

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008

Varney, Fink & Associates, Inc.
Certified Public Accountants



Mary Taylor, CPA
Auditor of State

Members of Council
City of Norton
4060 Columbia Woods Drive
Norton, Ohio 44203

We have reviewed the *Independent Auditor's Report* of the City of Norton, Summit County, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 24, 2009

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**CITY OF NORTON
SUMMIT COUNTY, OHIO**

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008

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

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

To City Council:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Norton, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2009. 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.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

City of Norton
Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
Page 2

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Responses as items 2008-01 through 2008-03.

We noted certain matters that we reported to management of the City, in a separate letter dated June 24, 2009.

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

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

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

June 24, 2009

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2008

Finding 2008-01 NONCOMPLIANCE

Section 5705.10, Ohio Revised Code, states, in part, money that is paid into a fund must be used only for the purpose for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. Negative fund balances occurred as follows:

<u>Fund</u>	<u>March 31, 2008</u>	<u>May 31, 2008</u>	<u>September 30, 2008</u>
State Highway	\$16,207	\$16,567	\$0
Wadsworth Berry McGowan	8,062	11,659	13,203
General Obligation Bond Retirement	0	15,818	0
Special Permissive License Plate Tax	0	0	8,013

Negative cash fund balances are an indication that revenues from other sources were used to pay obligations of those funds. Fund activity should be monitored to prevent future expenditures in excess of available resources. In those cases where additional funds are required, the resources should either be transferred or advances to the fund in accordance with the Ohio Revised Code.

Officials Response:

During 2008 changes were made to the timing of Transfers and Advances in order to record revenues ahead of expenses, and substantial improvements were made. Additional attention is needed to address carry over balances to cover timing variance in the receipt of funds from outside sources, particularly taxes.

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2008

(Continued)

Finding 2008-02 NONCOMPLIANCE

Sections 5705.14, 5705.15 and 5705.16, Ohio Revised Code provides guidelines pertaining to allowable transfers. During fiscal year 2008, City Council authorized advances which were not made, and transfers were made by the City that were contrary to Council's authorized amounts. See the table below for how these transfers were recorded:

<u>Fund</u>	<u>Recorded Transfers In</u>	<u>Authorized Transfers In</u>	<u>Variance</u>	<u>Recorded Transfers Out</u>	<u>Authorized Transfers Out</u>	<u>Variance</u>
General	\$0	\$0	\$0	\$12,739	\$100,157	\$87,418
Other Governmental	12,739	100,157	87,418	0	0	0
Total	<u>\$12,739</u>	<u>\$100,157</u>	<u>\$87,418</u>	<u>\$12,739</u>	<u>\$100,157</u>	<u>\$87,418</u>

<u>Fund</u>	<u>Recorded Advances In</u>	<u>Authorized Advances In</u>	<u>Variance</u>	<u>Recorded Advances Out</u>	<u>Authorized Advances Out</u>	<u>Variance</u>
General	\$0	\$0	\$0	\$0	\$120,000	\$120,000
Other Governmental	0	120,000	120,000	0	0	0
Total	<u>\$0</u>	<u>\$120,000</u>	<u>\$120,000</u>	<u>\$0</u>	<u>\$120,000</u>	<u>\$120,000</u>

Care should be taken to see that transfers and advances are recorded for the authorized amount in the City's accounting records. The City has posted adjustments to correct these matters which are also reflected in the financial statements.

Officials Response:

In 2008 we expanded our use of transfers to manage cash balances. Transfers were treated as authorized, not mandated. When authorized transfers were no longer needed, they were not made. We will now book all authorized transfers regardless of whether they are needed, or have Council modify authorizations by legislative action.

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2008

(Continued)

Finding 2008-03 NONCOMPLIANCE

Section 5705.39, Ohio Revised Code, requires that total appropriations from each fund not exceed total estimated fund resources from each fund.

During fiscal year 2008 total appropriations exceeded total estimated resources for the following funds by the following amounts:

Fund	Original Appropriations	As of May 31, 2008
General Fund	\$110,210	\$409,503
Fire Fund	0	194,435
Emergency Medical Services	0	8,701
Special Permissive License Plate Tax	82,934	140,595
Buildings	197,800	135,300
Gardner Phase II	0	596,955
Equipment	\$62,127	0
Gardner Phase III	539,430	0
Wadsworth Berry McGowan	726,000	0

As of December 31, 2008 appropriations did not exceed estimated resources.

Officials Response:

When changes to the Budget are needed the legislative process is moving faster than the Certification. We have begun processing Certifications more frequently, have delayed appropriation requests and added conditional language to Ordinances. The conditional language permits the legislation to precede the Certification.

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	<u>Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No Longer Valid; Explain</u>
2007-01	ORC Section 5705.10 Negative Fund Balance	No	Partially corrected
2007-02	ORC Section 5705.41(B) Expenditures and encumbrances exceeded authorized appropriations	Yes	Finding no longer valid
2007-03	ORC Section 135.21 Distribution of interest earned	Yes	Finding no longer valid
2007-04	ORC Section 5705.14, 5705.15, 5705.16 Transfers made without proper approval	Yes	All transfers authorized. City did not transfer/advance total amounts authorized. Issued Finding 2008-02
2007-05	Restatement of Net Assets	Yes	Finding no longer valid

CITY OF

NORTON, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED—DECEMBER 31

2008

City of Norton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2008

Issued by:

City of Norton
Department of Finance

John P. Moss
Finance Director

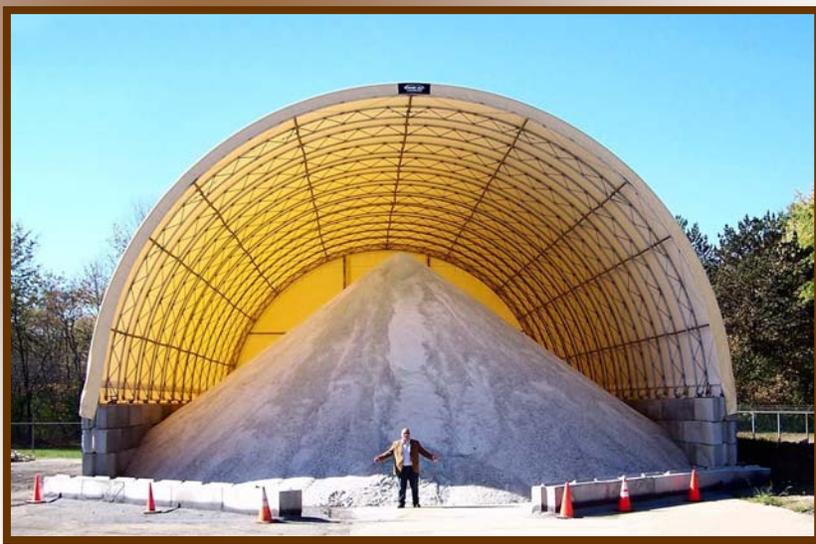
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COMPREHENSIVE ANNUAL FINANCIAL REPORT



Introductory

Section



2008

City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
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City of Norton

4060 Columbia Woods Drive
Norton, Ohio 44203

Administration (330) 825-7815 * Finance (330) 825-4511
FAX (330) 825-3104 * Website: www.cityofnorton.org

Mayor Dave Koontz

June 24, 2009

Members of City Council and
Citizens of Norton

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

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Varney, Fink and Associates rendered an opinion on the City's financial statements as of December 31, 2008, and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

The City is located in the counties of Summit and Wayne in northeastern Ohio, and is 20.54 square miles in size. The City of Norton is approximately 40 miles south of Cleveland, and five miles southwest of Akron. The Highway system includes State Route 21, U.S. 224 and Interstate 76 with access to Interstate 77. The Ohio Turnpike and Interstate 71 are approximately 15 minutes away. The Akron-Canton Airport, 20 miles south, and Cleveland-Hopkins Airport, 35 miles north, both offer commercial, passenger and freight service. Wheeling and Lake Erie provide rail service to the community.

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

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

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

As previously mentioned, Norton was organized as a City in March of 1961; the City is a home-rule municipal corporation operating under the laws of the State of Ohio. The original charter was adopted on November 6, 1962. The Charter was readopted by the voters in its entirety on November 5, 1991. The Charter was amended in 1994 and 2007.

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

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

The Mayor is elected for a four-year term to begin the first day of January following the election. According to the Charter, the Mayor is the executive of the City and is responsible to the electors for enforcement of all laws and ordinances, and for control and proper operation of all administrative departments and divisions. The Mayor appoints an Administrative Officer, Director of Finance, Director of Law, and Director of Community Development, subject to confirmation by a majority vote of Council. The Administrative Officer serves as the head of the service and safety departments. The Directors are responsible to the Mayor for the general administration of the affairs of the City.

LOCAL ECONOMY

The City continues to grow both in the areas of commercial and residential development. During 2008, 648 permits were issued for a total stated construction value of \$11,276,349.

Several projects were completed in 2008. A consortium of doctors new to Norton completed the Digestive Health Center, bringing specialists and their staffs together in one facility to provide for all digestive health needs. The City completed two baseball fields which opened for the 2008 season. The City purchased a new salt storage facility which alone will store just over half of the City's salt needs for a year. A new gazebo was constructed in Columbia Woods Park and hosted the Norton Cider Festival in the park for the first time.

New commercial projects are proceeding. The Walkly Group has been constructing Utopia, a multi-purpose retail facility. Ownership has been transferred to one principal who is reevaluating the best use of the property.

In November 2004, the voters of Norton approved a .5 percent increase for City income tax and then in 2005 out-sourced the collection to CCA, a regional Income Tax Collecting Service in Cleveland. The annual income tax collections (cash basis) have increased from \$2,657,039 in 2004 to \$4,014,015 in 2008 for an increase of 66.19 percent. Additional revenue growth is expected again in 2009 due to efforts to improve the accuracy and completeness of the taxpayer rolls, through comparison to federal tax returns.

LONG-TERM FINANCIAL PLANNING

Unreserved, undesignated fund balances for funds with annual operating expenses need a healthy carryover to avoid cash management issues and to cover budget increases when necessary. For planning and budgetary purposes for operating funds, Norton has targeted 15 to 33 percent carryover balances as a percent of appropriations. This large carryover is needed to cover accrued obligations and unexpected expenses. Further, the healthy balances are intended to be attractive to financing sources should we choose to issue debt.

Looking forward, the City continues capital investments in Columbia Woods Park (a main park adjacent to the City Offices and the Community Center) with the completion of two baseball fields. The pond was drained and completely re-graded with level banks and an eight foot shelf around the perimeter. The pond was stocked and will open for fishing in 2009. A new playground area was graded and a new play structure was installed and opened in 2008.

RELEVANT FINANCIAL POLICIES

The City of Norton budgets for the cost of salt needed for an average to above average winter. For 2006, we experienced a below average cost of salt leaving an unspent budget. It was decided late in the year to apply those one time savings to the purchase of a salt storage facility. This will allow the City to stock salt for half a year's use and allow greater flexibility as to when to purchase salt. This will provide purchase and operations savings for subsequent periods. The shed was completed in 2007. Use of the shed allowed the City to purchase its salt requirements at \$42 per ton in 2008 while market prices shot above \$100. Additional storage capacity is planned for 2009.

MAJOR INITIATIVES

The Johnson United Methodist Church petitioned the City of Norton to construct, grade, curb and pave a road in the proposed Meadows at Johnson senior living community known as Meadows Lane. The project was postponed another year, but is anticipated to begin in 2010. This would include the construction of sanitary sewers, water lines, hydrants, storm sewers, utilities and all necessary appurtenances for a Senior Living Facility and senior only condominiums. The petition requested lots

and lands to be assessed the cost of constructing the improvements in proportion to the benefits. The Meadows at Johnson part of the Johnson United Methodist Church is fully responsible for all related costs of this project. The Meadows at Johnson senior living community will consist of 104 villas and 37 patio homes. The anticipated completion is five years. Debt service for this project has been allocated at \$4,500 per unit. Since the 5-year period for an assessment project ended in 2008, costs of around \$200,000 will be assessed against the property and the related project financing will be retired.

The Ohio Public Works Commission (OPWC) has approved grants for the waterline replacement in the Connect Road and Hazelwood Avenue area of the City. Engineering began in 2007 and should go to bid in 2009. The project is estimated at \$177,500 with a 50 percent funding request from OPWC.

New projects on the horizon include a \$15 million expansion of Cleveland Massillon Road, a main thoroughfare. Grant funding of 90 percent of the project appears likely and is available for engineering which should be completed in 2009. A new fire station is to be built using revenue from the 2007 Fire/EMS capital property tax levy. The City began collecting revenue from this levy in 2008. Additionally, funding is in place to pave State Route 261 from the eastern to western borders of the City. The City continues to seek funding to purchase Lake Dorothy, a 200 acre lake in the center of the community.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norton for its Comprehensive Annual Financial Reports for the year ended December 31, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

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

Additionally, for the 2006 Financial Report, the Ohio Auditor of State has awarded the City finance office the "Making Your Tax Dollars Count" award, which recognizes less than 5 percent of all Ohio Government agencies for their accounting of tax dollars.

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

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

Respectfully submitted,


David L. Koontz
Mayor


John P. Moss
Director of Finance and Tax Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director

City of Norton, Ohio

Principal Officials

December 31, 2008

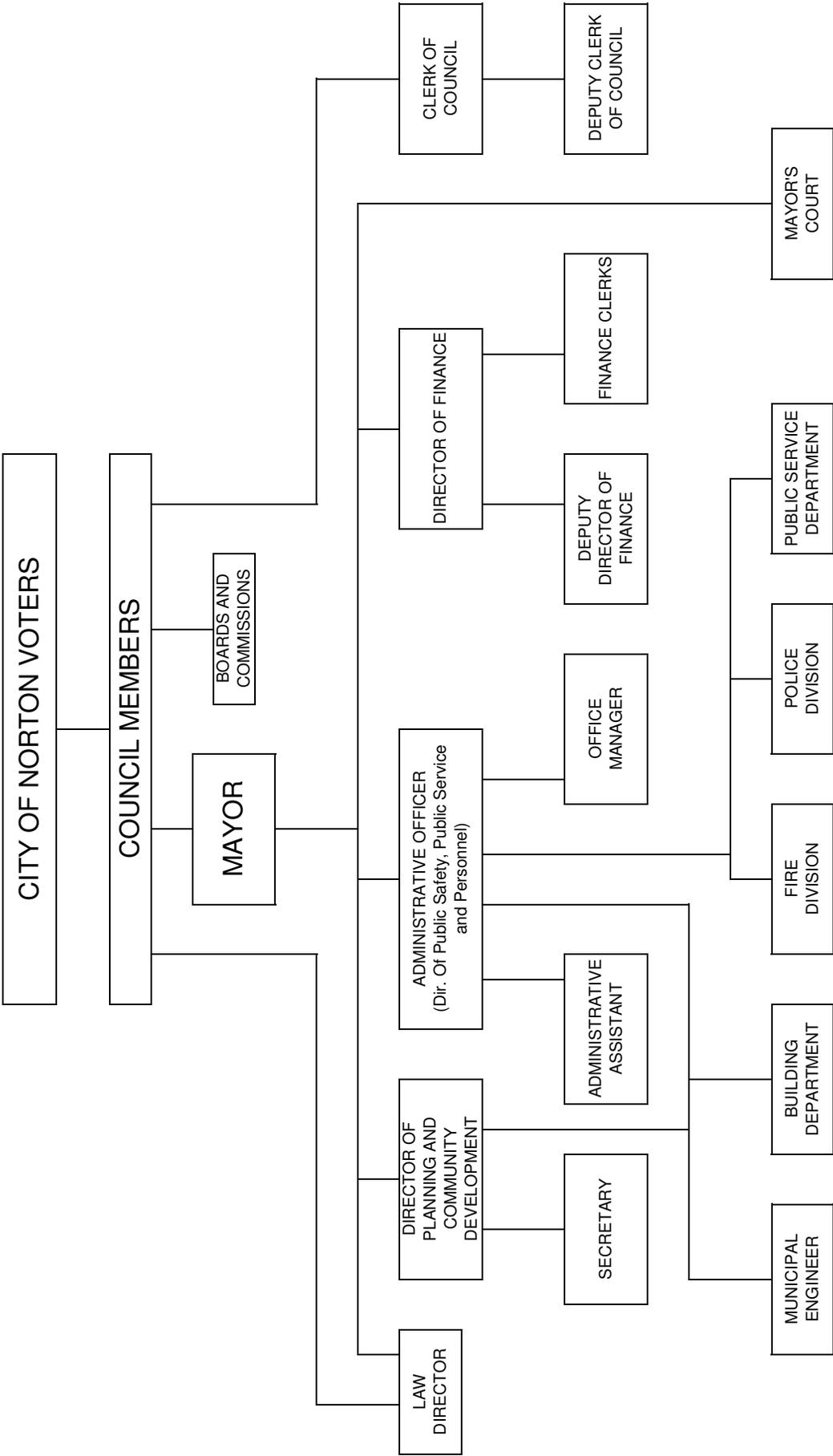
Elected Officials

David L. Koontz Mayor
Tom Jones..... City Council, Ward 1
Dennis McGlone..... City Council, Ward 2
William Mowery City Council, Ward 3
Ken Braman..... City Council, Ward 4
Brenda Hlas City Council, At-Large
Scott Pelot..... City Council, President At-Large
(1) Michael Zita..... City Council, At-Large

Administrators

Rick Ryland..... Administrative Officer
John P. Moss..... Director of Finance and Tax Administrator
Peter Kostoff..... Director of Law
James Oberdorfer..... Part Time Interim Director of Community Development
(2) Lieutenant Hete..... Interim Police Chief
Mike Shultz Chief of Fire/EMS
Russ Arters Superintendent of Buildings and Zoning Inspector
James Mitchell..... Clerk of Mayor's Court
Thomas Gipson..... Court Magistrate
Karla Richards..... Clerk

- (1) Mike Zita was elected President of Council as of January 2, 2009.
- (2) Lieutenant Hete was sworn in as Chief of Police on February 19, 2009



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COMPREHENSIVE ANNUAL FINANCIAL REPORT



Financial

Section



2008

INDEPENDENT AUDITOR'S REPORT

City of Norton
4060 Columbia Woods Drive
Norton, Ohio 44203

To Members of Council:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Norton, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Street Construction Maintenance and Repair Fund, and the Fire/EMS Levy Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT (continued)

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

June 24, 2009

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The discussion and analysis for the City of Norton's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2008. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding regarding the City's financial performance, one should also review the transmittal letter, the basic financial statements and notes to the basic financial statements.

Financial Highlights

Financial Highlights for 2008 are as follows:

- Total net assets increased \$1,366,058 or a 8.6 percent over 2007.
- Total assets of governmental activities increased \$2,351,157 which represents a 10.42 percent increase over 2007.
- Total liabilities increased by \$985,099, which represents a 14.76 percent increase over 2007.
- Total invested in capital assets, net of debt increased \$838,585 or 8.46 percent from 2007.

Using this Annual Financial Report

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

The Statement of Net Assets and Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2008 and how they affected the City of Norton's operations. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City of Norton as a Whole

Statement of Net Assets and the Statement of Activities

This financial view of the City as a whole considers all transactions and answers the question of how the City of Norton performed financially during 2008. The Statement of Net Assets and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity, as well as the overall evaluation of the City's financial status.

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

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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

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

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning of Year and Year's End

Reporting the City of Norton's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 7. Fund financial reports give detailed information of activities within these funds. The City currently has forty funds, which have been established to account for the multitude of services provided to residents, for employee health care and the operation of facilities, as well as for infrastructure and capital purchases. These fund financial statements focus on the City's four major funds: the general fund, the street construction, maintenance and repair, the fire/EMS levy fund and the special assessment bond retirement fund.

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

Proprietary Fund – The City's only proprietary fund is an internal service fund, which accounts for a self-insurance program for employee medical claims.

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

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The City of Norton as a Whole

The Statement of Net Assets provides an overall view of the City. Table 1 shows a summary of the City's net assets for 2008 as they compare to 2007.

