,924	\$ 322,039	\$ (19,885)
Other Taxes	400	378	(22)
Intergovernmental	40,000	39,007	(993)
Miscellaneous	2,500	1,061	(1,439)
Total Revenues	<u>384,824</u>	<u>362,485</u>	<u>(22,339)</u>
<u>Expenditures</u>			
Security of Persons and Property	396,150	371,496	24,654
Total Expenditures	<u>396,150</u>	<u>371,496</u>	<u>24,654</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,326)</u>	<u>(9,011)</u>	<u>2,315</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	53,000	0	(53,000)
Transfers Out	(81,154)	(6,154)	75,000
Total Other Financing Sources (Uses)	<u>(28,154)</u>	<u>(6,154)</u>	<u>22,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(39,480)</u>	<u>(15,165)</u>	<u>24,315</u>
Fund Balance - Beginning of Year	<u>39,885</u>	<u>39,885</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 405</u>	<u>\$ 24,720</u>	<u>\$ 24,315</u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
EMERGENCY MEDICAL SERVICE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Local Taxes - Property Tax	\$ 228,442	\$ 276,337	\$ 47,895
Other Taxes	300	3,295	2,995
Intergovernmental	33,000	32,547	(453)
Charges for Services	131,062	208,620	77,558
Miscellaneous	1,000	5,375	4,375
Total Revenues	<u>393,804</u>	<u>526,174</u>	<u>132,370</u>
<u>Expenditures</u>			
Security of Persons and Property	401,550	392,155	9,395
Total Expenditures	<u>401,550</u>	<u>392,155</u>	<u>9,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,746)</u>	<u>134,019</u>	<u>141,765</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	(41,186)	(41,186)	0
Total Other Financing Sources (Uses)	<u>(41,186)</u>	<u>(41,186)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(48,932)</u>	<u>92,833</u>	<u>141,765</u>
Fund Balance - Beginning of Year	<u>50,273</u>	<u>50,273</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1,341</u></u>	<u><u>\$ 143,106</u></u>	<u><u>\$ 141,765</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
D.A.R.E. PROGRAM SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Miscellaneous	\$ 1,700	\$ 0	\$ (1,700)
Total Revenues	<u>1,700</u>	<u>0</u>	<u>(1,700)</u>
<u>Expenditures</u>			
Security of Persons and Property	2,200	454	1,746
Total Expenditures	<u>2,200</u>	<u>454</u>	<u>1,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(454)	46
Fund Balance - Beginning of Year	<u>1,840</u>	<u>1,840</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1,340</u></u>	<u><u>\$ 1,386</u></u>	<u><u>\$ 46</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
DRUG LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<u>Revenues</u>			
Fines, Licenses, and Permits	\$ 1,500	\$ 0	\$ (1,500)
Total Revenues	<u>1,500</u>	<u>0</u>	<u>(1,500)</u>
<u>Expenditures</u>			
Security of Persons and Property	3,200	0	3,200
Total Expenditures	<u>3,200</u>	<u>0</u>	<u>3,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,700)	0	1,700
Fund Balance - Beginning of Year	<u>1,799</u>	<u>1,799</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 99</u></u>	<u><u>\$ 1,799</u></u>	<u><u>\$ 1,700</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines, Licenses, and Permits	\$ 6,600	\$ 1,386	\$ (5,214)
Miscellaneous	200	100	(100)
Total Revenues	<u>6,800</u>	<u>1,486</u>	<u>(5,314)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,800</u>	<u>1,486</u>	<u>(5,314)</u>
<u>Total Other Financing Sources (Uses)</u>			
Transfers Out	(11,000)	0	11,000
Total Other Financing Sources (Uses)	<u>(11,000)</u>	<u>0</u>	<u>11,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(4,200)</u>	<u>1,486</u>	<u>5,686</u>
Fund Balance - Beginning of Year	<u>6,172</u>	<u>6,172</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1,972</u></u>	<u><u>\$ 7,658</u></u>	<u><u>\$ 5,686</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
DWI ENFORCEMENT AND EDUCATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fines, Licenses, and Permits	\$ 1,200	\$ 1,204	\$ 4
Total Revenues	<u>1,200</u>	<u>1,204</u>	<u>4</u>
<u>Expenditures</u>			
Security of Persons and Property	16,700	0	16,700
Total Expenditures	<u>16,700</u>	<u>0</u>	<u>16,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,500)	1,204	16,704
Fund Balance - Beginning of Year	<u>23,567</u>	<u>23,567</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 8,067</u></u>	<u><u>\$ 24,771</u></u>	<u><u>\$ 16,704</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
BEAUTIFICATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>			
Community Environment	286	0	286
Total Expenditures	<u>286</u>	<u>0</u>	<u>286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(286)	0	286
Fund Balance - Beginning of Year	<u>287</u>	<u>287</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1</u></u>	<u><u>\$ 287</u></u>	<u><u>\$ 286</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ENVIRONMENTAL AND NATURAL RESOURCES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Miscellaneous	\$ 66,000	\$ 16,769	\$ (49,231)
Total Revenues	<u>66,000</u>	<u>16,769</u>	<u>(49,231)</u>
<u>Expenditures</u>			
Community Environment	300,000	1,970	298,030
Total Expenditures	<u>300,000</u>	<u>1,970</u>	<u>298,030</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(234,000)</u>	<u>14,799</u>	<u>248,799</u>
Fund Balance - Beginning of Year	<u>289,246</u>	<u>289,246</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 55,246</u></u>	<u><u>\$ 304,045</u></u>	<u><u>\$ 248,799</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
CDBG SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Intergovernmental	\$ 754,000	\$ 0	\$ (754,000)
Total Revenues	<u>754,000</u>	<u>0</u>	<u>(754,000)</u>
 <u>Expenditures</u>			
Capital Outlay	250,000	0	250,000
Total Expenditures	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	504,000	0	(504,000)
Fund Balance - Beginning of Year	<u>25</u>	<u>25</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 504,025</u></u>	<u><u>\$ 25</u></u>	<u><u>\$ (504,000)</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COMMUNITY CENTER SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Miscellaneous	\$ 18,500	\$ 12,366	\$ (6,134)
Total Revenues	<u>18,500</u>	<u>12,366</u>	<u>(6,134)</u>
<u>Expenditures</u>			
Leisure Time Activities	18,500	15,907	2,593
Total Expenditures	<u>18,500</u>	<u>15,907</u>	<u>2,593</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>(3,541)</u>	<u>(3,541)</u>
<u>Other Financing Sources (Uses)</u>			
Other Uses	(500)	0	500
Total Other Financing Sources (Uses)	<u>(500)</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(500)</u>	<u>(3,541)</u>	<u>(3,041)</u>
