

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

Varney, Fink & Associates, Inc.
Certified Public Accountants



Mary Taylor, CPA
Auditor of State

Members of City 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, 2009 through December 31, 2009. 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

July 13, 2010

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**CITY OF NORTON
SUMMIT COUNTY, OHIO**

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

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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
4060 Columbia Woods Drive
Norton, Ohio 44203

To Members of 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, Summit County, (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected. We consider Finding 2009-01 described in the accompanying Schedule of Findings and Responses to be a material weakness.

City of Norton
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*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Responses as items 2009-02 and 2009-03.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 14, 2010.

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.

We intend this report solely for the information and use of management, and the Council of the City of Norton. We intend it for no one other than these specified parties.

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

June 14, 2010

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Finding 2009-01 **MATERIAL WEAKNESS**

Financial Statement Adjustment

The City made the following adjustments to restate beginning balances:

Net assets for Governmental Activities on the Government-Wide Financial statements have been restated from \$17,247,247 to \$17,172,800 as of December 31, 2008. The restatement is the result of a combination of capital assets not recorded and others not deleted on the City's financial statements.

General Fund balance on the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual has been restated from (\$342,096) to \$464,904 as of December 31, 2008. The restatement is the result of internal debt not being included as belonging to the General Fund for budgetary reporting.

The above adjustments should be reviewed to ensure that similar adjustments are not necessary in subsequent years.

Officials Response:

The City of Norton periodically reviews the presentation of capital assets and works to strengthen controls which results in corrections, that are sometimes deemed significant. We believe the restatement improves the presentation of capital assets.

The oversight in the presentation of internal debt occurred in the GAAP conversion process and notations have been made to avoid repetition.

Finding 2009-02 **NONCOMPLIANCE**

Section 5705.38(C), Ohio Revised Code, requires a minimum level of budgetary control. Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

The City appropriated for personal services and other on a fund level, but not for each department or division within the funds.

The City should appropriate per Ohio Revised Code, Section 5705.38(C).

Official Response:

In December 2009 City Council approved the 2010 original appropriations. At this time the legal level of control for 2010 was established to be at the personal service and other expenditures by department within each fund.

Finding 2009-03 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 did not occur as of December 31, 2009, however the following negative fund balances did occur:

<u>Fund</u>	<u>As of April 30, 2009</u>	<u>As of July 31, 2009</u>
Fire Fund	\$3,186	\$19,715
State Highway Fund	24,457	0

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 advanced to the fund in accordance with the Ohio Revised Code.

Officials Response:

The City of Norton will continue to strengthen controls to assure that cash balances are adequate throughout the year to meet obligations.

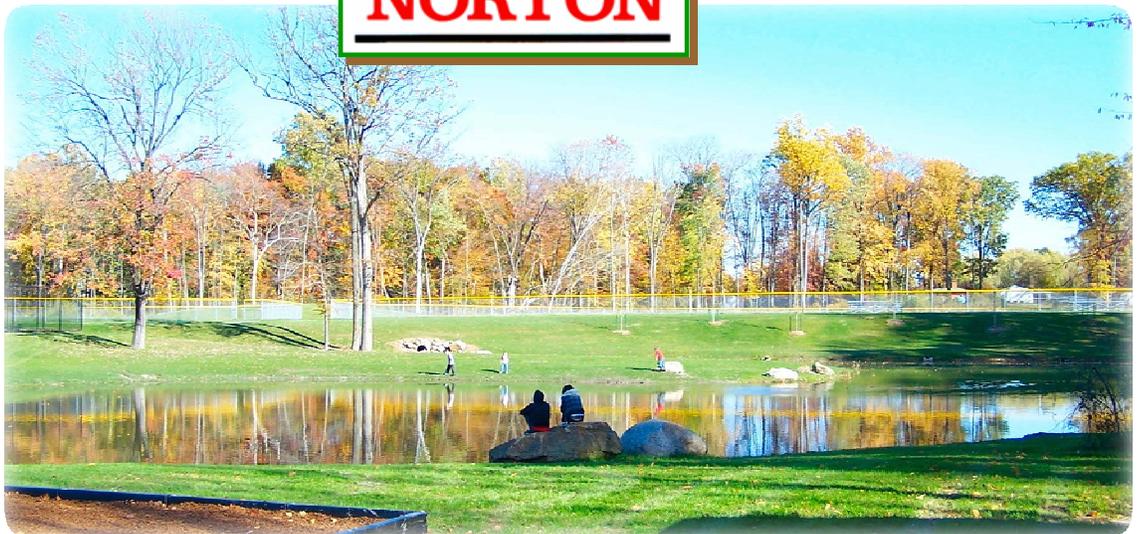
**CITY OF NORTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009**