Table 1
Net Assets

	Governmental Activities		
	2008	2007	Change
<i>Assets</i>			
Current and Other Assets	\$10,186,812	\$9,004,309	\$1,182,503
Capital Assets, Net	14,719,951	13,551,297	1,168,654
Total Assets	24,906,763	22,555,606	2,351,157
<i>Liabilities</i>			
Current and Other Liabilities	3,489,910	2,218,485	1,271,425
Long-term Liabilities			
Due Within One Year	524,982	523,180	1,802
Due in More than One Year	3,644,624	3,932,752	(288,128)
Total Liabilities	7,659,516	6,674,417	985,099
<i>Net Assets</i>			
Invested in Capital Assets			
Net of Related Debt	10,747,587	9,909,002	838,585
Restricted:			
Capital Projects	768,494	423,673	344,821
Debt Service	820,130	918,452	(98,322)
Police	45,893	36,217	9,676
Fire and EMS	735,962	186,546	549,416
Transportation	1,012,433	1,063,984	(51,551)
Sewerline/Waterline Maintenance	1,146,715	881,202	265,513
Other Purposes	393,029	180,234	212,795
Unrestricted	1,577,004	2,281,879	(704,875)
Total Net Assets	\$17,247,247	\$15,881,189	\$1,366,058

Total assets increased by \$2,351,157 from 2007 to 2008. This increase was primarily the result of an increase in capital assets of \$1,168,654, an increase in equity in pooled cash and cash equivalents of \$509,672, and an increase in cash and cash equivalents with fiscal agents of \$390,431. The capital assets increase was due in large part to additions to land, vehicles and buildings and improvements.

Total liabilities increased by \$985,099 for the year. This increase is primarily the result of an increase in notes payable of \$563,000 and contracts payable of \$331,127.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Total net assets increased by \$1,366,058. Some factors partly responsible for this increase included the increases in capital assets, equity in pooled cash and cash equivalents, and cash and cash equivalents with fiscal agents offset by increases in notes and contracts payable.

Table 2 shows the changes in net assets for the year ended December 31, 2008.

Table 2
Changes in Net Assets

	Governmental Activities		
	2008	2007	Change
<i>Revenues</i>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$1,078,430	\$1,001,453	\$76,977
Operating Grants and Contributions	1,027,579	823,031	204,548
Capital Grants and Contributions	93,047	320,191	(227,144)
Total Program Revenues	<u>2,199,056</u>	<u>2,144,675</u>	<u>54,381</u>
<i>General Revenues:</i>			
Property Taxes	1,750,660	1,254,294	496,366
Income Tax	3,903,789	3,711,991	191,798
Grants and Entitlements	1,577,087	953,675	623,412
Interest	101,997	282,650	(180,653)
Other	38,178	19,459	18,719
Total General Revenues	<u>7,371,711</u>	<u>6,222,069</u>	<u>1,149,642</u>
<i>Total Revenues</i>	<u>9,570,767</u>	<u>8,366,744</u>	<u>1,204,023</u>
<i>Program Expenses:</i>			
General Government	1,960,544	1,797,290	163,254
Security of Persons and Property	3,635,906	3,486,686	149,220
Transportation	1,890,748	1,305,616	585,132
Community Environment	264,377	266,813	(2,436)
Public Health Services	134,428	167,598	(33,170)
Leisure Time Activities	187,932	172,172	15,760
Interest and Fiscal Charges	130,774	174,121	(43,347)
<i>Total Expenses</i>	<u>8,204,709</u>	<u>7,370,296</u>	<u>834,413</u>
<i>Increase in Net Assets</i>	1,366,058	996,448	369,610
<i>Net Assets Beginning of Year</i>	<u>15,881,189</u>	<u>14,884,741</u>	<u>996,448</u>
<i>Net Assets End of Year</i>	<u>\$17,247,247</u>	<u>\$15,881,189</u>	<u>\$1,366,058</u>

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Governmental Activities

Several revenue sources fund governmental activities with the City of Norton's municipal income tax being the largest contributor. The income tax rate of 1 percent was created by City Charter adopted November 6, 1962 and re-adopted in its entirety by the voters at a general election held on November 5, 1992. The City allowed a 100 percent credit of taxes paid to other municipalities, up to 1 percent of income. The 1 percent tax created by the Charter remained in effect until July 1, 1974, when Norton's electorate increased the income tax rate to 1.50 percent, with a 100 percent credit of taxes paid to other municipalities up to 1.50 percent of income. The 1.50 percent tax remained in effect until November 4, 2004, when Norton's electorate increased the income tax rate effective January 1, 2005 to 2 percent, with a 100 percent credit of taxes paid to other municipalities up to 2 percent of income.

For an additional source of revenue, Council adopted an ordinance pursuant to Ohio Revised Code Section 4504.172, to levy an annual license tax at a rate of five dollars per motor vehicle, effective January 1, 2006.

The operations of the City's safety forces account for the largest expense in governmental activities, representing 44.31 percent of the total governmental activity expenses. The police service for the City of Norton is a full time, 24-hour per day, 365 days per year operation. The staff consists of a full time chief, one full time lieutenant, three full time sergeants, eleven full time patrol officers, six part time patrol officers, one full time secretary, and one full time records clerk. The police operations also include dispatch for police, fire and EMS, with five full time dispatchers, and two part time dispatchers.

The fire/paramedic division is a full-time, 24-hour per day, 365-days per year operation utilizing two fire stations. The staff consists of a full time chief, two full time fire/paramedics, 29 part time fire/EMT/paramedics, five of which are Lieutenants and two are Captains, and one full time secretary.

Transportation expense increased \$585,132 over 2007 due to increases in the amount of supplies purchased in the City's street department.

The City's Funds

Information about the City's governmental funds begins on page 14. These funds are accounted for by using the modified accrual method of accounting. All governmental funds had total revenues of \$9,545,982 and expenditures of \$9,643,708. The general fund had revenues of \$5,917,891 and expenditures of \$4,504,738 for a surplus of \$1,413,153. The street construction, maintenance and repair fund had revenues of \$659,514 and expenditures of \$1,287,119, reducing the surplus by \$627,605. The fire/EMS levy fund had revenues of \$533,533 and expenditures of \$480,055 for a surplus of \$53,478.

General Fund Budgeting Highlights

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

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
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Strong emphasis is placed on fund balances. The Director of Finance reviews fund balances on a regular basis. Monthly reports are submitted to the Mayor and Council showing beginning fund balances for all funds at the beginning of the year, monthly and year-to-date revenues and expenditures, intra-fund transfers, and the current fund balances. Department and division heads are also provided monthly reports to monitor their purchase orders and account balances for additional operational spending.

For the general fund, original budgeted revenues were \$5,653,306 and final budgeted revenues were \$7,046,890. This \$1,393,584 difference is due to increased budgeted revenues for property taxes of \$96,855, municipal income tax of \$936,546, and intergovernmental for \$281,412. Original budgeted expenditures were \$4,999,580 and final budgeted expenditures were \$5,244,038 for an increase of \$244,458. The increase is primarily the result of supplemental appropriations for the police department of \$182,236 for costs in relation to salaries and wages, materials and supplies, and capital outlay.

For the general fund, final budgeted revenues were \$7,046,890 and actual revenue collections were \$5,827,486. Of this \$1,219,404 difference, most is due to less actual income tax revenues than anticipated. The general fund final budgeted expenditures were \$5,244,038 and the actual expenditures were \$4,728,460. This reduction of \$515,578 is due to efforts to control actual expenditures.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		
	2008	2007	Change
Land	\$680,548	\$330,122	\$350,426
Construction in Progress	354,992	1,979,846	(1,624,854)
Land Improvements	587,760	0	587,760
Building and Improvements	1,205,955	944,994	260,961
Equipment, Furniture and Fixtures	775,267	983,936	(208,669)
Vehicles	1,653,511	1,229,380	424,131
Infrastructure			
Water Lines	2,817,816	2,311,079	506,737
Sanitary Sewer Lines	4,442,780	4,490,684	(47,904)
Roads	2,201,322	1,281,256	920,066
<i>Totals</i>	\$14,719,951	\$13,551,297	\$1,168,654

Total Capital Assets for the City of Norton as of December 31, 2008, amounted to \$14,719,951, which was an increase of \$1,168,654 from 2007. This increase was a result of land, vehicles, and buildings and improvement additions. For more information about the City's capital assets, see Note 9 in the basic financial statements.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Debt

As of December 31, 2008, the City of Norton had \$3,400,000 in outstanding general obligation and special assessment bonds.

Table 4
Outstanding Bonds at Year End

	Governmental Activities		
	2008	2007	Change
General Obligation Bonds	\$2,641,884	\$2,829,649	(\$187,765)
Special Assessment Bonds	758,116	800,351	(42,235)
<i>Totals</i>	\$3,400,000	\$3,630,000	(\$230,000)

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

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

Also, the City has a manuscript note outstanding as of December 31, 2008 for \$560,000. Manuscript notes are notes issued and purchased by the City and held until maturity as an investment vehicle whereby the City pays interest to the purchasing fund from the issuing fund. This form of issue avoids the underwriting and insurance costs and is used primarily in projects which require minimal funding. This note is shown on the balance sheet as an interfund receivable/payable between the Sanitary Sewer fund and the Meadows at Johnson fund.

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

Current Financial Related Issues

Effective January 1, 2005 the electorate of Norton approved a .5 percent City income tax increase. This increase was to provide funds for general municipal operations, new equipment, debt service, purchase of a City service garage, and the overall commitment of municipal services. As a result of the rate change income tax revenue increased by about 50 percent over 2005 on a cash basis to \$4,014,015. Since this increased tax rate remains in place the City expects to receive further increases based on normal economic growth.

As the City of Norton continues to grow, meeting the financial challenges to provide services and infrastructure needs in the community is a primary goal, and expanding utilities (such as water and sewer lines) is secondary. Through the Administration's strong fiscal management and City Council's strict budget supervision, the City has been able to hold general operating expenditures in check while sustaining City services at past levels. Financial planning has included a utilities study to assist decision making relative to the economic delivery of utility services to the community. Equipment purchases as well as facility improvements, acquisitions and other necessary major purchases have been paid for in cash where possible

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

to facilitate the pay-down of debt. Attention to healthy carryover balances and the pay-down of debt will continue in the future. The City has kept the work force size at a financially manageable level and still has met the needs of City residents.

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

Contacting the City of Norton's Finance Department

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

Basic Financial Statements

City of Norton, Ohio
Statement of Net Assets
 December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,378,835
Cash and Cash Equivalents In Segregated Accounts	20,650
Cash and Cash Equivalents With Fiscal Agents	390,431
Materials and Supplies Inventory	134,717
Accounts Receivable	257,825
Accrued Interest Receivable	23,677
Intergovernmental Receivable	1,143,218
Prepaid Items	36,722
Income Taxes Receivable	1,130,049
Property Taxes Receivable	1,904,283
Special Assessments Receivable	766,405
Nondepreciable Capital Assets	1,035,540
Depreciable Capital Assets, Net	13,684,411
<i>Total Assets</i>	24,906,763
Liabilities	
Accounts Payable	251,646
Contracts Payable	331,127
Accrued Wages and Benefits	182,986
Intergovernmental Payable	182,162
Notes Payable	563,000
Claims Payable	117,175
Deferred Revenue	1,840,325
Accrued Interest Payable	21,489
Long-Term Liabilities:	
Due Within One Year	524,982
Due in More Than One Year	3,644,624
<i>Total Liabilities</i>	7,659,516
Net Assets	
Invested in Capital Assets, Net of Related Debt	10,747,587
Restricted for:	
Capital Projects	768,494
Debt Service	820,130
Police	45,893
Fire and EMS	735,962
Transportation	1,012,433
Sewerline/Waterline Maintenance	1,146,715
Other Purposes	393,029
Unrestricted	1,577,004
<i>Total Net Assets</i>	\$17,247,247

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Activities
For the Year Ended December 31, 2008

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets	
Governmental Activities				Governmental Activities	
General Government	\$1,960,544	\$301,207	\$1,520	\$27,549	(\$1,630,268)
Security of Persons and Property	3,635,906	396,414	190,692	0	(3,048,800)
Transportation	1,890,748	44,801	835,367	12,282	(998,298)
Community Environment	264,377	14,141	0	0	(250,236)
Public Health Services	134,428	313,884	0	53,216	232,672
Leisure Time Activities	187,932	7,983	0	0	(179,949)
Interest and Fiscal Charges	130,774	0	0	0	(130,774)
<i>Totals</i>	<u>\$8,204,709</u>	<u>\$1,078,430</u>	<u>\$1,027,579</u>	<u>\$93,047</u>	<u>(6,005,653)</u>
General Revenues					
Property Taxes Levied for:					
					357,431
					423,795
					371,831
					67,018
					530,585
Income Taxes Levied for					
					3,903,789
Grants and Entitlements not Restricted					
					1,577,087
					101,997
					38,178
					<u>7,371,711</u>
					1,366,058
					<u>15,881,189</u>
					<u>\$17,247,247</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio

Balance Sheet

Governmental Funds

December 31, 2008

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	Special Assessment Bond Retirement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$701,571	\$466,131	\$591,341	\$31,329
Cash and Cash Equivalents:				
In Segregated Accounts	20,650	0	0	0
With Fiscal Agents	0	0	0	0
Materials and Supplies Inventory	3,353	131,364	0	0
Accounts Receivable	31,818	565	0	0
Accrued Interest Receivable	9,298	5,973	0	0
Intergovernmental Receivable	492,913	297,511	63,014	0
Interfund Receivable	733,339	0	0	0
Prepaid Items	29,703	2,443	0	0
Income Taxes Receivable	1,130,049	0	0	0
Property Taxes Receivable	414,991	0	767,596	0
Special Assessments Receivable	0	0	0	766,405
<i>Total Assets</i>	<u>\$3,567,685</u>	<u>\$903,987</u>	<u>\$1,421,951</u>	<u>\$797,734</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$80,820	\$6,491	\$1,065	\$0
Accrued Wages and Benefits	110,274	28,030	0	0
Intergovernmental Payable	130,619	20,779	0	0
Contracts Payable	6,806	0	0	0
Notes Payable	0	0	411,000	0
Interfund Payable	0	0	120,000	0
Accrued Interest Payable	0	0	5,798	0
Deferred Revenue	1,552,243	201,606	830,610	766,405
<i>Total Liabilities</i>	<u>1,880,762</u>	<u>256,906</u>	<u>1,368,473</u>	<u>766,405</u>
Fund Balances				
Reserved for Encumbrances	152,340	94,481	104,072	0
Unreserved, Undesignated, Reported in:				
General Fund	1,534,583	0	0	0
Special Revenue Funds (Deficit)	0	552,600	(50,594)	0
Debt Service Funds	0	0	0	31,329
Capital Projects Funds (Deficit)	0	0	0	0
<i>Total Fund Balances</i>	<u>1,686,923</u>	<u>647,081</u>	<u>53,478</u>	<u>31,329</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,567,685</u>	<u>\$903,987</u>	<u>\$1,421,951</u>	<u>\$797,734</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2008*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$4,033,347
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$2,440,409	\$4,230,781	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,719,951
0	20,650	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
390,431	390,431	Delinquent Property Taxes	180,184
0	134,717	Income Tax	741,673
225,442	257,825	Special Assessments	766,405
8,406	23,677	Grants	792,219
289,780	1,143,218	Charges for Services	<u>161,819</u>
560,000	1,293,339		
4,576	36,722		
0	1,130,049	Total	2,642,300
721,696	1,904,283		
0	766,405	In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(9,624)
<u>\$4,640,740</u>	<u>\$11,332,097</u>		
		An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of activities.	30,879
\$163,270	\$251,646	Long-term liabilities, including notes and bonds payable are not due and payable in the current period and therefore are not reported in the funds:	
44,682	182,986	General Obligation Bonds	(2,641,884)
30,764	182,162	Special Assessment Bonds	(758,116)
324,321	331,127	Capital Leases	(9,364)
152,000	563,000	Compensated Absences	(690,242)
1,173,339	1,293,339	Claims and Judgment Payable	<u>(70,000)</u>
6,067	11,865		
1,131,761	4,482,625	Total	<u>(4,169,606)</u>
<u>3,026,204</u>	<u>7,298,750</u>		
144,034	494,927	<i>Net Assets of Governmental Activities</i>	<u><u>\$17,247,247</u></u>
0	1,534,583		
1,620,717	2,122,723		
32,020	63,349		
(182,235)	(182,235)		
<u>1,614,536</u>	<u>4,033,347</u>		
<u>\$4,640,740</u>	<u>\$11,332,097</u>		

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	Special Assessment Bond Retirement
Revenues				
Property Taxes	\$381,558	\$0	\$466,627	\$0
Municipal Income Tax	3,995,958	0	0	0
Charges for Services	59,518	44,801	0	0
Special Assessments	0	0	0	76,111
Licenses, Permits and Fees	102,918	0	0	0
Fines and Forfeitures	87,484	0	0	0
Intergovernmental	1,200,429	606,392	66,906	0
Interest	84,613	5,973	0	0
Other	5,413	2,348	0	0
<i>Total Revenues</i>	<u>5,917,891</u>	<u>659,514</u>	<u>533,533</u>	<u>76,111</u>
Expenditures				
Current:				
General Government	1,886,733	0	0	3,189
Security of Persons and Property	2,209,760	0	474,257	0
Transportation	0	1,287,119	0	0
Community Environment	258,562	0	0	0
Public Health Services	0	0	0	0
Leisure Time Activities	145,231	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	2,931	0	0	105,000
Interest and Fiscal Charges	1,521	0	5,798	72,060
<i>Total Expenditures</i>	<u>4,504,738</u>	<u>1,287,119</u>	<u>480,055</u>	<u>180,249</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,413,153</u>	<u>(627,605)</u>	<u>53,478</u>	<u>(104,138)</u>
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	0	80,000	0	0
Transfers In	0	395,402	0	105,000
Transfers Out	(1,627,890)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,627,890)</u>	<u>475,402</u>	<u>0</u>	<u>105,000</u>
<i>Net Change in Fund Balances</i>	(214,737)	(152,203)	53,478	862
<i>Fund Balances Beginning of Year</i>	<u>1,901,660</u>	<u>799,284</u>	<u>0</u>	<u>30,467</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,686,923</u></u>	<u><u>\$647,081</u></u>	<u><u>\$53,478</u></u>	<u><u>\$31,329</u></u>

See accompanying notes to the basic financial statements

City of Norton, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances -Total Governmental Funds	(\$17,726)
		<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
		Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
\$910,410	\$1,758,595	Capital Asset Additions	2,141,397
0	3,995,958	Current Year Depreciation	<u>(634,951)</u>
715,327	819,646		
0	76,111		
0	102,918		
21,671	109,155		
669,697	2,543,424		
11,411	101,997		
30,417	38,178		
<u>2,358,933</u>	<u>9,545,982</u>	Total	1,506,446
		Government Funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(337,792)
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
114,522	2,004,444	Delinquent Property Taxes	(7,935)
1,372,354	4,056,371	Income Tax	(92,169)
471,505	1,758,624	Special Assessments	(33,946)
151	258,713	Grants	154,289
54,164	54,164	Charges for Services	<u>4,546</u>
26,151	171,382		
975,903	975,903		
125,000	232,931	Total	24,785
51,797	131,176		
<u>3,191,547</u>	<u>9,643,708</u>	Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	232,931
<u>(832,614)</u>	<u>(97,726)</u>		
		In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	402
0	80,000		
1,127,488	1,627,890	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
0	(1,627,890)	Compensated Absences	(16,605)
<u>1,127,488</u>	<u>80,000</u>	Claims and Judgement Payable	<u>70,000</u>
294,874	(17,726)		
<u>1,319,662</u>	<u>4,051,073</u>	Total	53,395
<u>\$1,614,536</u>	<u>\$4,033,347</u>	The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the entity-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.	
		The change for governmental funds is reported for the year.	<u>(96,383)</u>
		<i>Change in Net Assets of Governmental Activities</i>	<u>\$1,366,058</u>

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$379,659	\$476,514	\$381,558	(\$94,956)
Municipal Income Tax	3,671,168	4,607,714	3,903,376	(704,338)
Charges for Services	54,334	68,195	51,776	(16,419)
Licenses, Permits and Fees	71,887	90,226	102,918	12,692
Fines and Forfeitures	115,080	144,438	84,176	(60,262)
Intergovernmental	1,103,104	1,384,516	1,180,605	(203,911)
Interest	223,518	231,915	116,367	(115,548)
Other	34,556	43,372	6,710	(36,662)
<i>Total Revenues</i>	5,653,306	7,046,890	5,827,486	(1,219,404)
Expenditures				
Current:				
General Government	2,153,133	2,239,199	2,072,898	166,301
Security of Persons and Property	2,369,540	2,551,776	2,230,632	321,144
Community Environment	308,430	276,381	268,479	7,902
Leisure Time Activities	168,477	176,682	156,451	20,231
<i>Total Expenditures</i>	4,999,580	5,244,038	4,728,460	515,578
<i>Excess of Revenues Over Expenditures</i>	653,726	1,802,852	1,099,026	(703,826)
Other Financing Sources (Uses)				
Advances In	516,000	516,000	545,277	29,277
Advances Out	(100,000)	(613,339)	(733,339)	(120,000)
Transfers Out	(1,554,767)	(1,738,529)	(1,627,890)	110,639
<i>Total Other Financing Sources (Uses)</i>	(1,138,767)	(1,835,868)	(1,815,952)	19,916
<i>Net Change in Fund Balance</i>	(485,041)	(33,016)	(716,926)	(683,910)
<i>Fund Balance Beginning of Year</i>	304,896	304,896	304,896	0
Prior Year Encumbrances Appropriated	69,934	69,934	69,934	0
<i>Fund Balance (Deficit) End of Year</i>	(\$110,211)	\$341,814	(\$342,096)	(\$683,910)