Fund Balance - Beginning of Year	<u>2,926</u>	<u>2,926</u>	<u>0</u>
Fund Balance (Deficit) - End of Year	<u><u>\$ 2,426</u></u>	<u><u>\$ (615)</u></u>	<u><u>\$ (3,041)</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GREENWICH ROAD SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Miscellaneous	\$ 6,000	\$ 0	\$ (6,000)
Total Revenues	<u>6,000</u>	<u>0</u>	<u>(6,000)</u>
<u>Expenditures</u>			
Leisure Time Activities	6,750	1,994	4,756
Total Expenditures	<u>6,750</u>	<u>1,994</u>	<u>4,756</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(750)</u>	<u>(1,994)</u>	<u>(1,244)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	500	0	(500)
Total Other Financing Sources (Uses)	<u>500</u>	<u>0</u>	<u>(500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(250)</u>	<u>(1,994)</u>	<u>(1,744)</u>
Fund Balance - Beginning of Year	<u>349</u>	<u>349</u>	<u>0</u>
Fund Balance (Deficit) - End of Year	<u><u>\$ 99</u></u>	<u><u>\$ (1,645)</u></u>	<u><u>\$ (1,744)</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
CEMETERY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for Services	\$ 3,600	\$ 3,479	\$ (121)
Total Revenues	<u>3,600</u>	<u>3,479</u>	<u>(121)</u>
<u>Expenditures</u>			
Public Health Services	10,500	40	10,460
Total Expenditures	<u>10,500</u>	<u>40</u>	<u>10,460</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,900)	3,439	10,339
Fund Balance - Beginning of Year	<u>12,130</u>	<u>12,130</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 5,230</u></u>	<u><u>\$ 15,569</u></u>	<u><u>\$ 10,339</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SPECIAL EVENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Miscellaneous	\$ 7,000	\$ 6,140	\$ (860)
Total Revenues	<u>7,000</u>	<u>6,140</u>	<u>(860)</u>
<u>Expenditures</u>			
General Government	7,800	8,239	(439)
Total Expenditures	<u>7,800</u>	<u>8,239</u>	<u>(439)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800)	(2,099)	(1,299)
Fund Balance - Beginning of Year	<u>2,101</u>	<u>2,101</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1,301</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ (1,299)</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
F.E.M.A. SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Revenues	\$ 0	\$ 0	\$ 0
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Other Uses	(277)	0	277
Total Other Financing Sources (Uses)	(277)	0	277
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(277)	0	277
Fund Balance - Beginning of Year	278	278	0
Fund Balance - End of Year	<u>\$ 1</u>	<u>\$ 278</u>	<u>\$ 277</u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
RECYCLING SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Revenues	\$ 0	\$ 0	\$ 0
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Other Uses	(2,243)	0	2,243
Total Other Financing Sources (Uses)	(2,243)	0	2,243
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,243)	0	2,243
Fund Balance - Beginning of Year	2,243	2,243	0
Fund Balance - End of Year	<u>\$ 0</u>	<u>\$ 2,243</u>	<u>\$ 2,243</u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SCRAP TIRE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Revenues	\$ 0	\$ 0	\$ 0
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Transfers Out	(2,243)	0	2,243
Total Other Financing Sources (Uses)	(2,243)	0	2,243
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,243)	0	2,243
Fund Balance - Beginning of Year	2,243	2,243	0
Fund Balance - End of Year	<u>\$ 0</u>	<u>\$ 2,243</u>	<u>\$ 2,243</u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
POLICEMEN/FIREMEN DISABILITY AND PENSION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Local Taxes - Property Tax	\$ 81,917	\$ 94,744	\$ 12,827
Other Taxes	56	56	0
Intergovernmental	6,943	7,204	261
Total Revenues	<u>88,916</u>	<u>102,004</u>	<u>13,088</u>
<u>Expenditures</u>			
Security of Persons and Property	0	150	(150)
Total Expenditures	<u>0</u>	<u>150</u>	<u>(150)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>88,916</u>	<u>101,854</u>	<u>12,938</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	(65,100)	(65,100)	0
Total Other Financing Sources (Uses)	<u>(65,100)</u>	<u>(65,100)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	23,816	36,754	12,938
Fund Balance - Beginning of Year	8,160	8,160	0
Fund Balance - End of Year	<u><u>\$ 31,976</u></u>	<u><u>\$ 44,914</u></u>	<u><u>\$ 12,938</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
MAYOR'S COURT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines, Licenses, and Permits	\$ 25,000	\$ 24,806	\$ (194)
Total Revenues	<u>25,000</u>	<u>24,806</u>	<u>(194)</u>
<u>Expenditures</u>			
General Government	800	2,880	(2,080)
Total Expenditures	<u>800</u>	<u>2,880</u>	<u>(2,080)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,200</u>	<u>21,926</u>	<u>(2,274)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	(28,000)	(28,000)	0
Total Other Financing Sources (Uses)	<u>(28,000)</u>	<u>(28,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(3,800)</u>	<u>(6,074)</u>	<u>(2,274)</u>
Fund Balance - Beginning of Year	<u>15,210</u>	<u>15,210</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 11,410</u></u>	<u><u>\$ 9,136</u></u>	<u><u>\$ (2,274)</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Local Taxes - Income Tax	\$ 21,000	\$ 12,000	\$ (9,000)
Local Taxes - Property Tax	652,283	693,120	40,837
Other Taxes	756	3,729	2,973
Intergovernmental	1,857,205	520,818	(1,336,387)
Charges for Services	134,662	212,099	77,437
Fines, Licenses, and Permits	34,300	27,396	(6,904)
Interest Income	33,000	26,699	(6,301)
Miscellaneous	126,900	46,856	(80,044)
Total Revenues	2,860,106	1,542,717	(1,317,389)
<u>Expenditures</u>			
Security of Persons and Property	844,400	772,526	71,874
Public Health Services	10,500	40	10,460
Leisure Time Activities	25,250	17,901	7,349
Community Environment	300,286	1,970	298,316
Transportation	1,001,591	878,661	122,930
General Government	8,600	11,119	(2,519)
Capital Outlay	257,309	7,082	250,227
Total Expenditures	2,447,936	1,689,299	758,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	412,170	(146,582)	(558,752)
<u>Other Financing Sources (Uses):</u>			
Transfers In	288,500	252,306	(36,194)
Transfers Out	(738,983)	(195,440)	543,543
Other Uses	(3,020)	0	3,020
Total Other Financing Sources (Uses)	(453,503)	56,866	510,369
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(41,333)	(89,716)	(48,383)
Fund Balance - Beginning of Year	684,857	684,857	0
Fund Balance - End of Year	\$ 643,524	\$ 595,141	\$ (48,383)