<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>
2008-01	ORC Section 5705.10 Negative Fund Balance	No	Reissued as Finding 2009-03
2008-02	ORC Section 5705.14, 5705.15, 5705.16 Transfers and advances not made per authorized amounts.	Yes	Finding no longer valid
2008-03	ORC Section 5705.39 appropriations exceeded estimated resources	No	Partially

CITY OF

NORTON, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED—DECEMBER 31

2009

City of Norton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

Issued by:

City of Norton
Department of Finance

John P. Moss
Finance Director

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introductory

Section



2009

City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009
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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 David L. Koontz

June 14, 2010

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, 2009, 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 State, Cuyahoga County Community College, Notre Dame (Cleveland), Mount Union (Alliance), NEOUCOM College, Case Western Reserve University, Kent State University, Wooster ATI and Wooster College, all within a one-hour drive.

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

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

As previously mentioned, Norton was organized as a Village in 1961; the Village was and the City is a home-rule municipal corporation operating under the laws of the State of Ohio. The original charter was adopted on November 6, 1962. The Charter was readopted by the voters in its entirety on November 5, 1991. The Charter 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 experienced little to no growth in 2009, both in the areas of commercial and residential development. Construction activity was low, permits and inspections were off by about a third compared to 2008.

A notable project was completed. Fred Martin Motors completed a renovation and expansion project, investing around \$5,000,000 and providing an impressive new look to their already prime location just off Interstate 76 at Barber Road.

Although not complete as of year-end, some projects were near completion. This includes the Waterlines on Wadsworth, Berry, McGowan, and Connect roads. Also, a new water main serving Cleveland-Massillon Road was in use as of year end.

CITY PROJECTS

The City continues capital investments in Columbia Woods Park (a main park adjacent to the City Offices and the Community Center) with additions to the lights in the parks. Recently drained and completely re-graded with level banks and an eight foot shelf around the perimeter, the pond is a quiet spot in the park. The pond was stocked and feeder fish are added in the spring. Turtles, ducks, frogs and other aquatic life abound. Two underwater aerators have been added to support a larger fish population. A new playground area was graded and a new play structure was installed and opened in 2008. A new gazebo was constructed and is now the home of our free concerts in the park. A new electrical system is large enough to supply electricity to large events in the park, and new lights provide security light along the drive.

The City of Norton completed the design of its new fire station in 2009 and construction began in early 2010. Monies for the debt service on the construction cost will come from the levy passed in 2007. Additionally, the new proceeds from the reduced tax credit will finance the construction of new trunk lines for sewer and water. When combined with grant dollars, assessments and existing capital revenue, the City plans to have sewer and water projects for years to come.

Additionally, the re-paving of State Route 261 from the eastern to western borders of the City was completed.

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 and has reached the end of the available financing period, five years. The costs incurred will be assessed against the property, and the Church is re-evaluating the best use of the property.

The Ohio Public Works Commission (OPWC) has approved grants for the waterline replacement in the Connect Road and Hazelwood Avenue area of the City. Construction was nearly complete as of the end of the year. The third and final phase of the Gardner waterline project, an OPWC grant project, is ready for construction in 2010. Two additional locations that would be eligible for OPWC grants have been identified and will be on our list when funds are available again.

New projects on the horizon include a \$16 million expansion of Cleveland Massillon Road, a main thoroughfare. Grant funding of 90 percent of the project and engineering has begun.

In 2010, Greenwich Road, a main east-west thoroughfare, will be repaved using federal funds and a local match.

The City continues to seek funding to purchase Lake Dorothy, a 200+ acre lake in the center of the community. Additional funding is sought for the fully engineered reconstruction of New Park Drive, an important industrial park.

FINANCIAL PLANNING AND POLICIES

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 when we issue debt. Due to the economic downturn and despite budget reductions, the general fund has not been able to sustain the targeted carryover. As of December 31, 2009 the general fund carryover was up to around 10 percent of 2009 Expenses. This fact, and the impact of the downturn in the automotive industry, were noted in a Credit Rating Reduction by Fitch from an A with a negative outlook to an A- with a stable outlook.

NEW TAXES SUPPORT LOCAL GOVERNMENT

In November 2004, the voters of Norton approved a half (1/2) percent increase for City income tax and then in 2005 out-sourced the collection to Central Collection Agency, a regional income tax collecting service in Cleveland. The annual income tax collections (cash basis) increased from \$2,657,039 in 2004 to \$4,014,015 in 2008 for an increase of 51.07 percent. Additional revenue growth was expected again in 2009 due to efforts to improve the accuracy and completeness of the taxpayer rolls, through comparison to federal tax returns. Actual results were down about 9 percent due to a slowdown in the economy. Income tax revenue results for the first months of 2010 were higher than the first months of 2009.