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Tax	\$70,450	\$70,450	\$70,450	\$0
Charges for Services	20,729	18,319	44,236	25,917
Intergovernmental	865,265	764,682	612,367	(152,315)
Other	3,591	3,591	3,591	0
<i>Total Revenues</i>	960,035	857,042	730,644	(126,398)
Expenditures				
Current:				
Transportation	1,280,764	1,495,653	1,406,510	89,143
<i>Excess of Revenues</i> <i>Under Expenditures</i>	(320,729)	(638,611)	(675,866)	(37,255)
Other Financing Sources				
Proceeds From Sale of Capital Assets	10,263	8,652	80,000	71,348
Transfers In	361,657	361,657	395,402	33,745
<i>Total Other Financing Sources</i>	371,920	370,309	475,402	105,093
<i>Net Change in Fund Balance</i>	51,191	(268,302)	(200,464)	67,838
<i>Fund Balance Beginning of Year</i>	539,732	539,732	539,732	0
Prior Year Encumbrances Appropriated	23,884	23,884	23,884	0
<i>Fund Balance End of Year</i>	\$614,807	\$295,314	\$363,152	\$67,838

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Levy Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Property Taxes	\$476,639	\$476,639	\$466,627	(\$10,012)
Intergovernmental	68,337	68,337	66,906	(1,431)
<i>Total Revenues</i>	<u>544,976</u>	<u>544,976</u>	<u>533,533</u>	<u>(11,443)</u>
Expenditures				
Current:				
Security of Persons and Property:	592,814	592,814	577,264	15,550
<i>Excess of Revenues Under Expenditures</i>	<u>(47,838)</u>	<u>(47,838)</u>	<u>(43,731)</u>	<u>4,107</u>
Other Financing Sources				
General Obligation Notes Issued	411,000	411,000	411,000	0
Advances In	0	0	120,000	120,000
<i>Total Other Financing Sources</i>	<u>411,000</u>	<u>411,000</u>	<u>531,000</u>	<u>120,000</u>
<i>Net Change in Fund Balance</i>	363,162	363,162	487,269	124,107
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$363,162</u></u>	<u><u>\$363,162</u></u>	<u><u>\$487,269</u></u>	<u><u>\$124,107</u></u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Fund Net Assets
Internal Service Fund
For the Year Ended December 31, 2008

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$148,054
Liabilities	
Claims Payable	<u>117,175</u>
Net Assets	
Unrestricted	<u>\$30,879</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Year Ended December 31, 2008*

	Insurance
Operating Revenues	
Charges for Services	\$595,918
Operating Expenses	
Purchased Services	296,604
Claims	395,697
<i>Total Operating Expenses</i>	692,301
<i>Operating Loss</i>	(96,383)
<i>Net Assets Beginning of Year</i>	127,262
<i>Net Assets End of Year</i>	\$30,879

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2008

	Insurance
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$595,918
Cash Payments for Goods and Services	(271,981)
Cash Payments for Claims	(394,483)
<i>Net Decrease in Cash and Cash Equivalents</i>	(70,546)
<i>Cash and Cash Equivalents Beginning of Year</i>	218,600
<i>Cash and Cash Equivalents End of Year</i>	\$148,054
 <i>Reconciliation of Operating Loss to</i>	
<i>Net Cash Used in Operating Activities</i>	
<i>Operating Loss</i>	(\$96,383)
 Adjustments	
Decrease in Prepaid Items	24,623
Increase in Claims Payable	1,214
<i>Net Cash Used in Operating Activities</i>	(\$70,546)

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2008

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$39,131</u></u>
Liabilities	
Undistributed Assets	<u><u>\$39,131</u></u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

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

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

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the City that are governmental and those that are considered business-type; the City, however, has no business-type activities.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

B. Fund Accounting

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

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's only internal service fund accounts for a self-insurance program for employee medical claims.

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

C. Measurement Focus

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

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its internal service activity.

D. Basis of Accounting

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue.

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. Budgetary information for the Waterlines capital projects fund is not reported because it is not included in the entity for which the "appropriate budget" is adopted and does not maintain budgetary financial records. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by City Council at the object level within each department for all funds. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

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

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

F. Cash and Cash Equivalents

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

During 2008, investments were limited to a repurchase agreement which is presented at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund, and certain special revenue funds. Interest revenue credited to the general fund during 2008 amounted to \$84,613, which includes \$67,833 assigned from other City funds.

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

I. Capital Assets

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

J. Interfund Balances

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

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for services for self-insurance. Operating expenses are necessary costs incurred to provide the service for the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

O. Internal Activity

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

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

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for law enforcement and recycling.

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

R. Estimates

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 3 – Change in Accounting Principles

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”. GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessment and cleanups. The implementation of this Statement did not result in any change to the City’s financial statements.

Note 4 – Accountability and Compliance

A. Accountability

The following funds had a deficit fund balance/net assets as of December 31, 2008:

Special Revenue Fund:	
Fire	\$83,893
Capital Projects Funds:	
The Meadows at Johnson	171,729
Gardner Phase II	204,339
Wadsworth Berry McGowen	359,210

The deficits in all funds above, other than Meadows at Johnson, were caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

The Meadows at Johnson capital projects fund’s deficit was the result of the issuance of short-term manuscript notes reported on the financial statements as interfund receivable and payable (See Note 18). The deficit will be eliminated once bonds are issued and the notes are paid.

B. Compliance

Contrary to Section 5705.10 Ohio Revised Code, the City had negative fund balances in the Wadsworth Berry McGowan fund at March 31, 2008, May 31, 2008 and September 30, 2008. In addition, the City had negative fund balances in the state highway fund at March 31, 2008, the state highway and general obligation bond retirement debt service fund at May 31, 2008 and the special permissive license plate tax fund at September 30, 2008.

Contrary to Section 5705.14, 5705.15 and 5705.16, Ohio Revised Code, the City did not make advances that were authorized by City Council and transfers were made contrary to Council’s authorized amounts.

Contrary to Section 5705.39, Ohio Revised Code, the City had total appropriations exceed total estimated resources for the following funds: general, special permissive license plate tax, buildings, equipment, Gardner phase III, and Wadsworth Berry McGowan funds as of the original appropriations. Total appropriations exceeded total estimated resources for the following funds: general, fire, emergency medical services, special permissive license plate tax, buildings, and Gardner phase II as of May 31, 2008.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 5 - Budgetary Basis of Accounting

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

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances-In and Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

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

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy
	<u> </u>	<u> </u>	<u> </u>
GAAP Basis	(\$214,737)	(\$152,203)	\$53,478
Net Adjustment for Revenue Accruals	(106,879)	71,130	411,000
Advances In	545,277	0	120,000
Beginning Unrecorded Cash	18,592	0	0
Ending Unrecorded Cash	(2,118)	0	0
Net Adjustment for			
Expenditure Accruals	11,827	(16,412)	6,863
Advances Out	(733,339)	0	0
Adjustments for Encumbrances	(235,549)	(102,979)	(104,072)
Budget Basis	<u><u>(\$716,926)</u></u>	<u><u>(\$200,464)</u></u>	<u><u>\$487,269</u></u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 6 - Deposits and Investments

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

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$3,057,966 and the bank balance was \$2,988,096. Of the bank balance \$650,000 was covered by federal depository insurance and \$2,338,096 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2008, the City had an investment in a repurchase agreement with a fair value of \$1,360,000. The underlying securities of the repurchase agreement are the Federal Home Loan Mortgage Bonds and have a maturity of less than thirty days.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Mortgage Bonds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute which states that the securities must be delivered into the custody of the Finance Director or the Finance Director's agent.

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

Note 7 - Receivables

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest and accounts receivable.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except for special assessments and delinquent property taxes, are expected to be collected within one year.

Special assessments expected to be collected in one year amount to \$42,235, with the remaining \$724,170 expected to be collected in more than one year. At December 31, 2008, the amount of delinquent special assessments was \$8,289.

Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

2008 real property taxes are levied after October 1, 2008 on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero percent for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all City operations for the year ended December 31, 2008 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Estate	
Residential/Agricultural	\$218,888,440
Other Real Estate	41,757,830
Tangible Personal Property	
Public Utility	5,144,670
General	6,536,255
Total	\$272,327,195

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Norton. The County Fiscal Officer periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since current taxes were not levied to finance 2008 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and a revenue while the remainder of the receivable is deferred.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

B. Income Tax

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Beginning in 2008, income tax proceeds, after income tax department expenditures, are credited to the general fund.

C. Intergovernmental Receivables

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

	<u>Amounts</u>
Local Government	\$337,286
Grants	284,768
Gasoline tax	164,739
Homestead and Rollback	150,151
Cents Per Gallon	87,196
Motor Vehicle License Registration	55,441
Permissive Motor Vehicle License Tax	47,646
Public Utilities	9,391
Inheritance Tax	<u>6,600</u>
Total	<u><u>\$1,143,218</u></u>

Note 8 - Contingencies

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2008.

B. Litigation

Three claims or lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2008.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balance 12/31/07	Additions	Reductions	Balance 12/31/08
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$330,122	\$356,426	(\$6,000)	\$680,548
Construction in Progress	1,979,846	270,134	(1,894,988)	354,992
<i>Total Capital Assets, not being depreciated</i>	<u>2,309,968</u>	<u>626,560</u>	<u>(1,900,988)</u>	<u>1,035,540</u>
Capital Assets, being depreciated:				
Land Improvements	0	611,536	0	611,536
Buildings and Improvements	1,614,313	298,835	(23,970)	1,889,178
Equipment, Furniture and Fixtures	2,322,117	211,485	(731,154)	1,802,448
Vehicles	2,481,521	731,989	(352,196)	2,861,314
Infrastructure:				
Water Lines	2,696,876	539,097	0	3,235,973
Sanitary Sewer Lines	4,790,434	0	0	4,790,434
Roads	1,407,317	1,016,883	0	2,424,200
<i>Total Capital Assets, being depreciated</i>	<u>15,312,578</u>	<u>3,409,825</u>	<u>(1,107,320)</u>	<u>17,615,083</u>
Less Accumulated Depreciation:				
Land Improvements	0	(23,776)	0	(23,776)
Buildings and Improvements	(669,319)	(26,048)	12,144	(683,223)
Equipment, Furniture and Fixtures	(1,338,181)	(168,796)	479,796	(1,027,181)
Vehicles	(1,252,141)	(239,250)	283,588	(1,207,803)
Infrastructure:				
Water Lines	(385,797)	(32,360)	0	(418,157)
Sanitary Sewer Lines	(299,750)	(47,904)	0	(347,654)
Roads	(126,061)	(96,817)	0	(222,878)
<i>Total Accumulated Depreciation</i>	<u>(4,071,249)</u>	<u>(634,951) *</u>	<u>775,528</u>	<u>(3,930,672)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>11,241,329</u>	<u>2,774,874</u>	<u>(331,792)</u>	<u>13,684,411</u>
Governmental Activities Capital Assets, Net	<u>\$13,551,297</u>	<u>\$3,401,434</u>	<u>(\$2,232,780)</u>	<u>\$14,719,951</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$79,559
Security of Persons and Property	187,762
Transportation	273,375
Community Environment	198
Public Health Services	80,264
Leisure Time Activities	13,793
Total Depreciation Expense	<u>\$634,951</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 10 – Notes Payable

A summary of the note transactions for the year ended December 31, 2008, follows:

	Outstanding 12/31/2007	Issued	Retired	Outstanding 12/31/2008
Vehicle Acquisition Note	\$0	\$411,000	\$0	\$411,000
Various Purpose Note	0	152,000	0	152,000
Total	\$0	\$563,000	\$0	\$563,000

All of the notes were bond anticipation notes which are backed by the full faith and credit of the City, and mature within one year. The note liability is reflected in the fund which received the proceeds.

On August 20, 2008, the City was issued \$411,000 in bond anticipation notes in the fire/ems capital levy fund at an interest rate of 3.79 percent. The note was issued for the acquisition of an evacuation/rescue vehicle and will mature on August 20, 2009.

On December 31, 2008, the City was issued \$152,000 in bond anticipation notes at an interest rate of 3.56 percent. \$50,000 was used in the streets, highways and bridges fund to pay the costs of purchasing equipment for the City's Department of Public Services and \$102,000 in the land and land improvements fund for constructing, equipping and otherwise improving ball field improvements. The note will mature on December 31, 2009.

Note 11 - Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds</i>				
Street Improvement	2003	2.00%	\$570,000	December 1, 2018
Police Cruisers	2003	2.00	55,000	December 1, 2008
Police Radio System	2003	2.00	415,000	December 1, 2018
Road Program	2003	2.00	520,000	December 1, 2018
Ballfields	2003	2.00	260,000	December 1, 2023
Gardner Engineering	2003	2.00	215,000	December 1, 2023
Barber Road Sanitary Sewer	2003	2.00	1,496,940	December 1, 2023
<i>Special Assessment Bonds</i>				
1996 Special Assessments	1996	6.60	122,000	December 1, 2016
Barber Road Special Assessments	2003	2.00	888,060	December 1, 2023

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

A schedule of changes in bonds and other long-term obligations of the City during 2008 follows:

	Amounts Outstanding 12/31/07	Additions	Reductions	Amounts Outstanding 12/31/08	Amounts Due in One Year
<i>General Obligation Bonds:</i>					
Street Improvement	\$435,000	\$0	(\$35,000)	\$400,000	\$35,000
Police Cruisers	15,000	0	(15,000)	0	0
Police Radio System	315,000	0	(25,000)	290,000	25,000
Road Program	400,000	0	(30,000)	370,000	35,000
Ballfields	220,000	0	(10,000)	210,000	10,000
Gardner Engineering	175,000	0	(10,000)	165,000	10,000
Barber Road Sanitary Sewer	1,269,649	0	(62,765)	1,206,884	62,765
<i>Total General Obligation Bonds</i>	<u>2,829,649</u>	<u>0</u>	<u>(187,765)</u>	<u>2,641,884</u>	<u>177,765</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment:</i>					
1996 Special Assessment	65,000	0	(5,000)	60,000	5,000
Barber Road Special Assessment	735,351	0	(37,235)	698,116	37,235
<i>Total Special Assessment Bonds</i>	<u>800,351</u>	<u>0</u>	<u>(42,235)</u>	<u>758,116</u>	<u>42,235</u>
<i>Other Long-Term Liabilities</i>					
Capital Leases	12,295	0	(2,931)	9,364	3,364
Claims and Judgement Payable	140,000	0	(70,000)	70,000	70,000
Compensated Absences	673,637	236,854	(220,249)	690,242	231,618
<i>Total Other Long-Term Liabilities</i>	<u>825,932</u>	<u>236,854</u>	<u>(293,180)</u>	<u>769,606</u>	<u>304,982</u>
<i>Total Governmental Long-Term Liabilities</i>	<u>\$4,455,932</u>	<u>\$236,854</u>	<u>(\$523,180)</u>	<u>\$4,169,606</u>	<u>\$524,982</u>

General obligation bonds will be paid from taxes receipted in the debt service funds. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The capital leases will be paid from the general fund.

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

On February 22, 2007, the City of Norton and the City of Barberton reached an agreement concerning the City of Barberton's attempt to recover payment of income tax revenues due pursuant to a Joint Economic Development District agreement entered into between the City of Norton and the City of Barberton in 1997. The City shall pay the City of Barberton \$210,000 in consecutive annual payments of \$70,000. This is reported in the government-wide statements and will be paid out of the general fund.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

The City's overall debt margin was \$24,829,491 and the unvoted legal debt margin was \$11,213,112 at December 31, 2008.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2008, are as follows:

	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2009	\$177,765	\$86,337	\$42,235	\$29,143
2010	180,903	82,232	44,097	27,542
2011	180,313	77,323	44,687	26,622
2012	193,451	73,354	46,549	24,430
2013	202,180	67,460	52,820	22,828
2014-2018	1,079,918	238,556	265,082	83,922
2019-2023	627,354	76,598	262,646	33,602
Total	<u>\$2,641,884</u>	<u>\$701,860</u>	<u>\$758,116</u>	<u>\$248,089</u>

Note 12 – Capital Lease

In 2006, the City entered into a capital lease for a copier. The City's lease obligations meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases". Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. The original amounts capitalized for the capital lease and the book value as of December 31, 2008 follows:

<i>Asset:</i>	
Equipment, Furniture and Fixtures	\$16,000
Less: Accumulated Depreciation	<u>(6,400)</u>
Total Book Value as of December 31, 2008	<u>\$9,600</u>

The following is a schedule of the future minimum leases payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2008.

Year Ending December 31,	Amounts
2009	\$4,452
2010	4,452
2011	<u>2,226</u>
Total Minimum Lease Payments	11,130
Less: Amount representing interest	<u>(1,766)</u>
Present Value of Minimum Lease Payments	<u>\$9,364</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 13 – Compensated Absences

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

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

Note 14 – Risk Management

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

Type of Coverage	Deductible	Coverage
Bond - Finance Director	\$0	\$100,000
Bond - Mayor	0	50,000
Bond - Administrator	0	50,000
Bond - Clerk of Mayor's Court	0	75,000
Public Officials Liability	25,000	1,000,000
Law Enforcement Liability	25,000	1,000,000
Commercial Property	1,000	5,000,000
Personal Property	1,000	1,000,000
Inland Marine	1,000	1,000,000
General Liability	1,000	1,000,000
Commercial Crime	500	100,000
Ambulance and EMT Liability	0	1,000,000
Firemen's Errors and Omissions	0	1,000,000
Automobile Liability	0	1,000,000
Automobile Comprehensive	500	1,000,000
Automobile Collision	500	1,000,000
Umbrella Liability	0	4,000,000

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

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

The City manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health coverage through Benefit Service Claims, the third party administrators of the program, which reviews and pays the claims. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$20,000 per employee, per year. The City charges \$932 per employee per month to cover healthcare costs.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

The claims liability of \$117,175 reported in the self-insurance fund at December 31, 2008, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the internal services funds' claims liability amounts in the last two years follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$66,698	\$495,331	\$446,068	\$115,961
2008	115,961	395,697	394,483	117,175

Note 15 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.4 percent of covered payroll. The Ohio revised Code provides statutory authority for member and employer contributions.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$124,082, \$144,256, and \$147,076 respectively; 88.0 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$3,415 made by the City and \$4,782 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2008, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to OP&F for police and firefighters were \$134,467 and \$24,834 for the year ended December 31, 2008, \$138,744 and \$39,388 for the year ended December 31, 2007 and \$118,595 and \$38,834 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 62.93 percent has been contributed for police and 52.92 percent has been contributed for firefighters for 2008.

C. Social Security System

As of December 31, 2008, the city's part-time firefighters have elected to be covered by Social Security rather than OPERS. The City's liability is 6.2 percent of wages paid.

Note 16- Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, state and local employers contributed 14.0 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. A portion of each employers contribution to the traditional and combined plans is set aside for the funding of post retirement health care.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$124,082, \$95,019 and \$63,946 respectively; 88.0 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contributions rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Police and Firemen's Disability and Pension Fund

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

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

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

Funding policy – OP&F's post-employment health care plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$71,189 and \$9,718 for the year ended December 31, 2008, \$73,453 and \$15,413 for the year ended December 31, 2007, and \$78,222 and \$18,521 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 62.93 percent has been contributed for police and 52.92 percent has been contributed for firefighters for 2008.