CITY OF NORTON, OHIO

DEBT SERVICE FUND

Debt Service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

General Debt Service Fund - to accumulate monies for the payment of interest and principal on General Obligation bonds.

Special Assessment Debt Service Fund - to accumulate special revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of special assessment bonds and coupons. These bonds and coupons were sold to finance construction of various projects that were deemed to benefit only those residents in the immediate area of the project and are paid for by those residents through assessments against their property.

**CITY OF NORTON, OHIO
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 DECEMBER 31, 2002**

	<u>General</u> <u>Debt Service</u>	<u>Special</u> <u>Assessment</u> <u>Debt Service</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,089	\$ 8,951	\$ 11,040
Total Assets	<u>\$ 2,089</u>	<u>\$ 8,951</u>	<u>\$ 11,040</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Debt Service	2,089	8,951	11,040
Total Fund Equity	<u>2,089</u>	<u>8,951</u>	<u>11,040</u>
Total Liabilities and Fund Equity	<u>\$ 2,089</u>	<u>\$ 8,951</u>	<u>\$ 11,040</u>

CITY OF NORTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
ALL DEBT SERVICE FUNDS
DECEMBER 31, 2002

	<u>General</u> <u>Debt Service</u>	<u>Special</u> <u>Assessment</u> <u>Debt Service</u>	<u>Total</u>
<u>Revenues</u>			
Special Assessments	\$ 0	\$ 11,348	\$ 11,348
Total Revenues	<u>0</u>	<u>11,348</u>	<u>11,348</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	0	5,000	5,000
Interest and Fiscal Charges	0	6,270	6,270
Total Expenditures	<u>0</u>	<u>11,270</u>	<u>11,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	78	78
Fund Balance - Beginning of Year	<u>2,089</u>	<u>8,873</u>	<u>10,962</u>
Fund Balance - End of Year	<u><u>\$ 2,089</u></u>	<u><u>\$ 8,951</u></u>	<u><u>\$ 11,040</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Total Revenues	\$ 0	\$ 0	\$ 0
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance - Beginning of Year	2,089	2,089	0
Fund Balance - End of Year	<u><u>\$ 2,089</u></u>	<u><u>\$ 2,089</u></u>	<u><u>\$ 0</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SPECIAL ASSESSMENT DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ 15,527	\$ 11,348	\$ (4,179)
Total Revenues	<u>15,527</u>	<u>11,348</u>	<u>(4,179)</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	10,000	5,000	5,000
Interest and Fiscal Charges	14,000	6,270	7,730
Total Expenditures	<u>24,000</u>	<u>11,270</u>	<u>12,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,473)	78	8,551
Fund Balance - Beginning of Year	<u>8,873</u>	<u>8,873</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 400</u></u>	<u><u>\$ 8,951</u></u>	<u><u>\$ 8,551</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ALL DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ 15,527	\$ 11,348	\$ (4,179)
Total Revenues	<u>15,527</u>	<u>11,348</u>	<u>(4,179)</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	10,000	5,000	5,000
Interest and Fiscal Charges	14,000	6,270	7,730
Total Expenditures	<u>24,000</u>	<u>11,270</u>	<u>12,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,473)	78	8,551
Fund Balance - Beginning of Year	<u>10,962</u>	<u>10,962</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 2,489</u></u>	<u><u>\$ 11,040</u></u>	<u><u>\$ 8,551</u></u>

CITY OF NORTON

CAPITAL PROJECTS FUNDS

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

Land and Land Improvements Fund - to account for revenues and expenditures designated for the acquisition of land and major land improvements.

Buildings Fund - to account for revenues and expenditures designated for constructing new operations and storage areas.

Equipment Fund - to account for revenues and expenditures designated for major capital improvements in all departments.

State Highways Fund - to account for revenues and expenditures designated for the improvement of City streets, highways, and bridges.

Storm Sewers Fund - to account for revenues and expenditures designated for the construction and acquisition of capital storm sewer projects.

Waterlines Fund - to account for revenues and expenditures designated for construction of City water lines.

Sanitary Sewers Fund - to account for revenues and expenditures designated for the construction and acquisition of capital sanitary sewer projects.

**CITY OF NORTON, OHIO
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 2000**

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>State Highways</u>	<u>Storm Sewers</u>	<u>Waterlines</u>	<u>Sanitary Sewers</u>	<u>Totals</u>
Assets								
Equity in Pooled Cash and								
Cash Equivalents	\$ 0	\$ 72,754	\$ 74,514	\$ 741,145	\$ 269	\$ 365,019	\$ 176,051	\$1,429,752
Receivables:								
Accounts	12,922	0	0	0	0	0	0	12,922
Intergovernmental	0	0	4,569	0	0	0	0	4,569
Prepaid Items	0	0	423	546	0	0	0	969
Total Assets	<u>\$ 12,922</u>	<u>\$ 72,754</u>	<u>\$ 79,506</u>	<u>\$ 741,691</u>	<u>\$ 269</u>	<u>\$ 365,019</u>	<u>\$ 176,051</u>	<u>\$1,448,212</u>
Liabilities								
Accounts Payable	\$ 0	\$ 11,394	\$ 5,852	\$ 0	\$ 0	\$ 0	\$ 9,464	\$ 26,710
Contracts Payable	0	0	0	263,362	0	107,017	0	370,379
Due to Other Funds	2,843	0	0	0	0	0	0	2,843
Deferred Revenue	0	0	4,569	0	0	0	0	4,569
General Obligation Notes Payable	0	0	325,000	600,000	0	350,000	2,250,000	3,525,000
Total Liabilities	<u>2,843</u>	<u>11,394</u>	<u>335,421</u>	<u>863,362</u>	<u>0</u>	<u>457,017</u>	<u>2,259,464</u>	<u>3,929,501</u>
Fund Equity								
Fund Balances:								
Reserved for:								
Encumbrances	0		0	450,730	0	353,135	215,530	1,019,395
Prepaid Items	0	0	423	546	0	0	0	969
Unreserved:								
Undesignated	10,079	61,360	(256,338)	(572,947)	269	(445,133)	(2,298,943)	(3,501,653)
Total Fund Equity (Deficit)	<u>10,079</u>	<u>61,360</u>	<u>(255,915)</u>	<u>(121,671)</u>	<u>269</u>	<u>(91,998)</u>	<u>(2,083,413)</u>	<u>(2,481,289)</u>
Total Liabilities and Fund Equity	<u>\$ 12,922</u>	<u>\$ 72,754</u>	<u>\$ 79,506</u>	<u>\$ 741,691</u>	<u>\$ 269</u>	<u>\$ 365,019</u>	<u>\$ 176,051</u>	<u>\$1,448,212</u>