The Norton City Council passed a change to the tax credit from a full credit to an up to 1 ½ percent credit. As a result all residents pay at least a ½ percent income tax to the City of Norton. The proceeds from this change are intended for new sewer and water trunk lines.

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, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period. The City of Norton has received a Certificate of Achievement for years. 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 2008 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.

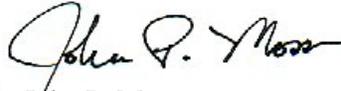
The Director of Finance strongly supports full disclosure of the City's finances. We would like to thank the Members of Council, whose leadership made the preparation of this report possible. The employees of the City of Norton are dedicated to serve its citizens. The preparation of a report of this 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, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

City of Norton, Ohio
Principal Officials
December 31, 2009

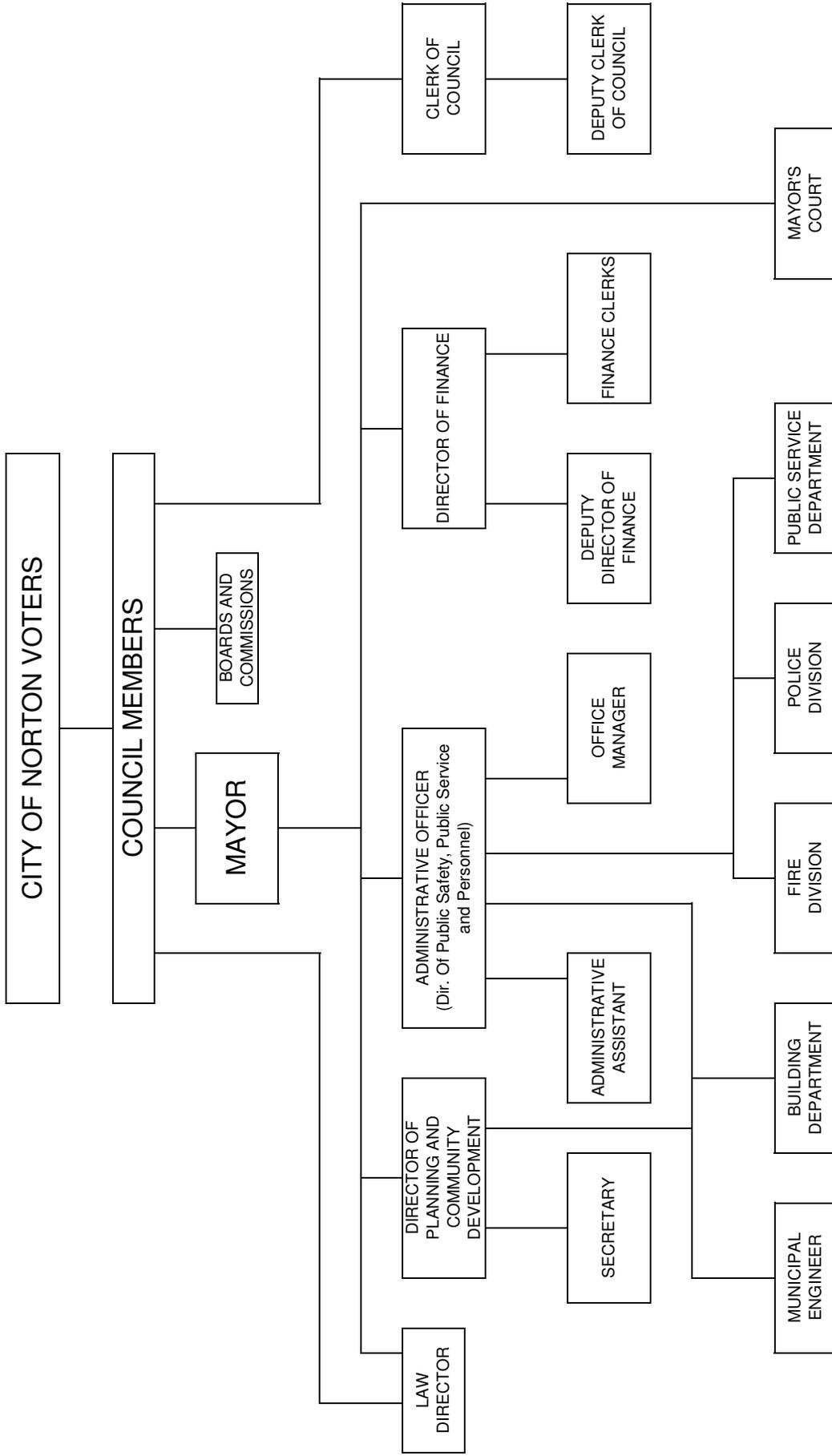
Elected Officials

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, At-Large
Michael Zita City Council, President 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
Thad Hete Police Chief
Mike Schultz Chief of Fire/EMS
Russ Arters Superintendent of Buildings and Zoning Inspector
James Mitchell Clerk of Mayor's Court
Andrew Peck Court Magistrate
Karla Richards Clerk of Council