Note 17 – Joint Economic Development Zones

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

Note 18 - Interfund Transfers and Balances

A. Transfers

Interfund transfers for the year ended December 31, 2008, consisted of the following:

Transfer To	Transfer From General
Street Construction,	
Maintenance and Repair	\$395,402
Special Assessment Bond Retirement	105,000
Nonmajor Funds	1,127,488
Total	\$1,627,890

Transfers are used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations; and to segregate money for anticipated capital projects.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

B. Balances

The Meadows at Johnson manuscript note was issued on October 28, 2008 at 6 percent. This note is due on October 28, 2009 and was used to develop real estate on Johnson Road. The manuscript notes were issued by the City and purchased by the sanitary sewer fund as an investment. The manuscript note is reflected as an interfund payable/receivable in the amount of \$560,000.

At December 31, 2008, the general fund had an interfund receivable of \$733,339. This balance was made to support programs and projects in the fire, special permissive and the fire/ems levy special revenue fund and the Gardner issue II and Wadsworth Berry McGowan capital projects funds pending the receipt of property tax and grant monies that will be used to repay the loans. All are expected to be paid within one year.

Note 19 – Subsequent Events

The City passed Ordinance 53-2009 which is to provide for issuance and sale of notes not to exceed \$1,400,000 of the City of Norton in anticipation of the issuance of bonds and the levy and collection of special assessments to pay the costs of improvement of Cleveland Massillon Road, Greenridge Road, Durham Road, Driftwood Road, and certain other parcels by constructing and installing water lines, together with all the necessary appurtenances thereto, comprising the Cleveland-Massillon Road Water Improvement Project.

The City also passed Ordinance 48-2009 reducing the tax credit permitted on municipal income tax paid by residents to another municipality from 2 percent to 1.5 percent for a twenty-five year period commencing July 1, 2009. The additional revenue is to be used to bring city wide sewer and water and repair roads in those areas only.

**Combining Statements and
Individual Fund Schedules**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

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

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.

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 Services Fund To account for revenues received from real and personal property taxes and EMS billings. Expenditures may be used for EMS operations and EMS pension.

DARE Program Fund To account for revenues received from DARE activities. Expenditures may only be used for DARE activities.

Drug Law Enforcement Fund To account for proceeds received 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.

Law Enforcement Assistance Fund To account for revenues and expenditures designated for the Law Enforcement Assistance program.

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.

Community Center Fund To account for revenue from rental fees which provides for the furnishings and upkeep of the Community Center building supplemented by the General Fund.

Greenwich Road Fund To provide for the collection of rent and future payments for repairs and expenses for the rental of the property supplemented by the General Fund.

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

Special Event Fund To account for various revenue to be used to pay the cost of presenting fireworks at the annual cider festival.

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.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

Water System Fund To account for water line maintenance fees.

Sanitary Sewer Fund To account for sewer line maintenance fees.

Brentwood Water Fund To account for water line maintenance fees for water lines in the Brentwood area.

Assistance to Firefighters Fund To account for revenues and expenditures designated for Assistance to Firefighters Grant

Nonmajor Debt Service Fund

The debt service fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

General Obligation Bond Retirement Fund To accumulate monies for the payment of interest and principal on general obligation bonds.

Nonmajor Capital Projects Funds

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

The Meadows at Johnson Fund To account for revenues and expenditures designated for the construction of roads in the Meadows at Johnson area.

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.

Streets, Highways and Bridges Fund To account for revenues and expenditures designated for the maintaining of City streets and highways within City limits.

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

Waterlines Fund To account for revenues and expenditures designated for the construction and maintenance of waterlines. The operations of this fund are not budgeted.

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

Connect Road Fund To account for grants used for a connecting road. This fund did not have any budgetary activity in 2008, therefore, budgetary information is not provided.

Gardner Phase I Fund To account for note proceeds and expenses for water line construction.

Gardner Phase II Fund To account for note proceeds and expenses for water line construction.

Gardner Phase III Fund To account for note proceeds and expenses for water line construction. This fund did not have any budgetary activity in 2008, therefore, budgetary information is not provided.

Wadsworth Berry McGowan Fund To account for revenues and expenditures designated for water line construction.

Cleveland Massillon Road Waterline Fund To account for revenues and expenditures designated for water line construction. This fund did not have any budgetary activity in 2008, therefore, budgetary information is not provided.

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,599,204	\$32,020	\$809,185	\$2,440,409
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	390,431	390,431
Accounts Receivable	195,403	0	30,039	225,442
Accrued Interest Receivable	8,406	0	0	8,406
Intergovernmental Receivable	120,037	0	169,743	289,780
Interfund Receivable	560,000	0	0	560,000
Prepaid Items	4,576	0	0	4,576
Property Taxes Receivable	721,696	0	0	721,696
<i>Total Assets</i>	<u>\$3,209,322</u>	<u>\$32,020</u>	<u>\$1,399,398</u>	<u>\$4,640,740</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$13,720	\$0	\$149,550	\$163,270
Accrued Wages	44,682	0	0	44,682
Intergovernmental Payable	30,764	0	0	30,764
Contracts Payable	324,321	0	0	324,321
Notes Payable	0	0	152,000	152,000
Interfund Payable	79,000	0	1,094,339	1,173,339
Accrued Interest Payable	0	0	6,067	6,067
Deferred Revenue	962,018	0	169,743	1,131,761
<i>Total Liabilities</i>	<u>1,454,505</u>	<u>0</u>	<u>1,571,699</u>	<u>3,026,204</u>
Fund Balances				
Reserved for Encumbrances	134,100	0	9,934	144,034
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,620,717	0	0	1,620,717
Debt Service Fund (Deficit)	0	32,020	0	32,020
Capital Projects Funds (Deficit)	0	0	(182,235)	(182,235)
<i>Total Fund Balances (Deficit)</i>	<u>1,754,817</u>	<u>32,020</u>	<u>(172,301)</u>	<u>1,614,536</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,209,322</u>	<u>\$32,020</u>	<u>\$1,399,398</u>	<u>\$4,640,740</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$910,410	\$0	\$0	\$910,410
Charges for Services	570,215	0	145,112	715,327
Fines and Forfeitures	21,671	0	0	21,671
Intergovernmental	628,439	0	41,258	669,697
Interest	11,411	0	0	11,411
Other	15,668	0	14,749	30,417
<i>Total Revenues</i>	<u>2,157,814</u>	<u>0</u>	<u>201,119</u>	<u>2,358,933</u>
Expenditures				
Current:				
General Government	114,522	0	0	114,522
Security of Persons and Property	1,372,354	0	0	1,372,354
Transportation	471,505	0	0	471,505
Community Environment	151	0	0	151
Public Health Services	54,164	0	0	54,164
Leisure Time Activities	26,151	0	0	26,151
Capital Outlay	0	0	975,903	975,903
Debt Service:				
Principal Retirement	0	115,000	10,000	125,000
Interest and Fiscal Charges	0	40,788	11,009	51,797
<i>Total Expenditures</i>	<u>2,038,847</u>	<u>155,788</u>	<u>996,912</u>	<u>3,191,547</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>118,967</u>	<u>(155,788)</u>	<u>(795,793)</u>	<u>(832,614)</u>
Other Financing Sources				
Transfers In	562,249	156,894	408,345	1,127,488
<i>Net Change in Fund Balances</i>	681,216	1,106	(387,448)	294,874
<i>Fund Balances Beginning of Year</i>	<u>1,073,601</u>	<u>30,914</u>	<u>215,147</u>	<u>1,319,662</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,754,817</u>	<u>\$32,020</u>	<u>(\$172,301)</u>	<u>\$1,614,536</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	State Highway Improvement	Special Permissive License Plate Tax	Fire	Emergency Medical Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,977	\$596,717	\$30,893	\$213,915
Accounts Receivable	0	0	0	153,060
Accrued Interest Receivable	0	2,339	0	0
Intergovernmental Receivable	24,120	33,390	29,517	27,560
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	2,014	2,108
Property Taxes Receivable	0	0	353,550	290,336
<i>Total Assets</i>	<u>\$31,097</u>	<u>\$632,446</u>	<u>\$415,974</u>	<u>\$686,979</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$1,497	\$9,077	\$300
Accrued Wages	0	0	22,341	22,341
Intergovernmental Payable	0	0	15,382	15,382
Contracts Payable	0	324,321	0	0
Interfund Payable	0	9,000	70,000	0
Deferred Revenue	16,345	23,707	383,067	427,240
<i>Total Liabilities</i>	<u>16,345</u>	<u>358,525</u>	<u>499,867</u>	<u>465,263</u>
Fund Balances:				
Reserved for Encumbrances	0	103,488	3,017	2,833
Unreserved, Undesignated (Deficit)	14,752	170,433	(86,910)	218,883
<i>Total Fund Balances (Deficit)</i>	<u>14,752</u>	<u>273,921</u>	<u>(83,893)</u>	<u>221,716</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$31,097</u>	<u>\$632,446</u>	<u>\$415,974</u>	<u>\$686,979</u>

<u>DARE Program</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>DWI Enforcement and Education</u>	<u>Community Center</u>
\$11,970	\$1,464	\$8,267	\$4,380	\$19,812	\$33,023
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	384
0	0	0	0	0	0
<u>\$11,970</u>	<u>\$1,464</u>	<u>\$8,267</u>	<u>\$4,380</u>	<u>\$19,812</u>	<u>\$33,407</u>
\$0	\$0	\$0	\$0	\$0	\$587
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>587</u>
0	0	0	0	0	1,140
<u>11,970</u>	<u>1,464</u>	<u>8,267</u>	<u>4,380</u>	<u>19,812</u>	<u>31,680</u>
<u>11,970</u>	<u>1,464</u>	<u>8,267</u>	<u>4,380</u>	<u>19,812</u>	<u>32,820</u>
<u>\$11,970</u>	<u>\$1,464</u>	<u>\$8,267</u>	<u>\$4,380</u>	<u>\$19,812</u>	<u>\$33,407</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2008

	Greenwich Road	Cemetery	Special Event	Recycling	Scrap Tire
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,471	\$6,636	\$3,016	\$5,416	\$933
Accounts Receivable	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Prepaid Items	70	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,541</u>	<u>\$6,636</u>	<u>\$3,016</u>	<u>\$5,416</u>	<u>\$933</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Contracts Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Unreserved, Undesignated (Deficit)	1,541	6,636	3,016	5,416	933
<i>Total Fund Balances (Deficit)</i>	<u>1,541</u>	<u>6,636</u>	<u>3,016</u>	<u>5,416</u>	<u>933</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,541</u>	<u>\$6,636</u>	<u>\$3,016</u>	<u>\$5,416</u>	<u>\$933</u>

Police and Fire Disability and Pension	Mayor's Court	Water System	Sanitary Sewer	Brentwood Water	Total Nonmajor Special Revenue Funds
\$93,574	\$20,723	\$266,479	\$212,512	\$61,026	\$1,599,204
0	0	20,133	15,911	6,299	195,403
0	0	0	6,067	0	8,406
5,450	0	0	0	0	120,037
0	0	0	560,000	0	560,000
0	0	0	0	0	4,576
77,810	0	0	0	0	721,696
<u>\$176,834</u>	<u>\$20,723</u>	<u>\$286,612</u>	<u>\$794,490</u>	<u>\$67,325</u>	<u>\$3,209,322</u>
\$0	\$547	\$0	\$1,112	\$600	\$13,720
0	0	0	0	0	44,682
0	0	0	0	0	30,764
0	0	0	0	0	324,321
0	0	0	0	0	79,000
83,260	0	11,845	10,255	6,299	962,018
<u>83,260</u>	<u>547</u>	<u>11,845</u>	<u>11,367</u>	<u>6,899</u>	<u>1,454,505</u>
0	11,150	6,327	4,545	1,600	134,100
93,574	9,026	268,440	778,578	58,826	1,620,717
<u>93,574</u>	<u>20,176</u>	<u>274,767</u>	<u>783,123</u>	<u>60,426</u>	<u>1,754,817</u>
<u>\$176,834</u>	<u>\$20,723</u>	<u>\$286,612</u>	<u>\$794,490</u>	<u>\$67,325</u>	<u>\$3,209,322</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008

	State Highway Improvement	Special Permissive License Plate Tax	Fire	Emergency Medical Services
Revenues				
Property Taxes	\$0	\$0	\$453,195	\$385,673
Charges for Services	0	0	0	284,730
Fines and Forfeitures	0	0	0	0
Intergovernmental	48,986	165,798	109,531	94,580
Interest	79	5,265	0	0
Other	0	0	4,600	6,992
<i>Total Revenues</i>	<u>49,065</u>	<u>171,063</u>	<u>567,326</u>	<u>771,975</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	573,646	601,150
Transportation	44,881	426,624	0	0
Community Environment	0	0	0	0
Public Health Services	0	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>44,881</u>	<u>426,624</u>	<u>573,646</u>	<u>601,150</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	4,184	(255,561)	(6,320)	170,825
Other Financing Sources				
Transfers In	593	519,046	0	0
<i>Net Change in Fund Balances</i>	4,777	263,485	(6,320)	170,825
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>9,975</u>	<u>10,436</u>	<u>(77,573)</u>	<u>50,891</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$14,752</u></u>	<u><u>\$273,921</u></u>	<u><u>(\$83,893)</u></u>	<u><u>\$221,716</u></u>

<u>DARE Program</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>DWI Enforcement and Education</u>	<u>Community Center</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	537	1,915	0	5,380	0
20,822	0	0	4,380	0	0
0	0	0	0	0	0
0	0	0	0	0	3,825
<u>20,822</u>	<u>537</u>	<u>1,915</u>	<u>4,380</u>	<u>5,380</u>	<u>3,825</u>
0	0	0	0	0	0
10,712	0	5,000	0	7,646	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	24,820
<u>10,712</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>7,646</u>	<u>24,820</u>
10,110	537	(3,085)	4,380	(2,266)	(20,995)
0	0	0	0	0	20,000
10,110	537	(3,085)	4,380	(2,266)	(995)
1,860	927	11,352	0	22,078	33,815
<u>\$11,970</u>	<u>\$1,464</u>	<u>\$8,267</u>	<u>\$4,380</u>	<u>\$19,812</u>	<u>\$32,820</u>

(continued)

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2008

	Greenwich Road	Cemetery	Special Event	Recycling	Scrap Tire
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	288	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	0	0	2,916	0
Interest	0	0	0	0	0
Other	1	0	250	0	0
<i>Total Revenues</i>	<u>1</u>	<u>288</u>	<u>250</u>	<u>2,916</u>	<u>0</u>
Expenditures					
Current:					
General Government	0	0	10,000	0	0
Security of Persons and Property	0	0	0	0	0
Transportation	0	0	0	0	0
Community Environment	0	0	0	0	151
Public Health Services	0	14	0	0	0
Leisure Time Activities	1,331	0	0	0	0
<i>Total Expenditures</i>	<u>1,331</u>	<u>14</u>	<u>10,000</u>	<u>0</u>	<u>151</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,330)	274	(9,750)	2,916	(151)
Other Financing Sources					
Transfers In	1,900	0	12,000	0	0
<i>Net Change in Fund Balances</i>	570	274	2,250	2,916	(151)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>971</u>	<u>6,362</u>	<u>766</u>	<u>2,500</u>	<u>1,084</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,541</u></u>	<u><u>\$6,636</u></u>	<u><u>\$3,016</u></u>	<u><u>\$5,416</u></u>	<u><u>\$933</u></u>

Police and Fire Disability and Pension	Mayor's Court	Water System	Sanitary Sewer	Brentwood Water	Assistance to Firefighters	Total Nonmajor Special Revenue Funds
\$71,542	\$0	\$0	\$0	\$0	\$0	\$910,410
0	0	133,244	146,181	5,772	0	570,215
0	13,839	0	0	0	0	21,671
15,936	0	0	0	0	165,490	628,439
0	0	0	6,067	0	0	11,411
0	0	0	0	0	0	15,668
<u>87,478</u>	<u>13,839</u>	<u>133,244</u>	<u>152,248</u>	<u>5,772</u>	<u>165,490</u>	<u>2,157,814</u>
86,675	17,847	0	0	0	0	114,522
0	0	0	0	0	174,200	1,372,354
0	0	0	0	0	0	471,505
0	0	0	0	0	0	151
0	0	24,719	20,587	8,844	0	54,164
0	0	0	0	0	0	26,151
<u>86,675</u>	<u>17,847</u>	<u>24,719</u>	<u>20,587</u>	<u>8,844</u>	<u>174,200</u>	<u>2,038,847</u>
803	(4,008)	108,525	131,661	(3,072)	(8,710)	118,967
0	0	0	0	0	8,710	562,249
803	(4,008)	108,525	131,661	(3,072)	0	681,216
92,771	24,184	166,242	651,462	63,498	0	1,073,601
<u>\$93,574</u>	<u>\$20,176</u>	<u>\$274,767</u>	<u>\$783,123</u>	<u>\$60,426</u>	<u>\$0</u>	<u>\$1,754,817</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008

	The Meadows at Johnson	Land and Land Improvements	Buildings	Equipment
Assets				
Equity in Pooled Cash and Cash Equivalents	\$394,338	\$46,128	\$14,964	\$77,566
Cash and Cash Equivalents in With Fiscal Agents	0	0	0	0
Accounts Receivable	0	30,039	0	0
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$394,338</u>	<u>\$76,167</u>	<u>\$14,964</u>	<u>\$77,566</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Notes Payable	0	102,000	0	0
Interfund Payable	560,000	0	0	0
Accrued Interest Payable	6,067	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>566,067</u>	<u>102,000</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	310	0	0
Unreserved, Undesignated (Deficit)	(171,729)	(26,143)	14,964	77,566
<i>Total Fund Balances (Deficit)</i>	<u>(171,729)</u>	<u>(25,833)</u>	<u>14,964</u>	<u>77,566</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$394,338</u>	<u>\$76,167</u>	<u>\$14,964</u>	<u>\$77,566</u>

Streets, Highways and Bridges	Storm Sewers	Sanitary Sewers	Connect Road	Gardner Phase I	Gardner Phase II
\$38,701	\$31,137	\$10,703	\$0	\$75,308	\$0
390,431	0	0	0	0	0
0	0	0	0	0	0
0	0	0	12,282	0	0
<u>\$429,132</u>	<u>\$31,137</u>	<u>\$10,703</u>	<u>\$12,282</u>	<u>\$75,308</u>	<u>\$0</u>
\$0	\$0	\$0	\$0	\$0	\$0
50,000	0	0	0	0	0
0	0	0	0	0	204,339
0	0	0	0	0	0
0	0	0	12,282	0	0
<u>50,000</u>	<u>0</u>	<u>0</u>	<u>12,282</u>	<u>0</u>	<u>204,339</u>
0	9,624	0	0	0	0
<u>379,132</u>	<u>21,513</u>	<u>10,703</u>	<u>0</u>	<u>75,308</u>	<u>(204,339)</u>
<u>379,132</u>	<u>31,137</u>	<u>10,703</u>	<u>0</u>	<u>75,308</u>	<u>(204,339)</u>
<u>\$429,132</u>	<u>\$31,137</u>	<u>\$10,703</u>	<u>\$12,282</u>	<u>\$75,308</u>	<u>\$0</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2008

	Gardner Phase III	Wadsworth Berry McGowan	Cleveland Massillon Road Waterline	Total Nonmajor Capital Projects Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$120,340	\$0	\$809,185
Cash and Cash Equivalents in With Fiscal Agents	0	0	0	390,431
Accounts Receivable	0	0	0	30,039
Intergovernmental Receivable	18,948	116,226	22,287	169,743
<i>Total Assets</i>	<u>\$18,948</u>	<u>\$236,566</u>	<u>\$22,287</u>	<u>\$1,399,398</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$149,550	\$0	\$149,550
Notes Payable	0	0	0	152,000
Interfund Payable	0	330,000	0	1,094,339
Accrued Interest Payable	0	0	0	6,067
Deferred Revenue	18,948	116,226	22,287	169,743
<i>Total Liabilities</i>	<u>18,948</u>	<u>595,776</u>	<u>22,287</u>	<u>1,571,699</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	9,934
Unreserved, Undesignated (Deficit)	0	(359,210)	0	(182,235)
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>(359,210)</u>	<u>0</u>	<u>(172,301)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$18,948</u>	<u>\$236,566</u>	<u>\$22,287</u>	<u>\$1,399,398</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008