CITY OF NORTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 2002

	<u>Land and Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>State</u>	<u>Storm</u>	<u>Waterlines</u>	<u>Sanitary</u>	<u>Totals</u>
	<u>Improvements</u>			<u>Highways</u>	<u>Sewers</u>		<u>Sewers</u>	
Revenues								
Local Taxes-								
Income Tax	\$ 0	\$ 0	\$ 0	\$ 33,236	\$ 0	\$ 0	\$ 37,961	\$ 71,197
Other Taxes	41,554	0	0	0	0	0	0	41,554
Intergovernmental	80,000	0	109,697	59,000	0	0	0	248,697
Miscellaneous	620	18,631	16,148	0	0	20,250	12,235	67,884
Total Revenues	<u>122,174</u>	<u>18,631</u>	<u>125,845</u>	<u>92,236</u>	<u>0</u>	<u>20,250</u>	<u>50,196</u>	<u>429,332</u>
Expenditures								
Basic Utilities Services	0	0	0	0	741	0	132	873
General Government	0	7,803	5,429	0	0	0	0	13,232
Capital Outlay	193,685	21,994	747,544	337,343	0	114,000	227,197	1,641,763
Debt Service:								
Interest and Fiscal Charges	0	0	5,725	45,670	0	0	76,759	128,154
Total Expenditures	<u>193,685</u>	<u>29,797</u>	<u>758,698</u>	<u>383,013</u>	<u>741</u>	<u>114,000</u>	<u>304,088</u>	<u>1,784,022</u>
Excess (Deficiency) of								
Revenues Over (Under)								
Expenditures	(71,511)	(11,166)	(632,853)	(290,777)	(741)	(93,750)	(253,892)	(1,354,690)
Other Financing Sources (Uses)								
Transfers In	0	12,000	435,725	619,702	0	0	10,000	1,077,427
Total Other Financing Sources (Uses)	<u>0</u>	<u>12,000</u>	<u>435,725</u>	<u>619,702</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>1,077,427</u>
Excess (Deficiency) of								
Revenues and Other								
Financing Sources								
Over (Under)								
Expenditures and								
Other Financing Uses	(71,511)	834	(197,128)	328,925	(741)	(93,750)	(243,892)	(277,263)
Fund Balance (Deficit) -								
Beginning of Year	81,590	60,526	(58,787)	(450,596)	1,010	1,752	(1,839,521)	(2,204,026)
Fund Balance (Deficit) -								
End of Year	<u>\$ 10,079</u>	<u>\$ 61,360</u>	<u>\$ (255,915)</u>	<u>\$ (121,671)</u>	<u>\$ 269</u>	<u>\$ (91,998)</u>	<u>\$(2,083,413)</u>	<u>\$(2,481,289)</u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
LAND AND LAND IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other Taxes	\$ 52,000	\$ 42,119	\$ (9,881)
Intergovernmental	150,000	80,000	(70,000)
Miscellaneous	0	620	620
Total Revenues	<u>202,000</u>	<u>122,739</u>	<u>(79,261)</u>
<u>Expenditures</u>			
Capital Outlay	405,000	193,685	211,315
Total Expenditures	<u>405,000</u>	<u>193,685</u>	<u>211,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(203,000)</u>	<u>(70,946)</u>	<u>132,054</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	198,000	0	(198,000)
Total Other Financing Sources (Uses)	<u>198,000</u>	<u>0</u>	<u>(198,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(5,000)</u>	<u>(70,946)</u>	<u>(65,946)</u>
Fund Balance - Beginning of Year	<u>68,103</u>	<u>68,103</u>	<u>0</u>
Fund Balance (Deficit) - End of Year	<u><u>\$ 63,103</u></u>	<u><u>\$ (2,843)</u></u>	<u><u>\$ (65,946)</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
BUILDINGS CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Miscellaneous	\$ 26,000	\$ 18,631	\$ (7,369)
Total Revenues	<u>26,000</u>	<u>18,631</u>	<u>(7,369)</u>
<u>Expenditures</u>			
Capital Outlay	341,500	21,994	319,506
Total Expenditures	<u>341,500</u>	<u>21,994</u>	<u>319,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(315,500)</u>	<u>(3,363)</u>	<u>312,137</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	265,500	12,000	(253,500)
Total Other Financing Sources (Uses)	<u>265,500</u>	<u>12,000</u>	<u>(253,500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(50,000)</u>	<u>8,637</u>	<u>58,637</u>
Fund Balance - Beginning of Year	<u>64,117</u>	<u>64,117</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 14,117</u></u>	<u><u>\$ 72,754</u></u>	<u><u>\$ 58,637</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
EQUIPMENT CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$ 110,000	\$ 109,697	\$ (303)
Miscellaneous	36,000	16,148	(19,852)
Total Revenues	<u>146,000</u>	<u>125,845</u>	<u>(20,155)</u>
<u>Expenditures</u>			
Capital Outlay	772,853	772,853	0
Debt Service:			
Interest and Fiscal Charges	5,725	5,725	0
Total Expenditures	<u>778,578</u>	<u>778,578</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(632,578)</u>	<u>(652,733)</u>	<u>(20,155)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	325,000	325,000	0
Retirement of General Obligation Notes	(155,000)	(155,000)	0
Transfers In	428,000	435,725	7,725
Total Other Financing Sources (Uses)	<u>598,000</u>	<u>605,725</u>	<u>7,725</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(34,578)</u>	<u>(47,008)</u>	<u>(12,430)</u>
Fund Balance - Beginning of Year	<u>121,522</u>	<u>121,522</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 86,944</u></u>	<u><u>\$ 74,514</u></u>	<u><u>\$ (12,430)</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
STATE HIGHWAYS CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Local Taxes - Income Tax	\$ 33,236	\$ 33,236	\$ 0
Intergovernmental	26,500	59,000	32,500
Miscellaneous	0	968	968
Total Revenues	<u>59,736</u>	<u>93,204</u>	<u>33,468</u>
<u>Expenditures</u>			
Capital Outlay	63,214	63,214	0
Debt Service:			
Interest and Fiscal Charges	45,670	45,670	0
Total Expenditures	<u>108,884</u>	<u>108,884</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(49,148)</u>	<u>(15,680)</u>	<u>33,468</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Notes	600,000	600,000	0
Retirement of General Obligation Notes	(1,175,000)	(1,175,000)	0
Transfers In	683,664	619,702	(63,962)
Total Other Financing Sources (Uses)	<u>108,664</u>	<u>44,702</u>	<u>(63,962)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	59,516	29,022	(30,494)
Fund Balance - Beginning of Year	<u>712,123</u>	<u>712,123</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 771,639</u></u>	<u><u>\$ 741,145</u></u>	<u><u>\$ (30,494)</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
STORM SEWERS CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>			
Basic Utilities Services	1,456	741	715
Capital Outlay	48,544	0	48,544
Total Expenditures	50,000	741	49,259
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(741)	49,259
<u>Other Financing Sources (Uses)</u>			
Transfers In	50,000	0	(50,000)
Total Other Financing Sources (Uses)	50,000	0	(50,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	(741)	(741)
Fund Balance - Beginning of Year	1,010	1,010	0
Fund Balance - End of Year	\$ 1,010	\$ 269	\$ (741)

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
WATERLINES CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Miscellaneous	\$ 25,000	\$ 20,688	\$ (4,312)
Total Revenues	<u>25,000</u>	<u>20,688</u>	<u>(4,312)</u>
<u>Expenditures</u>			
Capital Outlay	1,500,000	6,983	1,493,017
Total Expenditures	<u>1,500,000</u>	<u>6,983</u>	<u>1,493,017</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,475,000)</u>	<u>13,705</u>	<u>1,488,705</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	1,350,000	350,000	(1,000,000)
Transfers In	125,000	0	(125,000)
Total Other Financing Sources (Uses)	<u>1,475,000</u>	<u>350,000</u>	<u>(1,125,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>0</u>	<u>363,705</u>	<u>363,705</u>
Fund Balance - Beginning of Year	<u>1,314</u>	<u>1,314</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1,314</u></u>	<u><u>\$ 365,019</u></u>	<u><u>\$ 363,705</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SANITARY SEWERS CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Local Taxes - Income Tax	\$ 37,000	\$ 37,961	\$ 961
Miscellaneous	12,000	12,235	235
Total Revenues	<u>49,000</u>	<u>50,196</u>	<u>1,196</u>
Expenditures			
Basic Utilities Services	132	132	0
Capital Outlay	542,647	237,647	305,000
Debt Service:			
Interest and Fiscal Charges	76,759	76,759	0
Total Expenditures	<u>619,538</u>	<u>314,538</u>	<u>305,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(570,538)</u>	<u>(264,342)</u>	<u>306,196</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	1,817,510	2,250,000	432,490
Retirement of General Obligation Notes	(2,375,000)	(2,375,000)	0
Transfers In	210,000	10,000	(200,000)
Total Other Financing Sources (Uses)	<u>(347,490)</u>	<u>(115,000)</u>	<u>232,490</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(918,028)</u>	<u>(379,342)</u>	<u>538,686</u>
Fund Balance - Beginning of Year	<u>555,393</u>	<u>555,393</u>	<u>0</u>
Fund Balance (Deficit) - End of Year	<u><u>\$ (362,635)</u></u>	<u><u>\$ 176,051</u></u>	<u><u>\$ 538,686</u></u>