	The Meadows at Johnson	Land and Land Improvements	Buildings	Equipment
Revenues				
Charges for Services	\$0	\$145,112	\$0	\$0
Intergovernmental	0	29,277	0	0
Other	0	1,400	0	9,194
<i>Total Revenues</i>	<u>0</u>	<u>175,789</u>	<u>0</u>	<u>9,194</u>
Expenditures				
Capital Outlay	1,242	58,023	476,736	46,002
Debt Service:				
Principal Retirement	0	10,000	0	0
Interest and Fiscal Charges	0	9,821	0	0
<i>Total Expenditures</i>	<u>1,242</u>	<u>77,844</u>	<u>476,736</u>	<u>46,002</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,242)	97,945	(476,736)	(36,808)
Other Financing Sources				
Transfers In	0	27,500	202,058	95,287
<i>Net Change in Fund Balances</i>	(1,242)	125,445	(274,678)	58,479
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(170,487)</u>	<u>(151,278)</u>	<u>289,642</u>	<u>19,087</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$171,729)</u>	<u>(\$25,833)</u>	<u>\$14,964</u>	<u>\$77,566</u>

(continued)

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds (continued)
For the Year Ended December 31, 2008

	Streets, Highways and Bridges	Storm Sewers	Waterlines	Sanitary Sewers
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay	0	7,278	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	810	0	378	0
<i>Total Expenditures</i>	<u>810</u>	<u>7,278</u>	<u>378</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(810)	(7,278)	(378)	0
Other Financing Sources				
Transfers In	28,750	18,000	36,750	0
<i>Net Change in Fund Balances</i>	27,940	10,722	36,372	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>351,192</u>	<u>20,415</u>	<u>(36,372)</u>	<u>10,703</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$379,132</u></u>	<u><u>\$31,137</u></u>	<u><u>\$0</u></u>	<u><u>\$10,703</u></u>

Gardner Phase I	Gardner Phase II	Wadsworth Berry McGowan	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$145,112
0	11,981	0	41,258
4,155	0	0	14,749
4,155	11,981	0	201,119
2,185	25,227	359,210	975,903
0	0	0	10,000
0	0	0	11,009
2,185	25,227	359,210	996,912
1,970	(13,246)	(359,210)	(795,793)
0	0	0	408,345
1,970	(13,246)	(359,210)	(387,448)
73,338	(191,093)	0	215,147
\$75,308	(\$204,339)	(\$359,210)	(\$172,301)

Fund Descriptions - Fiduciary Funds

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

Agency Funds

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

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

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

City of Norton, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2008

	Beginning Balance 12/31/07	Additions	Deductions	Ending Balance 12/31/08
<i>General Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$40,204	\$146,586	\$147,760	\$39,030
Liabilities				
Undistributed Assets	\$40,204	\$146,586	\$147,760	\$39,030
<i>Building Standards</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$323	\$934	\$1,156	\$101
Liabilities				
Undistributed Assets	\$323	\$934	\$1,156	\$101
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$40,527	\$147,520	\$148,916	\$39,131
Liabilities				
Undistributed Assets	\$40,527	\$147,520	\$148,916	\$39,131

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

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$379,659	\$476,514	\$381,558	(\$94,956)
Municipal Income Tax	3,671,168	4,607,714	3,903,376	(704,338)
Charges for Services	54,334	68,195	51,776	(16,419)
Licenses, Permits and Fees	71,887	90,226	102,918	12,692
Fines and Forfeitures	115,080	144,438	84,176	(60,262)
Intergovernmental	1,103,104	1,384,516	1,180,605	(203,911)
Interest	223,518	231,915	116,367	(115,548)
Other	34,556	43,372	6,710	(36,662)
<i>Total Revenues</i>	<i>5,653,306</i>	<i>7,046,890</i>	<i>5,827,486</i>	<i>(1,219,404)</i>
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	27,750	28,735	28,657	78
Fringe Benefits	4,726	6,647	6,255	392
Purchased Services	3,612	3,247	2,704	543
Materials and Supplies	150	350	122	228
Capital Outlay	200	200	49	151
Other	350	350	52	298
Total Mayor	36,788	39,529	37,839	1,690
City Council:				
Salaries and Wages	94,046	95,374	95,373	1
Fringe Benefits	27,348	33,399	33,214	185
Purchased Services	6,790	20,500	16,805	3,695
Materials and Supplies	1,258	1,258	549	709
Capital Outlay	0	500	500	0
Other	830	1,399	1,069	330
Total City Council	130,272	152,430	147,510	4,920
Mayor's Court:				
Salaries and Wages	60,772	61,658	61,555	103
Fringe Benefits	36,302	37,577	26,280	11,297
Purchased Services	525	465	174	291
Materials and Supplies	330	330	198	132
Other	300	306	306	0
Total Mayor's Court	\$98,229	\$100,336	\$88,513	\$11,823

(continued)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance Office:				
Salaries and Wages	\$166,514	\$153,315	\$139,104	\$14,211
Fringe Benefits	73,100	79,444	77,561	1,883
Purchased Services	24,977	24,048	21,840	2,208
Materials and Supplies	1,621	1,621	1,340	281
Capital Outlay	2,009	2,009	2,008	1
Other	906	1,816	1,805	11
Total Finance Office	269,127	262,253	243,658	18,595
Income Tax:				
Salaries and Wages	38,779	39,083	39,045	38
Fringe Benefits	17,595	20,557	20,409	148
Purchased Services	460,065	459,695	433,392	26,303
Materials and Supplies	196	196	96	100
Capital Outlay	650	650	230	420
Other	755	755	174	581
Total Income Tax	518,040	520,936	493,346	27,590
Law Director:				
Salaries and Wages	47,000	24,258	24,245	13
Fringe Benefits	8,410	7,360	7,155	205
Purchased Services	3,200	43,445	41,945	1,500
Total Law Director	58,610	75,063	73,345	1,718
Engineer:				
Salaries and Wages	5,401	5,456	5,456	0
Fringe Benefits	1,009	1,327	1,322	5
Purchased Services	230,830	250,565	210,712	39,853
Materials and Supplies	222	222	88	134
Capital Outlay	100	100	0	100
Other	52	3	3	0
Total Engineer	237,614	257,673	217,581	40,092
Administrative Officer:				
Salaries and Wages	111,737	106,154	97,984	8,170
Fringe Benefits	59,062	64,460	62,145	2,315
Purchased Services	18,298	16,405	10,020	6,385
Materials and Supplies	1,373	1,741	1,169	572
Capital Outlay	0	1,600	483	1,117
Other	600	2,009	1,883	126
Total Administrative Officer	\$191,070	\$192,369	\$173,684	\$18,685

(continued)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Planning Commission:				
Salaries and Wages	\$6,470	\$6,500	\$5,000	\$1,500
Fringe Benefits	4,678	3,971	1,098	2,873
Purchased Services	4,700	18,620	16,332	2,288
Materials and Supplies	60	60	0	60
Other	300	300	144	156
Total Planning Commission	16,208	29,451	22,574	6,877
General Government				
Salaries and Wages	43,904	43,904	43,103	801
Fringe Benefits	32,111	38,432	37,955	477
Purchased Services	316,526	307,599	296,626	10,973
Materials and Supplies	17,108	17,224	15,714	1,510
Capital Outlay	36,200	15,826	15,812	14
Other	115,254	151,677	147,387	4,290
Total General Government	561,103	574,662	556,597	18,065
Parks and Recreation Board:				
Salaries and Wages	5,750	5,344	5,061	283
Fringe Benefits	3,998	4,447	1,588	2,859
Purchased Services	4,115	4,015	1,475	2,540
Other	50	50	5	45
Total Parks and Recreation Board	13,913	13,856	8,129	5,727
Building and Zoning Board:				
Salaries and Wages	7,148	6,973	5,000	1,973
Fringe Benefits	3,923	4,088	1,105	2,983
Purchased Services	3,210	3,810	1,856	1,954
Materials and Supplies	60	60	0	60
Other	350	412	412	0
Total Building and Zoning Board	14,691	15,343	8,373	6,970
Health Advisory Board:				
Purchased Services	3,600	3,500	900	2,600
Other	32	32	3	29
Total Health Advisory Board	\$3,632	\$3,532	\$903	\$2,629

(continued)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service Commission:				
Fringe Benefits	\$0	\$1	\$1	\$0
Purchased Services	3,766	1,095	240	855
Materials and Supplies	50	650	600	50
Other	20	20	5	15
Total Civil Service Commission	3,836	1,766	846	920
Total General Government	2,153,133	2,239,199	2,072,898	166,301
Security of Persons and Property:				
Police:				
Salaries and Wages	1,239,626	1,344,966	1,207,791	137,175
Fringe Benefits	661,131	677,252	589,769	87,483
Purchased Services	130,153	144,718	122,309	22,409
Materials and Supplies	71,855	107,126	92,215	14,911
Capital Outlay	251,250	276,862	218,095	58,767
Other	15,525	852	453	399
Total Security of Persons and Property	2,369,540	2,551,776	2,230,632	321,144
Community Environment:				
Community Development:				
Salaries and Wages	62,766	43,875	41,833	2,042
Fringe Benefits	23,636	22,607	21,903	704
Purchased Services	45,786	27,263	26,742	521
Materials and Supplies	628	628	499	129
Total Community Development	132,816	94,373	90,977	3,396
Building:				
Salaries and Wages	92,657	104,228	104,052	176
Fringe Benefits	47,412	41,345	40,381	964
Purchased Services	29,758	30,259	28,347	1,912
Materials and Supplies	2,987	4,362	3,442	920
Capital Outlay	600	200	0	200
Other	2,200	1,614	1,280	334
Total Building	175,614	182,008	177,502	4,506
Total Community Environment	\$308,430	\$276,381	\$268,479	\$7,902

(continued)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Leisure Time Activities:				
Recreation Center:				
Salaries and Wages	\$85,445	\$70,845	\$70,318	\$527
Fringe Benefits	29,649	31,884	16,001	15,883
Purchased Services	20,515	26,995	24,804	2,191
Materials and Supplies	20,868	37,998	36,730	1,268
Capital Outlay	12,000	8,960	8,598	362
Total Leisure Time Activities	168,477	176,682	156,451	20,231
<i>Total Expenditures</i>	4,999,580	5,244,038	4,728,460	515,578
<i>Excess of Revenues Over Expenditures</i>	653,726	1,802,852	1,099,026	(703,826)
Other Financing Sources (Uses)				
Advances In	516,000	516,000	545,277	29,277
Advances Out	(100,000)	(613,339)	(733,339)	(120,000)
Transfers Out	(1,554,767)	(1,738,529)	(1,627,890)	110,639
<i>Total Other Financing Sources (Uses)</i>	(1,138,767)	(1,835,868)	(1,815,952)	19,916
<i>Net Change in Fund Balance</i>	(485,041)	(33,016)	(716,926)	(683,910)
<i>Fund Balance Beginning of Year</i>	304,896	304,896	304,896	0
Prior Year Encumbrances Appropriated	69,934	69,934	69,934	0
<i>Fund Balance (Deficit) End of Year</i>	(\$110,211)	\$341,814	(\$342,096)	(\$683,910)

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Tax	\$70,450	\$70,450	\$70,450	\$0
Charges for Services	20,729	18,319	44,236	25,917
Intergovernmental	865,265	764,682	612,367	(152,315)
Other	3,591	3,591	3,591	0
<i>Total Revenues</i>	<u>960,035</u>	<u>857,042</u>	<u>730,644</u>	<u>(126,398)</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	472,586	438,184	429,705	8,479
Fringe Benefits	230,732	301,029	286,425	14,604
Purchased Services	112,382	92,410	77,260	15,150
Materials and Supplies	362,103	498,090	469,309	28,781
Capital Outlay	77,500	139,373	118,120	21,253
Other	25,461	26,567	25,691	876
<i>Total Expenditures</i>	<u>1,280,764</u>	<u>1,495,653</u>	<u>1,406,510</u>	<u>89,143</u>
<i>Excess of Revenues Under Expenditures</i>	<i>(320,729)</i>	<i>(638,611)</i>	<i>(675,866)</i>	<i>(37,255)</i>
Other Financing Sources				
Proceeds From Sale of Capital Assets	10,263	8,652	80,000	71,348
Transfers In	361,657	361,657	395,402	33,745
<i>Total Other Financing Sources (Uses)</i>	<u>371,920</u>	<u>370,309</u>	<u>475,402</u>	<u>105,093</u>
<i>Net Change in Fund Balance</i>	<i>51,191</i>	<i>(268,302)</i>	<i>(200,464)</i>	<i>67,838</i>
<i>Fund Balance Beginning of Year</i>	<i>539,732</i>	<i>539,732</i>	<i>539,732</i>	<i>0</i>
Prior Year Encumbrances Appropriated	23,884	23,884	23,884	0
<i>Fund Balance End of Year</i>	<u>\$614,807</u>	<u>\$295,314</u>	<u>\$363,152</u>	<u>\$67,838</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Levy Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$476,639	\$466,627	(\$10,012)
Intergovernmental	68,337	66,906	(1,431)
<i>Total Revenues</i>	<u>544,976</u>	<u>533,533</u>	<u>(11,443)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire:			
Purchased Services	130,970	130,970	0
Materials and Supplies	4,140	4,140	0
Other	21,704	6,764	14,940
Capital Outlay	436,000	435,390	610
<i>Total Expenditures</i>	<u>592,814</u>	<u>577,264</u>	<u>15,550</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>(47,838)</u>	<u>(43,731)</u>	<u>4,107</u>
Other Financing Sources			
General Obligation Notes Issued	411,000	411,000	0
Advances In	0	120,000	120,000
<i>Total Other Financing Sources</i>	<u>411,000</u>	<u>531,000</u>	<u>120,000</u>
<i>Net Change in Fund Balance</i>	363,162	487,269	124,107
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$363,162</u>	<u>\$487,269</u>	<u>\$124,107</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Tax	\$9,928	\$9,928	\$0
Special Assessments	54,433	76,111	21,678
<i>Total Revenues</i>	<u>64,361</u>	<u>86,039</u>	<u>21,678</u>
Expenditures			
Current:			
General Government:			
Other	4,265	3,189	1,076
Debt Service:			
Principal Retirement:			
1996 Special Assessment	5,000	5,000	0
Barber Road Special Assessment	100,000	100,000	0
Total Principal Retirement	<u>105,000</u>	<u>105,000</u>	<u>0</u>
Interest and Fiscal Charges:			
1996 Special Assessment	4,290	4,290	0
Barber Road Special Assessment	67,770	67,770	0
Total Interest and Fiscal Charges	<u>72,060</u>	<u>72,060</u>	<u>0</u>
Total Debt Service	<u>177,060</u>	<u>177,060</u>	<u>0</u>
<i>Total Expenditures</i>	<u>181,325</u>	<u>180,249</u>	<u>1,076</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(116,964)	(94,210)	22,754
Other Financing Sources			
Transfers In	101,709	105,000	3,291
<i>Net Change in Fund Balance</i>	(15,255)	10,790	26,045
<i>Fund Balance Beginning of Year</i>	<u>20,539</u>	<u>20,539</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,284</u></u>	<u><u>\$31,329</u></u>	<u><u>\$26,045</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Improvement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$48,800	\$49,470	\$670
Other	0	79	79
<i>Total Revenues</i>	48,800	49,549	749
Expenditures			
Current:			
Transportation:			
State Highway:			
Materials and Supplies	50,593	45,393	5,200
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,793)	4,156	5,949
Other Financing Sources			
Transfers In	0	593	593
<i>Net Change in Fund Balance</i>	(1,793)	4,749	6,542
<i>Fund Balance Beginning of Year</i>	2,228	2,228	0
<i>Fund Balance End of Year</i>	\$435	\$6,977	\$6,542

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Permissive License Plate Tax Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$183,040	\$165,834	(\$17,206)
Interest	0	2,926	2,926
<i>Total Revenues</i>	<u>183,040</u>	<u>168,760</u>	<u>(14,280)</u>
Expenditures			
Current:			
Transportation:			
Special Permissive License Plate Tax:			
Purchased Services	75,000	67,301	7,699
Capital Outlay	563,286	461,314	101,972
<i>Total Expenditures</i>	<u>638,286</u>	<u>528,615</u>	<u>109,671</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(455,246)</u>	<u>(359,855)</u>	<u>95,391</u>
Other Financing Sources			
Advances In	0	9,000	9,000
Transfers In	504,760	519,046	14,286
<i>Total Other Financing Sources</i>	<u>504,760</u>	<u>528,046</u>	<u>23,286</u>
<i>Net Change in Fund Balance</i>	49,514	168,191	118,677
<i>Fund Balance Beginning of Year</i>	<u>717</u>	<u>717</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$50,231</u></u>	<u><u>\$168,908</u></u>	<u><u>\$118,677</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$554,233	\$453,195	(\$101,038)
Intergovernmental	62,627	109,531	46,904
Other	390	4,600	4,210
<i>Total Revenues</i>	<u>617,250</u>	<u>567,326</u>	<u>(49,924)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire Department:			
Salaries and Wages	396,699	392,186	4,513
Fringe Benefits	109,451	105,678	3,773
Purchased Services	45,793	44,103	1,690
Materials and Supplies	19,881	19,614	267
Capital Outlay	34,879	20,209	14,670
Other	8,141	7,990	151
<i>Total Expenditures</i>	<u>614,844</u>	<u>589,780</u>	<u>25,064</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,406</u>	<u>(22,454)</u>	<u>(24,860)</u>
Other Financing Sources (Uses)			
Advances In	100,000	70,000	(30,000)
Advances Out	(70,000)	(70,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>30,000</u>	<u>0</u>	<u>(30,000)</u>
<i>Net Change in Fund Balance</i>	32,406	(22,454)	(54,860)
<i>Fund Balance Beginning of Year</i>	39,625	39,625	0
Prior Year Encumbrances Appropriated	2,844	2,844	0
<i>Fund Balance End of Year</i>	<u>\$74,875</u>	<u>\$20,015</u>	<u>(\$54,860)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Services Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$448,235	\$385,673	(\$62,562)
Charges for Services	315,934	273,510	(42,424)
Intergovernmental	50,718	94,580	43,862
Other	0	6,992	6,992
<i>Total Revenues</i>	<u>814,887</u>	<u>760,755</u>	<u>(54,132)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Emergency Medical Services:			
Salaries and Wages	396,704	393,517	3,187
Fringe Benefits	104,387	104,338	49
Purchased Services	80,796	77,595	3,201
Materials and Supplies	23,285	22,258	1,027
Capital Outlay	1,293	1,293	0
Other	6,909	6,853	56
<i>Total Expenditures</i>	<u>613,374</u>	<u>605,854</u>	<u>7,520</u>
<i>Net Change in Fund Balance</i>	201,513	154,901	(46,612)
<i>Fund Balance Beginning of Year</i>	52,580	52,580	0
Prior Year Encumbrances Appropriated	<u>3,023</u>	<u>3,023</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$257,116</u></u>	<u><u>\$210,504</u></u>	<u><u>(\$46,612)</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DARE Program Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,308	\$20,822	\$10,514
Expenditures			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Salaries and Wages	10,712	10,712	0
Materials and Supplies	400	0	400
<i>Total Expenditures</i>	11,112	10,712	400
<i>Net Change in Fund Balance</i>	(804)	10,110	10,914
<i>Fund Balance Beginning of Year</i>	1,860	1,860	0
<i>Fund Balance End of Year</i>	\$1,056	\$11,970	\$10,914

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$537	\$537	\$0
Expenditures			
Current:			
Security of Persons and Property:			
Drug Law Enforcement:			
Purchased Services	926	0	926
<i>Net Change in Fund Balance</i>	(389)	537	926
<i>Fund Balance Beginning of Year</i>	927	927	0
<i>Fund Balance End of Year</i>	\$538	\$1,464	\$926

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$2,000	\$1,915	(\$85)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	5,000	5,000	0
Other	2,000	0	2,000
<i>Total Expenditures</i>	7,000	5,000	2,000
<i>Net Change in Fund Balance</i>	(5,000)	(3,085)	1,915
<i>Fund Balance Beginning of Year</i>	11,352	11,352	0
<i>Fund Balance End of Year</i>	\$6,352	\$8,267	\$1,915

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Assistance Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,400	\$4,380	\$1,980
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	2,400	4,380	1,980
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$2,400	\$4,380	\$1,980

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DWI Enforcement and Education Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$0	\$5,681	\$5,681
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	9,000	7,646	1,354
<i>Net Change in Fund Balance</i>	(9,000)	(1,965)	7,035
<i>Fund Balance Beginning of Year</i>	21,777	21,777	0
<i>Fund Balance End of Year</i>	\$12,777	\$19,812	\$7,035