CITY OF NORTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Local Taxes - Income Tax	\$ 70,236	\$ 71,197	\$ 961
Other Taxes	52,000	42,119	(9,881)
Intergovernmental	286,500	248,697	(37,803)
Miscellaneous	99,000	69,290	(29,710)
Total Revenues	<u>507,736</u>	<u>431,303</u>	<u>(76,433)</u>
<u>Expenditures</u>			
Basic Utilities Services	1,588	873	715
Capital Outlay	3,673,758	1,296,376	2,377,382
Debt Service:			
Interest and Fiscal Charges	128,154	128,154	0
Total Expenditures	<u>3,803,500</u>	<u>1,425,403</u>	<u>2,378,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,295,764)</u>	<u>(994,100)</u>	<u>2,301,664</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Notes	4,092,510	3,525,000	(567,510)
Retirement of General Obligation Notes	(3,705,000)	(3,705,000)	0
Transfers In	1,960,164	1,077,427	(882,737)
Total Other Financing Sources (Uses)	<u>2,347,674</u>	<u>897,427</u>	<u>(1,450,247)</u>
Excess (Deficiency) of Revenues and Other Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(948,090)</u>	<u>(96,673)</u>	<u>851,417</u>
Fund Balance - Beginning of Year	<u>1,523,582</u>	<u>1,523,582</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 575,492</u>	<u>\$ 1,426,909</u>	<u>\$ 851,417</u>

CITY OF NORTON, OHIO

AGENCY FUNDS

Agency funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.

General Agency Fund - to hold in trust those funds held by the City and 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 BALANCE SHEET
 ALL AGENCY FUNDS
 DECEMBER 31, 2002**

	<u>General Agency</u>	<u>Building Standards</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 85,428	\$ 1,172	\$ 86,600
Cash and Cash Equivalents in Segregated Accounts	7,449	0	7,449
Total Assets	<u>\$ 92,877</u>	<u>\$ 1,172</u>	<u>\$ 94,049</u>
<u>Liabilities</u>			
Accounts Payable	\$ 7,448	\$ 90	\$ 7,538
Funds Held on Deposit	85,429	1,082	86,511
Total Liabilities	<u>\$ 92,877</u>	<u>\$ 1,172</u>	<u>\$ 94,049</u>

CITY OF NORTON, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
DECEMBER 31, 2002

	Balance at 12/31/01	Additions	Deletions	Balance at 12/31/02
<u>General Agency Fund</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 54,792	\$ 57,571	\$ (26,935)	\$ 85,428
Cash and Cash Equivalents in Segregated Accounts	18,924	0	(11,475)	7,449
Total Assets	<u>\$ 73,716</u>	<u>\$ 57,571</u>	<u>\$ (38,410)</u>	<u>\$ 92,877</u>
<u>Liabilities</u>				
Accounts Payable	\$ 18,923	\$ 0	\$ (11,475)	\$ 7,448
Funds Held on Deposit	54,793	57,571	(26,935)	85,429
Total Liabilities	<u>\$ 73,716</u>	<u>\$ 57,571</u>	<u>\$ (38,410)</u>	<u>\$ 92,877</u>
<u>Building Standards Fund</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,140	\$ 755	\$ (723)	\$ 1,172
Total Assets	<u>\$ 1,140</u>	<u>\$ 755</u>	<u>\$ (723)</u>	<u>\$ 1,172</u>
<u>Liabilities</u>				
Accounts Payable	\$ 24	\$ 90	\$ (24)	\$ 90
Funds Held on Deposit	1,116	665	(699)	1,082
Total Liabilities	<u>\$ 1,140</u>	<u>\$ 755</u>	<u>\$ (723)</u>	<u>\$ 1,172</u>
<u>Totals - All Agency Funds</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 55,932	\$ 58,326	\$ (27,658)	\$ 86,600
Cash and Cash Equivalents in Segregated Accounts	18,924	0	(11,475)	7,449
Total Assets	<u>\$ 74,856</u>	<u>\$ 58,326</u>	<u>\$ (39,133)</u>	<u>\$ 94,049</u>
<u>Liabilities</u>				
Accounts Payable	\$ 18,947	\$ 90	\$ (11,499)	\$ 7,538
Funds Held on Deposit	55,909	58,236	(27,634)	86,511
Total Liabilities	<u>\$ 74,856</u>	<u>\$ 58,326</u>	<u>\$ (39,133)</u>	<u>\$ 94,049</u>

CITY OF NORTON, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Asset Account Group is a self-balancing group designed to account for the fixed assets owned by the City.

CITY OF NORTON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2002

Land and Land Improvements	\$ 330,122
Buildings and Building Improvements	1,549,803
Machinery, Equipment, Furniture and Fixtures	2,342,227
Vehicles	2,150,297
Infrastructure	3,354,263
Construction in Progress	2,382,220
	<hr/>
Total General Fixed Assets	\$12,108,932
	<hr/> <hr/>
<u>Investment in General Fixed Assets From:</u>	
General Fund	\$ 2,545,132
Special Revenue Fund	1,947,392
Capital Projects Fund	7,616,408
	<hr/>
Total Investment in General Fixed Assets	\$12,108,932
	<hr/> <hr/>

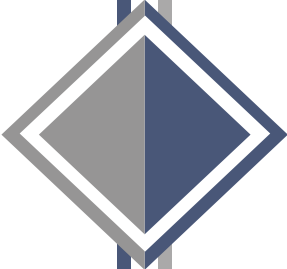
CITY OF NORTON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2002

<u>Function and Activity</u>	<u>Land and Land</u>	<u>Buildings</u>	<u>Machinery,</u>	<u>Infrastructure</u>	<u>Vehicles</u>	<u>Construction</u>	<u>Total</u>
	<u>Improvements</u>	<u>and Building</u>	<u>Equipment,</u>			<u>in Progress</u>	
		<u>Improvements</u>	<u>Furniture</u>				
			<u>and</u>				
			<u>Fixtures</u>				
<u>Security of Persons and Property</u>							
Police	\$ 0	\$ 0	\$ 388,476	\$ 0	\$ 185,054	\$ 0	\$ 573,530
Fire	0	0	830,963	0	1,411,632	0	2,242,595
Total Security of Persons and Property	0	0	1,219,439	0	1,596,686	0	2,816,125
<u>Leisure Time Activities</u>							
Community Center	0	0	25,825	0	0	0	25,825
Total Leisure Time Activities	0	0	25,825	0	0	0	25,825
<u>Basic Utilities Services</u>							
Storm Sewers	0	0	0	3,354,263	0	2,382,220	5,736,483
Total Basic Utilities Services	0	0	0	3,354,263	0	2,382,220	5,736,483
<u>Transportation</u>							
Streets and Parks	0	0	685,278	0	553,611	0	1,238,889
Total Transportation	0	0	685,278	0	553,611	0	1,238,889
<u>General Government</u>							
Mayor	0	0	13,587	0	0	0	13,587
Finance	0	0	149,160	0	0	0	149,160
Administration	0	0	225,329	0	0	0	225,329
Clerk of Courts	0	0	23,609	0	0	0	23,609
Public Land and Buildings	330,122	1,549,803	0	0	0	0	1,879,925
Total General Government	330,122	1,549,803	411,685	0	0	0	2,291,610
Total General Fixed Assets	\$ 330,122	\$ 1,549,803	\$ 2,342,227	\$ 3,354,263	\$ 2,150,297	\$ 2,382,220	\$12,108,932

CITY OF NORTON, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2002

<u>Function and Activity</u>	<u>December 31,</u> <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31,</u> <u>2002</u>
<u>Security of Persons and Property</u>				
Police	\$ 374,160	\$ 218,395	\$ 19,025	\$ 573,530
Fire	1,988,103	254,492	0	2,242,595
Total Security of Persons and Property	<u>2,362,263</u>	<u>472,887</u>	<u>19,025</u>	<u>2,816,125</u>
 <u>Leisure Time Activities</u>				
Community Center	25,825	0	0	25,825
Total Leisure Time Activities	<u>25,825</u>	<u>0</u>	<u>0</u>	<u>25,825</u>
 <u>Basic Utilities Services</u>				
Storm Sewers	5,522,294	214,189	0	5,736,483
Total Basic Utilities Services	<u>5,522,294</u>	<u>214,189</u>	<u>0</u>	<u>5,736,483</u>
 <u>Transportation</u>				
Streets and Parks	978,687	260,202	0	1,238,889
Total Transportation	<u>978,687</u>	<u>260,202</u>	<u>0</u>	<u>1,238,889</u>
 <u>General Government</u>				
Mayor	13,587	0	0	13,587
Finance	137,222	11,938	0	149,160
Administration	216,385	8,944	0	225,329
Clerk of Courts	23,609	0	0	23,609
Public Land and Buildings	1,878,793	1,132	0	1,879,925
Total General Government	<u>2,269,596</u>	<u>22,014</u>	<u>0</u>	<u>2,291,610</u>
 Total General Fixed Assets	 <u>\$ 11,158,665</u>	 <u>\$ 969,292</u>	 <u>\$ 19,025</u>	 <u>\$12,108,932</u>

STATISTICAL SECTION



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CITY OF NORTON, OHIO
GENERAL GOVERNMENT EXPENSES BY FUNCTION (1)
LAST TEN YEARS

<u>Year</u>	<u>Security of Persons and Property</u>	<u>Public Health and Welfare</u>	<u>Leisure Time Activities</u>	<u>Community Environment</u>	<u>Basic Utilities Services</u>	<u>Transportation</u>	<u>General Government</u>	<u>Other</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1993 A	\$ 1,395,311	\$ 192,186	\$ 122,390	\$ 186,194	\$ 130,344	\$1,129,334	\$ 730,557	\$ 221	\$ 0	\$ 0	\$ 3,886,537
1994 A	1,449,898	211,908	126,742	153,684	91,826	924,488	783,486	38,470	0	0	3,780,502
1995 A	1,481,519	226,060	85,074	179,944	0	707,117	747,530	160,890	68,461	696,621	4,353,216
1996 A	1,539,434	243,382	82,120	100,229	120	680,329	887,310	310,770	51,422	644,681	4,539,797
1997 A	1,571,480	246,791	70,628	85,063	623	583,356	962,459	210,789	80,894	15,052	3,827,135
1998 B	1,662,531	328,758	81,587	93,951	2,564	551,879	1,005,294	385,039	72,719	12,590	4,196,912
1999 B	2,045,851	4,543	77,157	72,224	250	679,892	980,266	366,373	3,950	12,260	4,242,766
2000 B	2,133,845	2,075	112,545	123,429	0	743,479	1,167,659	0	2,278	11,930	4,297,240
2001 B	2,297,744	601	106,894	196,305	0	741,285	1,255,564	11,141	5,460	11,600	4,626,594
2002 B	2,318,526	40	123,360	228,436	0	983,519	992,074	141,665	7,082	11,270	4,805,972

(1) Includes General Fund, Special Revenue Funds, and Debt Service Funds

A - Cash Basis Financial Data

B - GAAP Basis Financial Data

CITY OF NORTON, OHIO
GENERAL GOVERNMENT REVENUES BY SOURCE (1)
LAST TEN YEARS

<u>Year</u>		<u>Taxes</u>	<u>Inter-Governmental</u>	<u>Special Assessments</u>	<u>Charges for Services</u>	<u>Fines, Licenses and Permits</u>	<u>Interest Income</u>	<u>All Other</u>	<u>Total</u>
1993	A	\$ 2,323,017	\$ 1,175,052	\$ 0	\$ 7,788	\$ 251,944	\$ 0	\$ 88,448	\$ 3,846,249
1994	A	2,490,493	1,013,962	0	69,317	274,541	0	92,159	3,940,472
1995	A	2,594,408	1,174,443	0	32,258	281,159	0	110,354	4,192,622
1996	A	2,685,955	1,290,799	0	16,398	277,787	0	92,298	4,363,237
1997	A	2,888,319	1,392,703	11,650	19,261	275,624	86,216	25,428	4,699,201
1998	B	3,183,956	1,571,116	11,416	21,253	322,594	94,897	22,178	5,227,410
1999	B	3,374,871	1,404,086	13,590	8,428	305,699	114,503	76,799	5,297,976
2000	B	3,417,327	1,660,197	12,342	5,771	325,314	169,579	159,938	5,750,468
2001	B	3,503,951	1,583,826	8,107	116,729	287,468	87,903	272,973	5,860,957
2002	B	3,472,350	1,455,420	11,348	267,185	299,808	28,259	354,246	5,888,616

(1) Includes General Fund, Special Revenue Funds, and Debt Service Funds

(2) Includes miscellaneous income and sale of fixed assets.

A - Cash Basis Financial Data

B - GAAP Basis Financial Data

CITY OF NORTON, OHIO
REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
1993	\$ 772,997	\$ 719,637	\$ 20,163	\$ 739,800	95.71%	\$ 42,197	5.46%
1994	810,745	746,659	26,089	772,748	95.31%	37,997	4.69%
1995	815,181	758,048	19,164	777,212	95.34%	37,969	4.66%
1996	817,228	765,456	17,182	782,638	95.77%	34,588	4.23%
1997	904,223	831,664	19,850	851,514	94.17%	52,709	5.83%
1998	927,552	848,718	24,159	872,877	94.11%	54,674	5.89%
1999	941,164	860,522	30,789	891,311	94.70%	49,853	5.30%
2000	991,364	908,580	30,713	939,293	94.75%	52,651	5.31%
2001	1,019,359	930,385	26,814	957,199	93.90%	62,160	6.10%
2002	1,022,167	929,322	38,641	967,963	94.70%	54,205	5.30%

Source: Summit County Auditor

**CITY OF NORTON, OHIO
TANGIBLE TAX COLLECTED
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1993	\$ 89,555
1994	100,654
1995	105,540
1996	119,960
1997	128,831
1998	148,968
1999	141,185
2000	140,738
2001	155,427
2002	142,418

Source: Summit County Auditor

CITY OF NORTON, OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1993	\$ 109,591,340	\$ 313,118,114	\$ 10,791,570	\$ 12,669,718	\$ 12,669,718	\$ 50,678,872	\$ 133,052,628	\$ 376,466,704	35.52%
1994	125,266,030	357,902,943	10,774,500	10,774,500	14,907,452	59,629,808	150,947,982	428,307,251	35.24%
1995	127,264,020	363,611,486	10,960,070	10,960,070	16,059,816	64,239,264	154,283,906	438,810,820	35.16%
1996	128,627,820	367,508,057	10,431,780	10,431,780	17,966,893	71,867,572	157,026,493	449,807,409	34.91%
1997	151,376,420	432,504,057	10,137,420	10,137,420	19,752,706	79,010,824	181,266,546	521,652,301	35.75%
1998	153,605,370	438,872,486	10,181,020	10,181,020	21,891,389	87,565,556	185,677,779	536,619,062	34.60%
1999	156,948,340	448,423,829	10,490,480	10,490,480	21,404,032	85,616,128	188,842,852	544,530,437	34.68%
2000	179,842,960	513,837,029	10,855,910	10,855,910	21,836,416	87,345,664	212,535,286	612,038,603	34.73%
2001	185,343,710	529,553,457	10,111,350	10,111,350	23,142,207	92,568,828	218,597,267	632,233,635	34.58%
2002	188,635,800	538,959,429	6,621,500	7,524,432	21,588,797	86,355,188	216,846,097	632,839,049	34.27%