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$7,986	\$3,825	(\$4,161)
Expenditures			
Current:			
Leisure Time Activities:			
Community Recreation:			
Salaries and Wages	4,913	3,062	1,851
Purchased Services	20,923	20,923	0
Materials and Supplies	13,425	3,053	10,372
Other	257	102	155
<i>Total Expenditures</i>	39,518	27,140	12,378
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(31,532)	(23,315)	8,217
Other Financing Sources			
Transfers In	20,000	20,000	0
<i>Net Change in Fund Balance</i>	(11,532)	(3,315)	8,217
<i>Fund Balance Beginning of Year</i>	34,143	34,143	0
Prior Year Encumbrances Appropriated	1,055	1,055	0
<i>Fund Balance End of Year</i>	\$23,666	\$31,883	\$8,217

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Greenwich Road Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$1	\$1	\$0
Expenditures			
Current:			
Leisure Time Activities:			
Historical Greenwich Road:			
Purchased Services	2,005	1,503	502
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(2,004)	(1,502)	502
Other Financing Sources			
Transfers In	1,900	1,900	0
<i>Net Change in Fund Balance</i>	(104)	398	502
<i>Fund Balance Beginning of Year</i>	1,073	1,073	0
<i>Fund Balance End of Year</i>	\$969	\$1,471	\$502

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$245	\$288	\$43
Expenditures			
Current:			
Public Health Services:			
Cemetery:			
Salaries and Wages	14	14	0
Materials and Supplies	5,219	0	5,219
<i>Total Expenditures</i>	5,233	14	5,219
<i>Net Change in Fund Balance</i>	(4,988)	274	5,262
<i>Fund Balance Beginning of Year</i>	6,362	6,362	0
<i>Fund Balance End of Year</i>	\$1,374	\$6,636	\$5,262

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Event Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$3,700	\$250	(\$3,450)
Expenditures			
Current:			
General Government:			
Special Events:			
Purchased Services	12,000	10,000	2,000
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(8,300)	(9,750)	(1,450)
Other Financing Sources			
Transfers In	8,550	12,000	3,450
<i>Net Change in Fund Balance</i>	250	2,250	2,000
<i>Fund Balance Beginning of Year</i>	766	766	0
<i>Fund Balance End of Year</i>	\$1,016	\$3,016	\$2,000

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling Fund
For the Year Ended December 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$2,916	\$2,916	\$0
Expenditures			
Current:			
Community Environment:			
Recycling:			
Purchased Services	<u>6,792</u>	<u>4,292</u>	<u>2,500</u>
<i>Net Change in Fund Balance</i>	(3,876)	(1,376)	2,500
<i>Fund Balance Beginning of Year</i>	2,500	2,500	0
Prior Year Encumbrances Appropriated	<u>4,292</u>	<u>4,292</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,916</u></u>	<u><u>\$5,416</u></u>	<u><u>\$2,500</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Scrap Tire Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Community Environment:			
Scrap Tires:			
Purchased Services	600	151	449
<i>Net Change in Fund Balance</i>	(600)	(151)	449
<i>Fund Balance Beginning of Year</i>	1,084	1,084	0
<i>Fund Balance End of Year</i>	\$484	\$933	\$449

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Disability and Pension Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$77,582	\$71,542	(\$6,040)
Intergovernmental	10,004	15,936	5,932
<i>Total Revenues</i>	<u>87,586</u>	<u>87,478</u>	<u>(108)</u>
Expenditures			
Current:			
General Government:			
Police and Fire Disability and Pension:			
Fringe Benefits	80,000	80,000	0
Other	6,698	6,675	23
<i>Total Expenditures</i>	<u>86,698</u>	<u>86,675</u>	<u>23</u>
<i>Net Change in Fund Balance</i>	888	803	(85)
<i>Fund Balance Beginning of Year</i>	<u>92,771</u>	<u>92,771</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$93,659</u></u>	<u><u>\$93,574</u></u>	<u><u>(\$85)</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$14,749	\$13,839	(\$910)
Expenditures			
Current:			
General Government:			
Mayor's Court:			
Purchased Services	32,301	30,943	1,358
Materials and Supplies	200	136	64
<i>Total Expenditures</i>	32,501	31,079	1,422
<i>Net Change in Fund Balance</i>	(17,752)	(17,240)	512
<i>Fund Balance Beginning of Year</i>	25,950	25,950	0
Prior Year Encumbrances Appropriated	316	316	0
<i>Fund Balance End of Year</i>	\$8,514	\$9,026	\$512

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water System Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$134,604	\$130,274	(\$4,330)
Expenditures			
Current:			
Public Health Services:			
Waterline Improvement:			
Purchased Services	67,430	31,046	36,384
<i>Net Change in Fund Balance</i>	67,174	99,228	32,054
<i>Fund Balance Beginning of Year</i>	133,644	133,644	0
Prior Year Encumbrances Appropriated	27,280	27,280	0
<i>Fund Balance End of Year</i>	\$228,098	\$260,152	\$32,054

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$144,912	\$146,638	\$1,726
Other	2,588	0	(2,588)
<i>Total Revenues</i>	<u>147,500</u>	<u>146,638</u>	<u>(862)</u>
Expenditures			
Current:			
Public Health Services:			
Sewerline Improvement:			
Purchased Services	45,200	22,132	23,068
Capital Outlay	150,000	3,000	147,000
Other	3,580	0	3,580
<i>Total Expenditures</i>	<u>198,780</u>	<u>25,132</u>	<u>173,648</u>
<i>Net Change in Fund Balance</i>	(51,280)	121,506	172,786
<i>Fund Balance Beginning of Year</i>	<u>645,349</u>	<u>645,349</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$594,069</u></u>	<u><u>\$766,855</u></u>	<u><u>\$172,786</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Brentwood Water Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$0	\$5,772	\$5,772
Expenditures			
Current:			
Public Health Services:			
Brentwood Waterlines:			
Purchased Services	15,931	7,347	8,584
Capital Outlay	12,119	3,908	8,211
<i>Total Expenditures</i>	28,050	11,255	16,795
<i>Net Change in Fund Balance</i>	(28,050)	(5,483)	22,567
<i>Fund Balance Beginning of Year</i>	64,909	64,909	0
<i>Fund Balance End of Year</i>	\$36,859	\$59,426	\$22,567

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Assistance to Firefighters Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$174,200	\$165,490	(\$8,710)
Expenditures			
Current:			
Security of Persons and Property:			
Fire:			
Capital Outlay	174,200	174,200	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(8,710)	(8,710)
Other Financing Sources			
Transfers In	0	8,710	8,710
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Tax	\$22,606	\$22,606	\$0
Expenditures			
Current:			
Debt Service:			
Principal Retirement:			
Road Program	30,000	30,000	0
Police Cruisers	15,000	15,000	0
Police Radio System	25,000	25,000	0
Street Improvement	35,000	35,000	0
Ballfields	10,000	0	10,000
Gardner Engineering	10,000	10,000	0
Johnson Waterline	35,000	35,000	0
Service Equipment	75,000	75,000	0
Total Principal Retirement	235,000	225,000	10,000
Interest and Fiscal Charges:			
Road Program	13,108	13,108	0
Police Cruisers	300	300	0
Police Radio System	9,495	9,495	0
Street Improvement	12,020	12,020	0
Ballfields	7,463	0	7,463
Gardner Engineering	5,865	5,865	0
Johnson Waterline	1,750	1,750	0
Service Equipment	3,750	3,750	0
Total Interest and Fiscal Charges	53,751	46,288	7,463
<i>Total Expenditures</i>	288,751	271,288	17,463
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(266,145)	(248,682)	17,463
Other Financing Sources			
General Obligation Notes Issued	50,000	50,000	0
Transfers In	222,395	222,394	(1)
<i>Total Other Financing Sources</i>	272,395	272,394	(1)
<i>Net Change in Fund Balance</i>	6,250	23,712	17,462
<i>Fund Balance Beginning of Year</i>	8,308	8,308	0
<i>Fund Balance End of Year</i>	\$14,558	\$32,020	\$17,462

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
The Meadows at Johnson Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Capital Outlay:			
Purchased Services	1,242	1,242	0
Capital Outlay	<u>394,338</u>	<u>0</u>	<u>394,338</u>
<i>Total Expenditures</i>	<u>395,580</u>	<u>1,242</u>	<u>394,338</u>
<i>Net Change in Fund Balance</i>	(395,580)	(1,242)	394,338
<i>Fund Balance Beginning of Year</i>	<u>395,580</u>	<u>395,580</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$394,338</u></u>	<u><u>\$394,338</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land and Land Improvements Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$132,595	\$115,073	(\$17,522)
Intergovernmental	0	29,277	29,277
Other	0	1,400	1,400
<i>Total Revenues</i>	<u>132,595</u>	<u>145,750</u>	<u>13,155</u>
Expenditures			
Capital Outlay:			
Purchased Services	43	43	0
Capital Outlay	63,418	58,290	5,128
<i>Total Capital Outlay</i>	<u>63,461</u>	<u>58,333</u>	<u>5,128</u>
Debt Service:			
Principal Retirement	146,000	146,000	0
Interest and Fiscal Charges	14,263	14,263	0
<i>Total Debt Service</i>	<u>160,263</u>	<u>160,263</u>	<u>0</u>
<i>Total Expenditures</i>	<u>223,724</u>	<u>218,596</u>	<u>5,128</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>(91,129)</u>	<u>(72,846)</u>	<u>18,283</u>
Other Financing Sources (Uses)			
General Obligation Notes Issued	102,000	102,000	0
Advances Out	(29,277)	(29,277)	0
Transfers In	0	27,500	27,500
<i>Total Other Financing Sources (Uses)</i>	<u>72,723</u>	<u>100,223</u>	<u>27,500</u>
<i>Net Change in Fund Balance</i>	(18,406)	27,377	45,783
<i>Fund Balance Beginning of Year</i>	<u>18,440</u>	<u>18,440</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$34</u>	<u>\$45,817</u>	<u>\$45,783</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Buildings Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Tax	\$2,942	\$2,942	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	484,400	476,736	7,664
<i>Excess of Revenues Under Expenditures</i>	(481,458)	(473,794)	7,664
Other Financing Sources			
Transfers In	202,058	202,058	0
<i>Net Change in Fund Balance</i>	(279,400)	(271,736)	7,664
<i>Fund Balance Beginning of Year</i>	286,700	286,700	0
<i>Fund Balance End of Year</i>	\$7,300	\$14,964	\$7,664

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Equipment Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Tax	\$4,713	\$4,713	\$0
Other	0	9,194	9,194
<i>Total Revenues</i>	<u>4,713</u>	<u>13,907</u>	<u>9,194</u>
Expenditures			
Capital Outlay:			
Capital Outlay	57,807	46,002	11,805
Other	25,134	0	25,134
<i>Total Expenditures</i>	<u>82,941</u>	<u>46,002</u>	<u>36,939</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(78,228)	(32,095)	46,133
Other Financing Sources			
Transfers In	95,287	95,287	0
<i>Net Change in Fund Balance</i>	17,059	63,192	46,133
<i>Fund Balance Beginning of Year</i>	<u>14,373</u>	<u>14,373</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$31,432</u></u>	<u><u>\$77,565</u></u>	<u><u>\$46,133</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Streets, Highways and Bridges Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	405,440	390,431	15,009
<i>Net Change in Fund Balance</i>	(405,440)	(390,431)	15,009
<i>Fund Balance Beginning of Year</i>	429,132	429,132	0
<i>Fund Balance End of Year</i>	\$23,692	\$38,701	\$15,009

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Sewers Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Capital Outlay:			
Capital Outlay	7,702	5,000	2,702
Purchased Services	1,895	1,230	665
Other	<u>18,905</u>	<u>10,672</u>	<u>8,233</u>
<i>Total Expenditures</i>	<u>28,502</u>	<u>16,902</u>	<u>11,600</u>
<i>Excess of Revenues Under Expenditures</i>	(28,502)	(16,902)	11,600
Other Financing Sources			
Transfers In	<u>21,000</u>	<u>18,000</u>	<u>(3,000)</u>
<i>Net Change in Fund Balance</i>	(7,502)	1,098	8,600
<i>Fund Balance Beginning of Year</i>	9,744	9,744	0
Prior Year Encumbrances Appropriated	<u>10,672</u>	<u>10,672</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,914</u></u>	<u><u>\$21,514</u></u>	<u><u>\$8,600</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewers Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$4,549	\$0	(\$4,549)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,549	0	(4,549)
<i>Fund Balance Beginning of Year</i>	<u>10,703</u>	<u>10,703</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,252</u></u>	<u><u>\$10,703</u></u>	<u><u>(\$4,549)</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Gardner Phase I Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$0	\$4,155	\$4,155
Expenditures			
Capital Outlay:			
Capital Outlay	39,784	1,977	37,807
Other	216	208	8
<i>Total Expenditures</i>	<u>40,000</u>	<u>2,185</u>	<u>37,815</u>
<i>Net Change in Fund Balance</i>	(40,000)	1,970	41,970
<i>Fund Balance Beginning of Year</i>	<u>73,338</u>	<u>73,338</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,338</u></u>	<u><u>\$75,308</u></u>	<u><u>\$41,970</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Gardner Phase II Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$622,181	\$11,981	(\$610,200)
Expenditures			
Capital Outlay:			
Purchased Services	166,232	25,227	141,005
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>455,949</u>	<u>(13,246)</u>	<u>(469,195)</u>
Other Financing Sources (Uses)			
Advances In	206,370	204,339	(2,031)
Advances Out	<u>(446,000)</u>	<u>(446,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(239,630)</u>	<u>(241,661)</u>	<u>(2,031)</u>
<i>Net Change in Fund Balance</i>	216,319	(254,907)	(471,226)
<i>Fund Balance Beginning of Year</i>	88,675	88,675	0
Prior Year Encumbrances Appropriated	<u>166,232</u>	<u>166,232</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$471,226</u></u>	<u><u>\$0</u></u>	<u><u>(\$471,226)</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Wadsworth Berry McGowan Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	313,993	311,081	2,912
Purchased Services	16,007	16,005	2
<i>Total Expenditures</i>	<u>330,000</u>	<u>327,086</u>	<u>2,914</u>
<i>Excess of Revenues Under Expenditures</i>	(330,000)	(327,086)	2,914
Other Financing Sources			
Advances In	<u>330,000</u>	<u>330,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	2,914	2,914
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$2,914</u></u>	<u><u>\$2,914</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$480,522	\$595,918	\$115,396
Expenses			
Purchased Services	304,516	271,981	32,535
Claims	394,483	394,483	0
<i>Total Expenses</i>	698,999	666,464	32,535
<i>Net Change in Fund Equity</i>	(218,477)	(70,546)	147,931
<i>Fund Equity Beginning of Year</i>	218,600	218,600	0
<i>Fund Equity End of Year</i>	\$123	\$148,054	\$147,931

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



Statistical

Section



2008

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	S3-S9
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	S10-S18
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.	
Debt Capacity	S19-S24
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Economic and Demographic Information	S25-S27
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	S28-S32
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

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

	2008	2007	2006	2005	2004
Governmental Activities					
Invested in Capital Assets,					
Net of Related Debt	\$10,747,587	\$9,909,002	\$7,903,291	\$6,425,260	\$6,089,535
Restricted:					
Capital Projects	768,494	423,673	979,920	2,146,426	1,877,579
Debt Service	820,130	918,452	955,831	861,303	915,517
Police	45,893	36,217	34,637	46,168	58,012
Fire and EMS	735,962	186,546	315,989	340,123	198,162
Transportation	1,012,433	1,063,984	1,593,221	557,757	463,227
Sewerline/Waterline Maintenance	1,146,715	881,202	655,415	484,483	238,163
Other Purposes	393,029	180,234	48,876	20,960	33,510
Unrestricted	1,577,004	2,281,879	2,397,561	1,874,013	878,242
<i>Total Governmental Activities Net Assets</i>	<u>\$17,247,247</u>	<u>\$15,881,189</u>	<u>\$14,884,741</u>	<u>\$12,756,493</u>	<u>\$10,751,947</u>

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

	2008	2007	2006	2005	2004
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$301,207	\$227,855	\$252,100	\$369,512	\$193,091
Security of Persons and Property	396,414	408,448	460,447	427,016	384,907
Transportation	44,801	15,047	12,295	19,795	40,639
Community Environment	14,141	19,018	32,387	0	0
Public Health Services	313,884	321,192	214,416	317,382	229,228
Leisure Time Activities	7,983	9,893	1,349	47,823	58,631
Subtotal - Charges for Services	<u>1,078,430</u>	<u>1,001,453</u>	<u>972,994</u>	<u>1,181,528</u>	<u>906,496</u>
Operating Grants and Contributions:					
General Government	1,520	9,030	48,886	29,435	13,221
Security of Persons and Property	190,692	57,822	89,332	139,065	35,910
Transportation	835,367	751,886	908,733	635,167	635,810
Community Environment	0	4,293	0	2,878	0
Leisure Time Activities	0	0	7,353	0	0
Subtotal - Operating Grants and Contributions	<u>1,027,579</u>	<u>823,031</u>	<u>1,054,304</u>	<u>806,545</u>	<u>684,941</u>
Capital Grants and Contributions:					
General Government	27,549	47,346	0	0	0
Security of Persons and Property	0	125,852	0	0	0
Transportation	12,282	0	512,808	134,890	671,481
Public Health Services	53,216	0	503,239	60,701	697,612
Leisure Time Activities	0	146,993	0	0	0
Subtotal - Capital Grants and Contributions	<u>93,047</u>	<u>320,191</u>	<u>1,016,047</u>	<u>195,591</u>	<u>1,369,093</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,199,056</u>	<u>2,144,675</u>	<u>3,043,345</u>	<u>2,183,664</u>	<u>2,960,530</u>
Expenses					
Governmental Activities:					
General Government	1,960,544	1,797,290	2,258,088	1,657,936	1,496,946
Security of Persons and Property	3,635,906	3,486,686	3,697,437	2,749,595	2,907,755
Transportation	1,890,748	1,305,616	1,105,515	1,168,903	1,306,330
Community Environment	264,377	266,813	310,737	245,311	251,646
Public Health Services	134,428	167,598	101,908	128,117	86,907
Leisure Time Activities	187,932	172,172	230,960	179,714	149,725
Interest and Fiscal Charges	130,774	174,121	169,150	166,384	167,244
<i>Total Governmental Activities Expenses</i>	<u>8,204,709</u>	<u>7,370,296</u>	<u>7,873,795</u>	<u>6,295,960</u>	<u>6,366,553</u>
Net (Expense)/Revenue	<u>(\$6,005,653)</u>	<u>(\$5,225,621)</u>	<u>(\$4,830,450)</u>	<u>(\$4,112,296)</u>	<u>(\$3,406,023)</u>

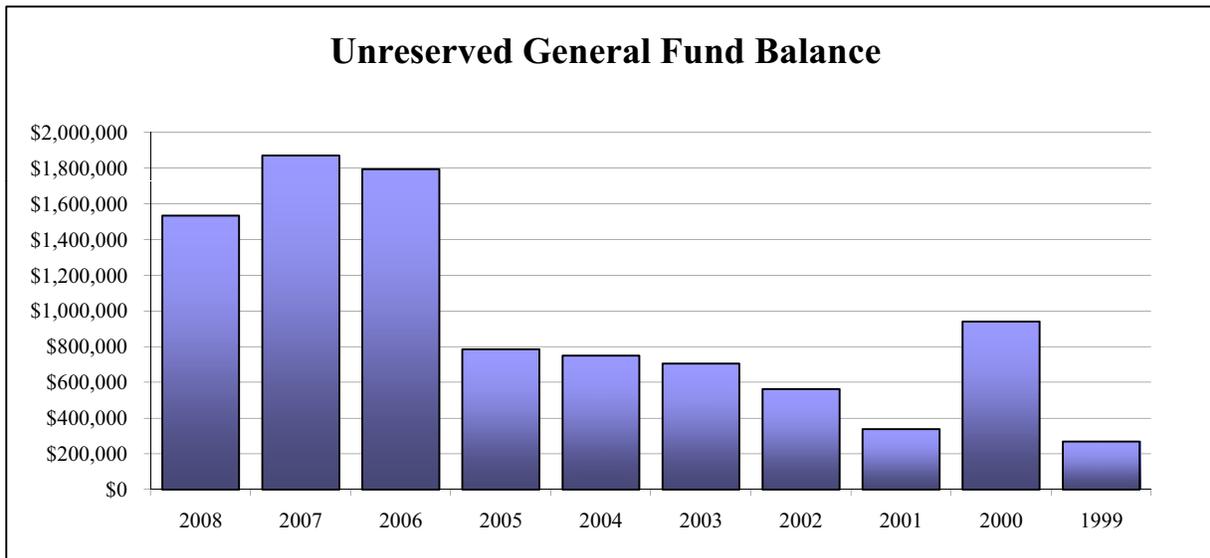
(continued)

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

	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	\$357,431	\$430,607	\$420,666	\$391,304	\$364,278
Fire	423,795	422,687	368,796	387,997	358,948
EMS	371,831	319,338	306,426	301,426	289,622
Police and Fire Disability and Pension	67,018	81,662	77,621	73,369	68,302
Fire/EMS Levy	530,585	0	0	0	0
Municipal Income Taxes levied for					
General Purposes	3,903,789	2,759,385	3,383,613	2,548,525	2,483,503
Debt Service	0	252,565	337,550	259,260	67,904
Capital Projects	0	157,456	79,365	60,989	16,050
Street Repair and Maintenance	0	542,585	784,923	602,001	147,741
Grants and Entitlements not Restricted to					
Specific Programs	1,577,087	953,675	857,119	1,278,637	1,096,348
Interest	101,997	282,650	276,651	113,769	55,784
Gain on Sale of Capital Assets	0	0	0	0	26,184
Other	38,178	19,459	65,968	99,565	112,326
<i>Total Governmental Activities</i>	<u>7,371,711</u>	<u>6,222,069</u>	<u>6,958,698</u>	<u>6,116,842</u>	<u>5,086,990</u>
Change in Net Assets	<u><u>\$1,366,058</u></u>	<u><u>\$996,448</u></u>	<u><u>\$2,128,248</u></u>	<u><u>\$2,004,546</u></u>	<u><u>\$1,680,967</u></u>

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

	2008	2007	2006	2005	2004
General Fund					
Reserved	\$152,340	\$29,733	\$153,661	\$192,524	\$44,672
Unreserved	1,534,583	1,871,927	1,795,049	787,233	750,252
Total General Fund	<u>1,686,923</u>	<u>1,901,660</u>	<u>1,948,710</u>	<u>979,757</u>	<u>794,924</u>
All Other Governmental Funds					
Reserved	342,587	219,485	269,137	1,140,679	1,158,506
Unreserved, Undesignated, Reported in:					
Special Revenue funds	2,122,723	1,830,304	2,041,482	1,269,915	859,357
Debt Service funds	63,349	61,381	40,203	56,643	65,404
Capital Projects funds	(182,235)	38,243	333,382	283,899	(45,352)
Total All Other Governmental Funds	<u>2,346,424</u>	<u>2,149,413</u>	<u>2,684,204</u>	<u>2,751,136</u>	<u>2,037,915</u>
Total Governmental Funds	<u><u>\$4,033,347</u></u>	<u><u>\$4,051,073</u></u>	<u><u>\$4,632,914</u></u>	<u><u>\$3,730,893</u></u>	<u><u>\$2,832,839</u></u>



2003	2002	2001	2000	1999
\$42,751	\$34,892	\$25,589	\$24,912	\$23,164
706,069	563,433	339,076	941,843	269,043
748,820	598,325	364,665	966,755	292,207
132,269	1,055,321	1,554,681	4,143,247	606,121
681,639	472,305	698,784	843,872	1,084,333
(194)	0	0	0	0
1,293,887	(3,501,653)	(3,728,327)	(4,209,197)	(109,295)
2,107,601	(1,974,027)	(1,474,862)	777,922	1,581,159
\$2,856,421	(\$1,375,702)	(\$1,110,197)	\$1,744,677	\$1,873,366

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

	2008	2007	2006	2005
Revenues				
Property Taxes	\$1,758,595	\$1,164,082	\$1,172,254	\$1,102,775
Municipal Income Taxes	3,995,958	3,880,264	3,949,257	3,365,754
Charges for Services	819,646	720,637	497,209	768,912
Special Assessments	76,111	71,790	40,373	100,833
Licenses, Permits and Fees	102,918	102,217	99,401	125,671
Fines and Forfeitures	109,155	170,967	228,170	160,972
Intergovernmental	2,543,424	1,925,630	2,378,753	1,667,640
Interest	101,997	282,650	276,651	113,769
Other	38,178	19,459	65,968	99,565
<i>Total Revenues</i>	<u>9,545,982</u>	<u>8,337,696</u>	<u>8,708,036</u>	<u>7,505,891</u>
Expenditures				
Current:				
General Government	2,004,444	1,819,921	1,828,117	1,543,564
Security of Persons and Property	4,056,371	3,198,169	2,959,561	2,780,456
Transportation	1,758,624	2,155,630	1,003,741	1,174,789
Community Environment	258,713	256,666	310,102	254,385
Public Health Services	54,164	92,725	42,742	35,125
Leisure Time Activities	171,382	159,719	51,096	165,894
Basic Utility	0	0	0	0
Other	0	0	0	0
Capital Outlay	975,903	802,520	1,006,410	181,315
Debt Service:				
Principal Retirement	232,931	262,917	260,033	260,311
Principal Retirement - Current Refunding	0	0	0	50,000
Interest and Fiscal Charges	131,176	171,270	175,213	161,998
<i>Total Expenditures</i>	<u>9,643,708</u>	<u>8,919,537</u>	<u>7,637,015</u>	<u>6,607,837</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(97,726)</u>	<u>(581,841)</u>	<u>1,071,021</u>	<u>898,054</u>
Other Financing Sources (Uses)				
Current Refunding	0	0	(185,000)	(185,000)
Sale of Capital Assets	80,000	0	0	0
Notes Issued	0	0	0	185,000
Inception of Capital Lease	0	0	16,000	0
Transfers In	1,627,890	613,230	682,724	460,251
Transfers Out	(1,627,890)	(613,230)	(682,724)	(460,251)
Other Sources	0	0	0	0
Other Uses	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>80,000</u>	<u>0</u>	<u>(169,000)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$17,726)</u></u>	<u><u>(\$581,841)</u></u>	<u><u>\$902,021</u></u>	<u><u>\$898,054</u></u>
Debt Service as a Percentage of Noncapital Expenditures	4.9%	6.2%	6.2%	7.3%

2004	2003	2002	2001	2000	1999
\$1,088,710	\$1,222,603	\$1,237,773	\$1,237,773	\$988,758	\$950,100
2,641,551	2,625,238	2,497,599	2,497,599	2,645,267	2,424,771
560,027	419,741	116,729	116,729	5,771	8,428
55,660	12,756	8,107	8,107	12,342	13,590
66,295	101,487	89,412	89,412	101,183	95,082
256,268	224,804	198,056	198,056	224,131	210,617
1,761,685	1,336,911	1,711,539	1,711,539	1,704,422	1,404,086
55,784	18,544	87,903	87,903	248,739	114,503
112,326	290,026	463,231	463,231	384,227	15,624
6,598,306	6,252,110	6,410,349	6,410,349	6,314,840	5,236,801
1,449,123	1,532,231	1,680,515	1,680,515	1,180,714	1,010,178
2,779,708	2,639,560	2,297,744	2,297,744	2,133,845	2,045,851
1,102,624	902,554	741,305	741,305	743,479	703,847
287,058	290,668	196,305	196,305	123,429	72,224
59,445	6,281	601	601	2,075	4,543
137,530	197,901	106,894	106,894	112,545	77,157
0	0	6,726	6,726	14,119	1,393
0	30,172	11,141	11,141	0	0
324,995	536,282	3,990,369	3,990,369	2,079,144	1,246,057
577,835	5,000	5,000	5,000	5,000	5,000
0	0	0	0	0	0
170,754	299,338	229,592	229,592	49,179	12,981
6,889,072	6,439,987	9,266,192	9,266,192	6,443,529	5,179,231
(290,766)	(187,877)	(2,855,843)	(2,855,843)	(128,689)	57,570
0	0	0	0	0	0
26,184	0	969	969	0	0
235,000	4,420,000	0	0	0	0
6,000	0	0	0	0	0
1,433,843	725,160	2,041,492	2,041,492	3,659,103	3,407,467
(1,433,843)	(725,160)	(2,041,492)	(2,041,492)	(3,659,103)	(3,407,467)
0	0	0	0	0	186,554
0	0	0	0	0	(366,373)
267,184	4,420,000	969	969	0	(179,819)
(\$23,582)	\$4,232,123	(\$2,854,874)	(\$2,854,874)	(\$128,689)	(\$122,249)
11.4%	5.2%	4.4%	4.4%	1.2%	0.5%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2008	\$218,888,440	\$41,757,830	\$744,703,629	\$5,144,670	\$5,846,216
2007	216,297,250	40,422,950	733,486,286	6,507,780	7,395,205
2006	212,333,270	40,000,130	720,952,571	6,507,780	7,395,205
2005	191,812,190	38,656,010	658,480,571	6,562,270	7,457,125
2004	187,630,300	37,741,080	643,918,229	6,977,590	7,929,080
2003	183,280,910	38,181,150	632,748,743	6,754,770	7,675,875
2002	156,998,370	31,637,430	538,959,429	6,621,500	7,524,432
2001	154,375,550	31,052,780	529,795,229	10,111,350	11,490,170
2000	151,962,310	27,812,480	513,642,257	10,855,910	12,336,261
1999	130,438,720	26,509,620	448,423,829	10,490,480	11,921,000

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

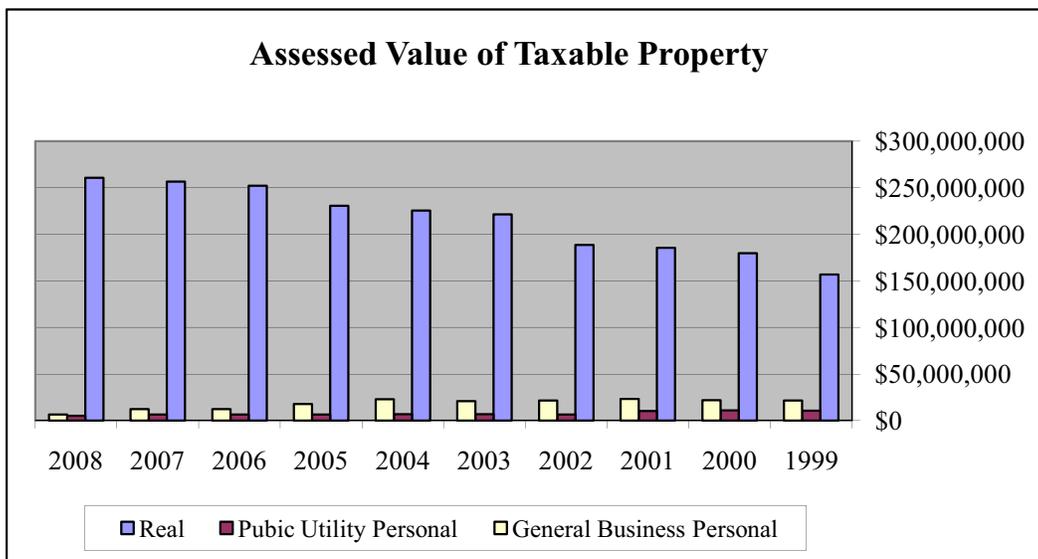
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage was 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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

Source: Summit County, Fiscal Officer

Tangible Personal Property

General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$6,536,255	\$104,580,080	\$272,327,195	\$855,129,924	31.85%	\$7.39
12,197,400	97,579,200	275,425,380	838,460,690	32.85	4.40
12,197,400	65,052,800	271,038,580	793,400,576	34.16	4.42
17,925,833	71,703,332	254,956,303	737,641,028	34.56	4.66
22,835,501	91,342,004	255,184,471	743,189,312	34.34	4.71
20,700,235	82,800,940	248,917,065	723,225,558	34.42	4.69
21,588,797	86,355,188	216,846,097	632,839,048	34.27	5.06
23,142,207	92,568,828	218,681,887	633,854,227	34.50	5.10
21,836,416	87,345,664	212,467,116	613,324,183	34.64	5.10
21,404,032	85,616,128	188,842,852	545,960,957	34.59	5.45



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

	2008	2007	2006	2005
Unvoted Millage				
Operating	\$1.6000	\$1.6000	\$1.6000	\$1.6000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>
Voted Millage by Levy				
1988 Ambulance and EMS				
Residential/Agricultural Real	0.4219	0.4180	0.4203	0.4590
Commerical/Industrial and Public Utility Real	0.5572	0.5643	0.5741	0.5884
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
1988 Fire				
Residential/Agricultural Real	0.6751	0.6688	0.6724	0.7344
Commerical/Industrial and Public Utility Real	0.8915	0.9029	0.9186	0.9415
General Business and Public Utility Personal	1.6000	1.6000	1.6000	1.6000
1996 Ambulance and EMS				
Residential/Agricultural Real	0.5763	0.5709	0.5740	0.6269
Commerical/Industrial and Public Utility Real	0.7501	0.7596	0.7728	0.7921
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
1996 Fire				
Residential/Agricultural Real	0.5763	0.5709	0.5740	0.6269
Commerical/Industrial and Public Utility Real	0.7501	0.7596	0.7728	0.7921
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
2007 Fire				
Residential/Agricultural Real	3.0000	0.0000	0.0000	0.0000
Commerical/Industrial and Public Utility Real	2.9622	0.0000	0.0000	0.0000
General Business and Public Utility Personal	3.0000	0.0000	0.0000	0.0000
Total Voted Millage by type of property				
Residential/Agricultural Real	\$5.2496	\$2.2286	\$2.2407	\$2.4472
Commerical/Industrial and Public Utility Real	5.9111	2.9864	3.0383	3.1141
General Business and Public Utility Personal	<u>7.6000</u>	<u>4.6000</u>	<u>4.6000</u>	<u>4.6000</u>
Total Millage by type of property				
Residential/Agricultural Real	\$7.1496	\$4.1286	\$4.1407	\$4.3472
Commerical/Industrial and Public Utility Real	7.8111	4.8864	4.9383	5.0141
General Business and Public Utility Personal	<u>9.5000</u>	<u>6.5000</u>	<u>6.5000</u>	<u>6.5000</u>
Overlapping Rates by Taxing District				
Norton City School District				
Residential/Agricultural Real	\$29.1958	\$28.8335	\$28.9406	\$31.1576
Commerical/Industrial and Public Utility Real	36.9567	37.2881	37.8347	38.6235
General Business and Public Utility Personal	59.9000	59.9000	59.9000	59.9000
Summit County				
Residential/Agricultural Real	12.5574	10.5997	9.0633	9.6107
Commerical/Industrial and Public Utility Real	12.1034	11.4020	10.0247	10.3113
General Business and Public Utility Personal	12.7000	13.1100	12.2200	12.2200
Akron/Summit Library				
Residential/Agricultural Real	1.9921	1.9206	1.9333	2.1358
Commerical/Industrial and Public Utility Real	1.9799	1.9896	1.9907	2.1400
General Business and Public Utility Personal	2.0800	2.0300	2.0400	2.1400
Metropolitan Park District				
Residential/Agricultural Real	1.4600	1.4573	0.6959	0.7517
Commerical/Industrial and Public Utility Real	1.3914	1.4600	0.7470	0.7743
General Business and Public Utility Personal	1.4600	1.4600	0.8500	0.8500

Source: County Fiscal Officer

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Overlapping rates are those of local and county governments that apply to property owners within the City.

2004	2003	2002	2001	2000	1999
\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
0.4627	0.4639	0.5322	0.5340	0.5324	0.6113
0.5825	0.5627	0.6537	0.6586	0.6634	0.6986
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.7403	0.7422	0.8516	0.8544	0.8518	0.9780
0.9320	0.9003	1.0460	1.0538	1.0615	1.1177
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
0.6320	0.6336	0.7270	0.7294	0.7271	0.8349
0.7841	0.7575	0.8800	0.8866	0.8931	0.9404
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.6320	0.6336	0.7270	0.7294	0.7271	0.8349
0.7841	0.7575	0.8800	0.8866	0.8931	0.9404
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$2.4670	\$2.4733	\$2.8378	\$2.8472	\$2.8384	\$3.2591
3.0827	2.9780	3.4597	3.4856	3.5111	3.6971
4.6000	4.6000	4.6000	4.6000	4.6000	4.6000
\$4.3670	\$4.3733	\$4.7378	\$4.7472	\$4.7384	\$5.1591
4.9827	4.8780	5.3597	5.3856	5.4111	5.5971
6.5000	6.5000	6.5000	6.5000	6.5000	6.5000
\$26.4282	\$26.5082	\$29.3761	\$29.4434	\$29.3675	\$32.8272
33.4429	32.5120	37.1708	37.1425	37.3722	38.9490
55.0000	55.0000	55.0000	55.0000	55.0000	55.0000
9.6343	9.6215	10.5666	10.5864	8.8947	9.5646
10.2999	10.2128	11.0662	11.1466	10.0509	10.4906
12.2200	12.2200	12.2200	12.2200	11.4200	11.4200
0.7800	1.2633	1.0993	1.1411	1.1431	1.6120
0.7800	1.4346	1.2739	1.3232	1.3222	1.7679
0.7800	1.5900	1.3500	1.3900	1.3900	1.7900
0.7540	0.7526	0.7671	0.7688	0.7705	0.8471
0.7730	0.7652	0.7944	0.8022	0.8004	0.8457
0.8500	0.8500	0.8500	0.8500	0.8500	0.8500

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

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2008	\$1,940,960	\$1,859,423	95.80%	\$33,625	\$1,893,048
2007	1,132,826	1,085,632	95.83	30,202	1,115,834
2006	1,119,491	1,071,160	95.68	33,666	1,104,826
2005	1,073,413	1,026,171	95.60	31,942	1,058,113
2004	1,098,882	1,017,803	92.62	35,748	1,053,551
2003	1,034,972	989,267	95.58	33,414	1,022,681
2002	1,022,167	929,322	90.92	38,641	967,963
2001	1,019,359	930,385	91.27	26,814	957,199
2000	991,364	909,644	91.76	30,713	940,357
1999	941,164	860,522	91.43	30,789	891,311

Source: County Fiscal Officer

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

Note: The County does not identify delinquent collections by the year for which the tax was levied.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
97.53%	\$108,128	5.57%
98.50	60,217	5.32
98.69	65,655	5.86
98.57	60,368	5.62
95.87	45,331	4.13
98.81	52,891	5.11
94.70	54,205	5.30
93.90	62,160	6.10
94.85	51,586	5.20
94.70	49,853	5.30

City of Norton, Ohio
Income Tax Revenue Base and Collections (1)
Last Eight Years (2)

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>
2008	2.00 %	\$4,014,015	\$726,135	18.09 %	\$2,888,084	71.95 %
2007	2.00	3,979,767	626,813	15.75	2,873,790	72.21
2006	2.00	3,958,650	677,192	17.11	2,816,173	71.14
2005	2.00	3,794,343	508,573	13.40	2,866,905	75.56
2004	1.50	2,657,039	411,098	15.47	1,899,297	71.48
2003	1.50	2,600,731	432,067	16.61	1,880,010	72.29
2002	1.50	2,613,781	407,094	15.57	1,885,769	72.15
2001	1.50	2,608,366	425,685	16.32	1,843,016	70.66

(1) Cash Basis

(2) Information prior to 2001 is not available

<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>
\$399,796	9.96 %
479,164	12.04
465,285	11.75
418,865	11.04
346,644	13.05
288,654	11.10
320,918	12.28
339,665	13.02

City of Norton, Ohio
Principal Real Estate Property Taxpayers
2008 and 2003(1)

Taxpayer	2008	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,837,360	1.09 %
Albrecht, Inc.	2,055,400	0.79
B&C Corporation	1,375,260	0.53
Falkenstein, Albert J. & Margaret C.	1,012,920	0.39
Newpark Drive Limited Partnership	962,990	0.37
B&C Corporation	804,500	0.31
Pittsburgh Plate Glass Company	696,390	0.27
Trinity Broadcasting Network Inc.	655,260	0.25
Clayson, Inc.	616,730	0.24
Fomo Products, Inc.	605,540	0.23
Total	\$11,622,350	4.46 %
Total Real Assessed Valuation	\$260,646,270	

Taxpayer	2003	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$3,458,640	1.56 %
B&C Corporation	2,527,730	1.14
Albrecht, Inc.	2,176,540	0.98
Seal Mack W.	1,959,100	0.88
Pittsburgh Plate Glass Company	1,260,100	0.57
Falkenstein, Albert J. & Margaret C.	973,800	0.44
Newpark Drive Limited Partnership	846,300	0.38
Brookside Land Company	756,260	0.34
Strachan, Wyman Et al	723,860	0.33
Norton Energy Storage, LLC	648,260	0.28
Total	\$15,330,590	6.92 %
Total Real Assessed Valuation	\$221,462,060	

Source: Summit County Fiscal Officer

(1) Information prior to 2003 was not available.