Source: Summit County Auditor

CITY OF NORTON, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS

<u>Collection Year</u>	<u>City of Norton</u>					<u>Norton City School District</u>	<u>Akron/ Summit Library</u>	<u>Summit County</u>	<u>Total</u>
	<u>General Fund</u>	<u>Fire Fund</u>	<u>E.M.S. Fund</u>	<u>Police Pension</u>	<u>Total City</u>				
1993	1.60	2.60	2.00	0.30	6.50	47.46	0.89	12.59	67.44
1994	1.60	2.60	2.00	0.30	6.50	47.38	0.89	12.31	67.08
1995	1.60	2.60	2.00	0.30	6.50	47.10	0.89	14.16	68.65
1996	1.60	2.60	2.00	0.30	6.50	55.00	0.89	13.99	76.38
1997	1.60	2.60	2.00	0.30	6.50	55.00	0.89	11.39	73.78
1998	1.60	2.60	2.00	0.30	6.50	55.00	1.87	11.65	75.02
1999	1.60	2.60	2.00	0.30	6.50	55.00	1.79	12.27	75.56
2000	1.60	2.60	2.00	0.30	6.50	55.00	1.39	12.27	75.16
2001	1.60	2.60	2.00	0.30	6.50	55.00	1.39	13.07	75.96
2002	1.60	2.60	2.00	0.30	6.50	55.00	1.35	13.07	75.92

Source: Summit County Auditor

CITY OF NORTON, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1993	\$ 247	\$ 176	71.03%
1994	4	4	100.00%
1995	0	0	0.00%
1996	0	0	0.00%
1997	12,305	11,650	94.68%
1998	13,638	11,212	82.22%
1999	11,086	10,811	97.52%
2000	16,359	10,760	65.77%
2001	12,633	10,848	85.87%
2002	12,067	11,675	96.75%

Source: Summit County Auditor

**CITY OF NORTON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2002**

	<u>Total Debt</u>
Total Assessed Valuation	\$ 216,846,097
Legal Debt Limitation (%)	10.5%
Legal Debt Limitation (\$)	22,768,840
Applicable City Debt Outstanding	90,000
Amount Available for Repayment of Special Assessments	11,270
Net Indebtedness Subject to Limitation	<u>78,730</u>
Legal Debt Margin	<u><u>\$ 22,690,110</u></u>

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

(2) City Debt Outstanding includes special assessments only.

CITY OF NORTON, OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

<u>Year</u>	<u>Population</u> <u>(1)</u>	<u>Assessed</u> <u>Value (2)</u>	<u>Gross General</u> <u>Obligation</u> <u>Bonded Debt (3)</u>	<u>Debt Service</u> <u>Funds</u> <u>Available</u>	<u>Net General</u> <u>Obligation</u> <u>Bonded Debt (3)</u>	<u>Ratio to</u> <u>Net General</u> <u>Obligation</u> <u>Bonded Debt</u> <u>To Assessed</u> <u>Valuation</u>	<u>Net General</u> <u>Obligation</u> <u>Bonded</u> <u>Debt Per</u> <u>Capita</u>
1993	11,477	\$133,052,628	N/A	N/A	N/A	N/A	N/A
1994	11,477	150,947,982	N/A	N/A	N/A	N/A	N/A
1995	11,477	154,283,906	N/A	N/A	N/A	N/A	N/A
1996	11,523	157,026,493	\$ 122,000	\$ 2,792	\$ 119,208	0.08%	10.35
1997	11,523	181,266,546	115,000	15,052	99,948	0.06%	8.67
1998	11,523	185,677,779	110,000	12,590	97,410	0.06%	8.45
1999	11,523	188,842,852	105,000	12,260	92,740	0.05%	8.05
2000	11,523	212,535,286	100,000	11,930	88,070	0.05%	7.64
2001	11,523	218,597,267	95,000	11,600	83,400	0.04%	7.24
2002	11,523	216,846,097	90,000	11,270	78,730	0.04%	6.83

(1) Source: Akron-Summit Country Library Census statistics

(2) Source: Summit County Auditor

(3) Includes general obligation bonded debt

CITY OF NORTON, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION BONDED DEBT TO TOTAL GENERAL
GOVERNMENTAL EXPENDITURES
LAST TEN YEARS

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Government Expenditures</u>
1993	N/A	N/A	N/A	\$3,886,537	N/A
1994	N/A	N/A	N/A	3,780,502	N/A
1995	N/A	N/A	N/A	4,353,216	N/A
1996	N/A	N/A	N/A	4,539,797	N/A
1997	\$ 7,000	\$ 8,052	\$ 15,052	3,827,135	0.39%
1998	5,000	7,590	12,590	4,196,912	0.30%
1999	5,000	7,260	12,260	4,242,766	0.28%
2000	5,000	6,930	11,930	4,297,240	0.27%
2001	5,000	6,600	11,600	4,626,594	0.25%
2002	5,000	6,270	11,270	4,805,972	0.23%

**CITY OF NORTON, OHIO
 COMPUTATION OF ALL DIRECT AND INDIRECT
 AND OVERLAPPING GOVERNMENTAL DEBT
 DECEMBER 31, 2002**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Norton</u>	<u>Amount Applicable to City of Norton</u>
<u>Direct</u>			
City of Norton	\$3,615,000	100.00%	\$3,615,000
<u>Overlapping Subsidies</u>			
Akron Summit Library	66,413,269	3.01%	1,996,053
Metro Transit	1,515,000	2.10%	31,780
Barberton City School District	608,713	2.17%	608,713
Summit County	72,400,000	2.10%	1,518,744
Subtotal			<u>4,155,290</u>
Total			<u><u>\$7,770,290</u></u>

Source: Summit County Auditor

**CITY OF NORTON, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2002**

<u>Year</u>	<u>City of Norton Population(1)</u>	<u>County Population(1)</u>	<u>Unemployment Rate County Area (1)</u>	<u>Per Capita Income County Area (1)</u>	<u>Norton School Enrollment(2)</u>
1993	11,477	526,998	6.00%	\$ 21,301	2,435
1994	11,477	529,847	5.10%	22,384	2,465
1995	11,477	532,335	4.50%	23,697	2,428
1996	11,523	535,160	4.60%	24,624	2,402
1997	11,523	536,838	4.40%	25,794	2,453
1998	11,523	537,730	4.00%	25,794	2,553
1999	11,523	537,730	4.00%	25,794	2,506
2000	11,523	532,700	4.00%	25,794	2,553
2001	11,523	542,899	4.30%	25,794	2,592
2002	11,523	542,899	4.30%	25,794	2,597

Source: (1) Akron-Summit County Library
(2) Norton School District, Board of Education