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

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of General Obligation Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>General Obligation Bonded Debt Per Capita</u>
2008	11,596	b	\$855,129,924	\$2,641,884	0.31 %	\$227.83
2007	11,596	b	838,460,690	2,829,649	0.34	244.02
2006	11,596	b	793,400,576	3,012,414	0.38	259.78
2005	11,745	b	737,641,028	3,192,041	0.43	271.78
2004	11,726	b	743,189,312	3,371,668	0.45	287.54
2003	11,523	b	723,225,558	4,420,000	0.61	383.58
2002	11,523	b	632,839,048	0	0.00	0.00
2001	11,523	b	633,854,227	0	0.00	0.00
2000	11,523	a	613,324,183	0	0.00	0.00
1999	11,523	a	545,960,957	0	0.00	0.00

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

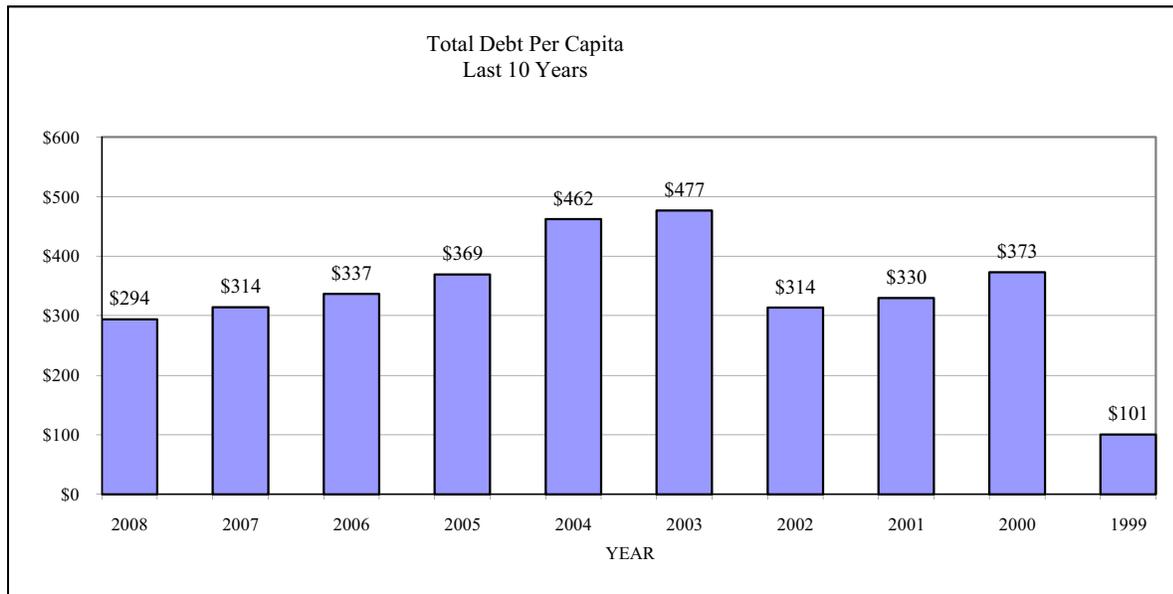
(2) Summit County Fiscal Officer

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

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

Year	General Obligation Bonds	Long-Term Notes	Special Assessment Bonds	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
2008	\$2,641,884	\$0	\$758,116	\$9,364	\$3,409,364	1.29%	\$294
2007	2,829,649	0	800,351	12,295	3,642,295	1.38	314
2006	3,012,414	35,000	842,586	15,212	3,905,212	1.47	337
2005	3,192,041	255,000	882,959	4,245	4,334,245	1.62	369
2004	3,371,668	1,116,000	923,332	9,556	5,420,556	2.06	462
2003	4,420,000	978,000	85,000	8,391	5,491,391	2.15	477
2002	0	3,525,000	90,000	0	3,615,000	1.44	314
2001	0	3,705,000	95,000	0	3,800,000	1.54	330
2000	0	4,195,000	100,000	0	4,295,000	1.77	373
1999	0	1,055,000	105,000	0	1,160,000	0.49	101

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



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City of Norton, Ohio

Legal Debt Margin

Last Ten Years

	2008	2007	2006	2005
Total Assessed Property Value	<u>\$272,327,195</u>	<u>\$275,425,380</u>	<u>\$271,038,580</u>	<u>\$254,956,303</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$28,594,355</u>	<u>\$28,919,665</u>	<u>\$28,459,051</u>	<u>\$26,770,412</u>
Debt Outstanding:				
General Obligation Bonds	2,641,884	2,829,649	3,012,414	3,192,041
Special Assessment Bonds	758,116	800,351	842,586	882,959
Manuscript Notes	560,000	806,000	0	0
Notes	<u>563,000</u>	<u>0</u>	<u>220,000</u>	<u>840,800</u>
Total Gross Indebtedness	4,523,000	4,436,000	4,075,000	4,915,800
Less:				
Special Assessment Bonds	(758,116)	(800,351)	(842,586)	(882,959)
Amount Available in Debt Service	<u>0</u>	<u>(30,914)</u>	<u>(16,888)</u>	<u>(46,698)</u>
Total Net Debt Applicable to Debt Limit	<u>3,764,884</u>	<u>3,604,735</u>	<u>3,215,526</u>	<u>3,986,143</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$24,829,471</u>	<u>\$25,314,930</u>	<u>\$25,243,525</u>	<u>\$22,784,269</u>
Legal Debt Margin as a Percentage of the Debt Limit	86.83%	87.54%	88.70%	85.11%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$14,977,996</u>	<u>\$15,148,396</u>	<u>\$14,907,122</u>	<u>\$14,022,597</u>
Total Gross Indebtedness	4,523,000	4,436,000	4,075,000	4,915,800
Less:				
Special Assessment Bonds	(758,116)	(800,351)	(842,586)	(882,959)
Amount Available in Debt Service	<u>0</u>	<u>(30,914)</u>	<u>(16,888)</u>	<u>(46,698)</u>
Net Debt Within 5 ½ % Limitations	<u>3,764,884</u>	<u>3,604,735</u>	<u>3,215,526</u>	<u>3,986,143</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$11,213,112</u>	<u>\$11,543,661</u>	<u>\$11,691,596</u>	<u>\$10,036,454</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	74.86%	76.20%	78.43%	71.57%

Source: City Financial Records

2004	2003	2002	2001	2000	1999
<u>\$255,184,471</u>	<u>\$248,917,065</u>	<u>\$216,846,097</u>	<u>\$218,681,887</u>	<u>\$212,467,116</u>	<u>\$188,842,852</u>
<u>\$26,794,369</u>	<u>\$26,136,292</u>	<u>\$22,768,840</u>	<u>\$22,961,598</u>	<u>\$22,309,047</u>	<u>\$19,828,499</u>
3,371,668	4,420,000	0	0	0	0
923,332	85,000	90,000	95,000	100,000	105,000
0	0	0	0	0	0
<u>1,116,000</u>	<u>978,000</u>	<u>3,525,000</u>	<u>3,705,000</u>	<u>4,195,000</u>	<u>1,055,000</u>
5,411,000	5,483,000	3,615,000	3,800,000	4,295,000	1,160,000
(923,332)	(85,000)	(90,000)	(95,000)	(100,000)	(105,000)
<u>(56,402)</u>	<u>(10,768)</u>	<u>(11,270)</u>	<u>(10,962)</u>	<u>(144,051)</u>	<u>(19,855)</u>
<u>4,431,266</u>	<u>5,387,232</u>	<u>3,513,730</u>	<u>3,694,038</u>	<u>4,050,949</u>	<u>1,035,145</u>
<u>\$22,363,103</u>	<u>\$20,749,060</u>	<u>\$19,255,110</u>	<u>\$19,267,560</u>	<u>\$18,258,098</u>	<u>\$18,793,354</u>
83.46%	79.39%	84.57%	83.91%	81.84%	94.78%
<u>\$14,035,146</u>	<u>\$13,690,439</u>	<u>\$11,926,535</u>	<u>\$12,027,504</u>	<u>\$11,685,691</u>	<u>\$10,386,357</u>
5,411,000	5,483,000	3,615,000	3,800,000	4,295,000	1,160,000
(923,332)	(85,000)	(90,000)	(95,000)	(100,000)	(105,000)
<u>(56,402)</u>	<u>(10,768)</u>	<u>(11,270)</u>	<u>(10,962)</u>	<u>(144,051)</u>	<u>(19,855)</u>
<u>4,431,266</u>	<u>5,387,232</u>	<u>3,513,730</u>	<u>3,694,038</u>	<u>4,050,949</u>	<u>1,035,145</u>
<u>\$9,603,880</u>	<u>\$8,303,207</u>	<u>\$8,412,805</u>	<u>\$8,333,466</u>	<u>\$7,634,742</u>	<u>\$9,351,212</u>
68.43%	60.65%	70.54%	69.29%	65.33%	90.03%

City of Norton, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2008

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
General Obligation Bonds	\$2,641,884	100%	\$2,641,884
Special Assessment Bonds	758,116	100	758,116
Capital Leases	<u>9,364</u>	100	<u>9,364</u>
<i>Total Direct Debt</i>	<u>3,409,364</u>		<u>3,409,364</u>
Overlapping			
Barberton City School District			
General Obligation Bonds	24,227,862	2.12	513,631
Summity County			
General Obligation Bonds	56,588,969	2.15	1,216,663
Akron-Summit County Library System			
General Obligation Bonds	50,565,000	3.06	1,547,289
Regional			
Transit Authority	<u>570,000</u>	2.15	<u>12,255</u>
<i>Total Overlapping Debt</i>	<u>131,951,831</u>		<u>3,289,838</u>
Total	<u><u>\$135,361,195</u></u>		<u><u>\$6,699,202</u></u>

Source: County Fiscal Officer

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

City of Norton, Ohio
Principal Employers
2008 and 2002(1)

2008		
Employer	Employees	Percentage of Total City Employment
B&C Corporation	688	12.98%
Norton City School District	496	9.36
Fred Martin Motor Company	308	5.81
SA Comunale Co.	298	5.62
Fred W. Albrecht Grocery Company	227	4.28
Albert Screenprint	163	3.08
Ganley Ford	131	2.47
City of Norton	119	2.25
PPG Industries	76	1.43
Milich's Village Inn Incorporated	71	1.34
TOTAL	2,577	48.62%
Total Employment within the City	5,300	

2002	
Employer	Employees
JR Wheel	375
Norton City School District	312
SA Comunale Co.	177
Alberyt Screen Print	150
The City of Norton	104
Adjusta Post Manufacturing Co.	100
FOMO Products	56
TOTAL	1,274
Total Employment within the City	N/A

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

(1) Information prior to 2002 is not available.

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2008	11,596	\$264,875,832	\$22,842	\$47,085	40
2007	11,596	264,875,832	22,842	47,085	40
2006	11,596	264,875,832	22,842	47,085	40
2005	11,745	268,279,290	22,842	47,085	40
2004	11,726	263,588,754	22,479	47,085	40
2003	11,523	254,831,145	22,115	47,085	40
2002	11,523	250,648,296	21,752	47,085	40
2001	11,523	246,453,924	21,388	47,085	40
2000	11,523	242,271,075	21,025	47,085	40
1999	11,523	238,076,703	20,661	N/A	N/A

(1) Source: U. S. Census

(a) Years 2000 through 2008 - 2000 Federal Census

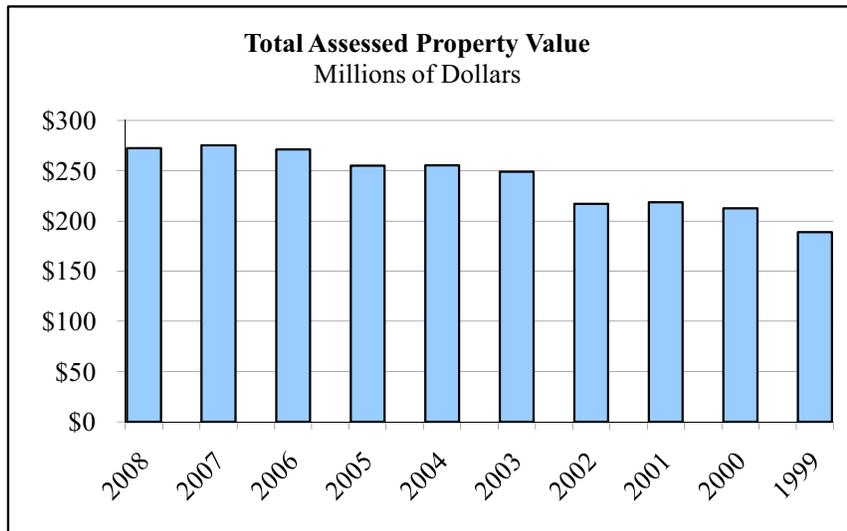
(b) Years 1998 through 1999 - 1990 Federal Census

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

(3) Source: County Planning Commission

(4) Source: County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
11.71 %	2,505	6.10 %	\$165,941	\$272,327,195
11.71	2,587	6.10	165,941	275,425,380
11.71	2,495	6.10	165,941	271,038,580
11.56	2,446	6.10	169,926	254,956,303
11.58	2,470	5.50	154,269	255,184,471
11.79	2,558	5.70	142,868	248,917,065
11.79	2,597	4.30	125,151	216,846,097
11.79	2,554	4.30	133,766	218,681,887
11.79	2,563	4.00	142,788	212,467,116
N/A	N/A	4.00	117,327	188,842,852



City of Norton, Ohio
Operating Indicators by Function/Program
Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
<i>Council and Clerk</i>							
Number of Ordinances	79	72	74	72	85	99	64
Number of Resolutions	31	19	29	32	53	20	19
Number of Planning Commission docket items	47	27	21	23	40	41	28
Zoning Board of Appeals docket items	35	25	23	26	27	30	40
Park and Cemetery Board docket items	16	35	N/A	N/A	N/A	N/A	N/A
<i>Finance Department</i>							
Number of checks/ vouchers issued	1841	1797	1927	1896	1769	1930	1692
General Fund Interest earnings for fiscal year (cash basis)	\$116,367	\$272,512	\$228,507	\$92,392	\$30,597	\$18,544	\$24,274
Agency Ratings - Fitch	A	A	A	A	A	A	None
Health Insurance Costs (cash basis in thousands)	\$666	\$700	\$571	\$498	\$608	N/A	N/A
Health Insurance Costs vs General Fund Expenditures %	14.1%	9.9%	13.9%	10.3%	14.1%	N/A	N/A
General Fund Receipts (cash basis in thousands)	\$5,827	\$5,892	\$5,328	\$5,238	\$4,416	\$4,297	\$4,456
General Fund Expenditures (cash basis in thousands)	\$4,728	\$7,090	\$4,122	\$4,856	\$4,302	\$4,203	\$4,391
General Fund Cash Balances (in thousands)	\$767	\$156	\$1,584	\$438	\$191	\$122	\$68
<i>Municipal Court</i>							
Number of Misdemeanor Cases	99	124	175	178	139	N/A	N/A
Number of OVI cases	22	25	52	51	64	N/A	N/A
Number of Traffic cases	1,280	1,473	2,935	2,135	2,689	N/A	N/A
<i>Building Department Indicators</i>							
Residential/Commercial Permits Issued	356	189	241	269	306	197	N/A
Zoning Permits	65	66	84	78	79	58	N/A
Electric Permits	150	162	206	206	211	191	N/A
Heating Permits	77	58	74	108	120	114	N/A
Number of permits issued	648	475	605	661	716	560	0
Permit Revenue	\$53,652	\$48,397	\$61,643	\$69,236	\$80,614	\$86,287	\$77,456

(continued)

City of Norton, Ohio
Operating Indicators by Function/Program (continued)
Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
Security of Persons & Property							
<i>Police</i>							
Felony Arrests	130	106	114	131	138	106	127
Misdemeanor Arrests	507	521	754	683	763	574	549
Arson	1	2	1	2	1	2	0
Assault	65	65	67	56	63	76	71
Residential Burglary	54	30	39	39	44	32	44
General Disturbance	10542	8327	10852	10012	10765	9713	7600
Domestic Violence	107	84	119	140	121	119	120
Drug Offense	44	28	70	48	12	9	7
Homicide	0	0	0	1	0	0	0
Larceny	296	269	312	311	330	323	306
Vandalism/Criminal Damaging	42	75	77	80	77	98	145
Robbery	3	4	5	5	11	5	6
Sex Offense	13	10	19	13	15	5	14
9-1-1 Calls	1864	1733	1621	1775	1686	1770	2116
Auto Theft/Stolen Plates	58	41	50	42	50	62	59
Traffic Crashes	490	487	448	551	528	597	561
Traffic Fatalities	1	2	1	2	4	2	3
Driving While Intoxicated	67	95	163	144	175	131	120
Traffic Citations Issued	2064	2603	4860	3870	4341	3483	3090
Prisoners in Norton Jail	59	77	104	142	141	184	214
Warrant Arrests	291	303	408	457	386	408	362
<i>Fire</i>							
EMS Calls	966	968	934	942	928	967	1,017
Ambulance Billing Collections (net)	\$273,510	\$200,624	\$199,799	\$231,593	\$208,873	\$226,005	\$208,620
Revenue per run	283	207	214	246	225	234	205
Fire Calls	373	332	233	287	215	215	236
Public Health and Welfare							
Cemetery burials	1	3	1	0	1	4	N/A
Cemetery foundations	3	0	1	1	2	5	N/A
Cemetery cremations	0	0	0	0	0	1	N/A
Cemetery sale of lots	0	8	0	0	3	22	N/A
Cemetery receipts	\$1,150	\$4,355	\$666	\$155	\$1,825	\$6,965	N/A
Health Advisory Board docket items	19	19	N/A	N/A	N/A	N/A	N/A

N/A = Information is not available

(1) Information prior to 2002 is not available
Source: City Records

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

Function/Program	2008	2007	2006	2005
General Government				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	1	2	2	2
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage of Building	3,600	3,600	3,600	3,600
Vehicles	8	10	10	10
Fire				
Stations	2	2	2	2
Recreation				
Number of Parks	7	7	7	7
Number of Tennis Courts	4	4	4	4
Number of Baseball Diamonds	5	5	3	3
Number of Soccer Fields	3	3	3	3
Number of Football Fields	1	1	1	1
Other Public Works				
Service Garage Square Footage	6,800	6,800	6,800	6,800
Streets (lane miles)	260	260	260	260
Service Vehicles	13	12	12	12
City Cemeteries	2	2	2	2
Wastewater				
Sanitary Sewers (miles)	8.40	8.40	8.40	8.40
Water Department				
Water Lines (miles)	12.50	12.50	12.50	12.50

Source: City Records

2004	2003	2002	2001	2000	1999
4,080	4,080	4,080	4,080	4,080	4,080
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
3,600	3,600	3,600	3,600	3,600	3,600
10	N/A	N/A	N/A	N/A	N/A
2	2	2	2	2	2
7	6	6	6	6	6
4	4	4	4	4	4
3	3	3	3	3	3
3	3	3	3	3	3
1	1	1	1	1	1
6,800	6,800	6,800	960	960	960
260	260	260	260	260	260
12	12	12	12	12	12
2	2	2	2	2	2
8.40	8.40	8.40	8.40	8.40	8.40
12.50	12.50	12.50	12.50	12.50	12.50

City of Norton, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
Mayor	2	2	2	2	2	2	2
Council	8	8	8	8	8	8	8
Finance	5	4	5	5	5	5	5
City Administrator	1	1	1	1	1	1	1
Law	1	1	1	1	1	1	1
Administration	2	3	3	3	3	3	3
Engineer	1	1	1	1	1	1	1
Planning	0	1	1	1	1	1	1
Civil Service	0	1	1	1	1	1	1
Court	3	3	3	3	3	3	3
Security of Persons and Property							
Police	30	30	30	30	30	30	30
Fire Full Time	3	4	4	4	4	3	3
Fire Part Time	29	33	30	30	30	30	30
Fire - Secretary - Other	1	1	1	1	1	1	1
Community Development							
Building	2	2	2	2	2	2	2
Transportation							
Service	12	12	12	13	14	14	14
Totals:	<u>100</u>	<u>107</u>	<u>105</u>	<u>106</u>	<u>107</u>	<u>106</u>	<u>106</u>

Source: City Payroll Department W2 Audit Listing

Method: Using 1.0 for each employee at December 31.

(1) Information prior to 2002 is not available



Mary Taylor, CPA
Auditor of State

CITY OF NORTON

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 3, 2009**