**CITY OF NORTON, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2002**

Housing

<u>Year</u>	<u>Sales Within City</u>	<u>Summit County Average Price</u>	<u>City Average Price</u>
1998	192	\$ 110,295	\$ 93,529
1999	192	117,327	104,632
2000	136	142,788	109,035
2001	137	133,766	129,068
2002	126	125,151	133,790

Source: Summit County website

CITY OF NORTON, OHIO
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN YEARS

<u>Year</u>	<u>Residential (1)</u>			<u>Commercial (1)</u>		
	<u>Number of Permits</u>	<u>Housing Units</u>	<u>Residential Valuation</u>	<u>Number of Permits</u>	<u>Commercial Valuation</u>	<u>Bank Deposits(2) (in Thousands)</u>
1991	175	18	\$2,566,406	22	\$ 917,400	\$4,885,731
1992	166	28	3,322,778	23	2,275,170	5,148,586
1993	178	39	4,433,171	21	1,010,350	5,066,670
1994	201	31	4,378,354	30	3,075,177	6,696,606
1995	178	18	2,673,133	19	956,175	6,958,969
1996	180	21	4,000,437	36	5,641,015	6,960,566
1997	205	36	6,368,439	30	1,789,031	3,344,418
1998	231	47	8,185,102	62	10,047,403	5,049,282
1999	280	49	7,750,645	38	3,465,679	7,071,487
2000	310	48	9,053,060	33	3,142,958	7,850,115
2001	294	38	9,828,152	58	2,917,039	7,870,201
2002	419	58	11,399,030	45	5,906,900	8,097,304

(1) Source: City of Norton Building Department

(2) Source: Federal Reserve Bank of Cleveland - Amounts are for Summit County

**CITY OF NORTON, OHIO
PRINCIPAL TAXPAYERS
PUBLIC UTILITY AND PERSONAL PROPERTY TAX
DECEMBER 31, 2002**

<u>Taxpayer</u>	<u>Type of Business</u>	2002 Assessed Valuation <u>(Tax Duplicate)</u>	Percentage of Total Assessed Valuation
Ohio Edison Co.	Public Utility - Electric	\$ 3,095,450	10.63%
Fred Martin Motor Co.	Auto Sales	2,864,560	9.84%
PPG Industries	Glass Manufacturing	2,854,830	9.81%
B & C Corporation	Communications	2,027,460	6.96%
Fomo Products, Inc.	Machine Shop	1,175,140	4.04%
Ohio Bell Telephone	Public Utility - Telephone	1,147,000	3.94%
Albert's Screenprint, Inc.	Screenprinting	1,103,060	3.79%
East Ohio Gas	Public Utility - Gas	1,057,170	3.63%
S. A. Comunale Co., Inc.	Construction	1,013,790	3.48%
Adjusta Post MFG, Inc.	Basement Posts	745,560	2.56%
Subtotal		<u>17,084,020</u>	<u>58.68%</u>
All Others		<u>12,029,209</u>	<u>41.32%</u>
Total		<u><u>\$29,113,229</u></u>	<u><u>100.00%</u></u>

Based on Valuation of Property Taxes Levied in 2002.
Source: Summit County Auditor

**CITY OF NORTON, OHIO
PRINCIPAL TAXPAYERS
REAL PROPERTY TAX
DECEMBER 31, 2002**

<u>Taxpayer</u>	<u>Type of Business</u>	2002 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
Columbia Woods Apts.	Apartment Rental	\$ 3,458,640	1.83%
B & C Corporation	Communication	2,527,730	1.34%
Albrecht, Inc.	Grocery Store	2,176,540	1.15%
Mack Seal W.	Development	1,959,100	1.04%
Pittsburgh Plate Glass	Glass	1,260,100	0.67%
Falkenstein, Albert J.	Screen Printing	973,800	0.52%
Newpark Drive Ltd. Ptr.	Development	846,300	0.45%
Brookside Land Company	Golf Course	756,260	0.40%
Strachan Wyman et al	Golf Course	723,860	0.38%
Norton Energy Storage	PPG Mines	648,260	0.34%
Subtotal		<u>15,330,590</u>	<u>8.12%</u>
All Others		<u>173,305,210</u>	<u>91.88%</u>
Total		<u><u>\$ 188,635,800</u></u>	<u><u>100.00%</u></u>

Based on Valuation of Property Taxes Levied in 2002
Source: Summit County Auditor - Land and Buildings

**CITY OF NORTON, OHIO
PRINCIPAL TAXPAYERS - INCOME TAX
DECEMBER 31, 2002**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2002</u>	<u>Percentage of Total</u>
Norton City School District	Education	\$ 160,772	6.15%
B & C Corporation	Communications	147,883	5.66%
Fred Martin Motor Company	Automobile Sales	110,420	4.22%
S.A. Comunale Co.	Construction	107,931	4.13%
Albert Screenprint, Inc.	Screen Printing	79,037	3.02%
PPG Industries	Glass Manufacturing	69,412	2.66%
Ganley Ford, Inc.	Automobile Sales	49,751	1.90%
Perkinelmer Life Sciences, Inc.	Lab Equipment Manufacturing	46,706	1.79%
Fred W. Albrecht Grocery, Inc.	Grocery Store	40,178	1.54%
Fomo Products, Inc.	Insulation	38,271	1.46%
Subtotal		<u>850,361</u>	<u>32.54%</u>
All Others		1,763,290	67.46%
		<u>2,613,651</u>	<u>100.00%</u>
Total		<u>\$ 2,613,651</u>	<u>100.00%</u>

Source: City of Norton Finance Department

**CITY OF NORTON, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2002**

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
B & C Communications	Communications	949
Norton City School District	Education	454
Fred Martin Co.	Automobile Sales	274
S.A.Comuanle Co.	Construction	254
Fred W. Albrecht Grocery, Inc.	Grocery Store	238
Albert Screenprint, Inc.	Screen Printing	168
Ganley Ford	Automobiles Sales	150
Lenic, Inc.	Fast Food	123
Perkinelmer Wallace, Inc.	Automobile Sales	101
PPG Industries	Glass Manufacturing	86

Source: City of Norton Tax Records

**CITY OF NORTON, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2002**

Date of Incorporation	1961
Form of Government	Charter
Area (Square Miles)	23
Land Usage - Percent by Area:	
Residential	25%
Commercial/Industrial	3%
Governmental (including parks) and other tax exempt	8%
Agricultural and Undeveloped	64%
Building Permits issued in 2002	522

Police Services

Number of Stations	1
Number of Police Personnel and Officers	30
Number of Patrol Units	9
Marked Cruisers	7
Unmarked Cruisers	2
Number of Law Violations	
Juvenile Citations	109
Criminal Juvenile Arrests	196
Total Number of Criminal Arrests (Adult)	497
Traffic Citations Issued (Adult)	2,919
Parking Tickets Written	15

Fire/Emergency Medical Services

Number of Stations	2
Number of Fire Officers	8
Number of Fire Personnel	35
Number of Calls Answered	
Fire	246
EMS	978
Squad Units	3
Number of Inspections	519

Education

	<u>Students</u>	<u>Teachers</u>
Public Elementary Schools - K-2		
Grill K-5	277	16
Norton 21	118	5
Norton Primary	374	20
Intermediate - Grades K-5	353	20
Middle School - Grades 6-8	605	37
High School - Grades 9-12	870	54

Number of Cemeteries	2
Number of Libraries	1

Source: Various City Departments

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**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

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 19, 2003**