City of Norton Organizational Chart



COMPREHENSIVE ANNUAL FINANCIAL REPORT



Financial

Section



2009

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 City of Norton, Ohio (the City) as of and for the year ended December 31, 2009, 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 the 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, 2009, and the respective changes in financial position, and cash flows, where applicable, 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 14, 2010, 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 should be considered 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 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 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 14, 2010

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
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, 2009. 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

Norton was impacted by the down turn of the national economy. As a result we experienced reduced revenue. In response the City cut spending and reduced the budget.

Capital projects supported by levies, grants or assessments proceeded and we experienced lower construction costs and debt service costs. Various major projects included the following:

- The purchase of land and engineering services for the new fire station.
- Electrical power and lighting at Columbia Woods Park.
- Engineering and/or construction work on the following waterline projects: Connect Road, Cleveland-Massillon Road, Wadsworth-Berry-McGowan Roads, and Gardner Phase III.
- Engineering and/or construction work on the following road projects: State Route 261 Resurfacing Project with the Ohio Department of Transportation, Greenwich/Norton road resurfacing and Cleveland-Massillon widening.

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 2009 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 2009. 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.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
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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.

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 three 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, special assessment bond retirement fund and the Cleveland-Massillon Road waterline 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, 2009
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 2009 as they compare to 2008.

Table 1
Net Assets

	Governmental Activities		
	2009	Restated 2008	Change
<i>Assets</i>			
Current and Other Assets	\$11,064,418	\$10,186,812	\$877,606
Capital Assets, Net	18,550,174	14,645,504	3,904,670
Total Assets	29,614,592	24,832,316	4,782,276
<i>Liabilities</i>			
Current and Other Liabilities	5,871,121	3,489,910	2,381,211
Long-term Liabilities			
Due Within One Year	472,173	524,982	(52,809)
Due in More than One Year	3,442,598	3,644,624	(202,026)
Total Liabilities	9,785,892	7,659,516	2,126,376
<i>Net Assets</i>			
Invested in Capital Assets			
Net of Related Debt	12,983,587	10,673,140	2,310,447
Restricted:			
Capital Projects	966,739	768,494	198,245
Debt Service	682,976	820,130	(137,154)
Police	33,363	45,893	(12,530)
Fire and EMS	922,576	735,962	186,614
Transportation	992,559	1,012,433	(19,874)
Sewerline/Waterline Maintenance	1,304,656	1,146,715	157,941
Other Purposes	160,556	393,029	(232,473)
Unrestricted	1,781,688	1,577,004	204,684
Total Net Assets	\$19,828,700	\$17,172,800	\$2,655,900

Total assets increased from 2008 to 2009. This increase was primarily the result of an increase in capital assets as many projects were in progress around the City.

Total liabilities increased, primarily the result of an increase in notes payable. The notes were issued to finance several projects underway in the City, including the Cleveland-Massillon Road waterline, Wadsworth-Berry-McGowan waterline, Gardner Phase II waterline, Johnson Meadows infrastructure design, and the purchase of property for municipal purposes.

City of Norton, Ohio
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Total net assets increased over 2008. Some factors partly responsible for this increase included the increases in capital assets, which was only partially offset by increases in current liabilities.

Table 2 shows the changes in net assets for the year ended December 31, 2009.

Table 2
Changes in Net Assets

	Governmental Activities		
	2009	Restated 2008	Change
<i>Revenues</i>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$927,275	\$1,078,430	(\$151,155)
Operating Grants and Contributions	1,189,503	1,027,579	161,924
Capital Grants and Contributions	2,001,865	93,047	1,908,818
Total Program Revenues	<u>4,118,643</u>	<u>2,199,056</u>	<u>1,919,587</u>
<i>General Revenues:</i>			
Property Taxes	1,730,293	1,750,660	(20,367)
Income Tax	3,597,410	3,903,789	(306,379)
Grants and Entitlements	811,264	1,577,087	(765,823)
Interest	75,019	101,997	(26,978)
Other	176,628	38,178	138,450
Total General Revenues	<u>6,390,614</u>	<u>7,371,711</u>	<u>(981,097)</u>
<i>Total Revenues</i>	<u>10,509,257</u>	<u>9,570,767</u>	<u>938,490</u>
<i>Program Expenses:</i>			
General Government	2,125,361	1,960,544	(164,817)
Security of Persons and Property	3,663,609	3,635,906	(27,703)
Transportation	1,350,060	1,890,748	540,688
Community Environment	215,613	264,377	48,764
Public Health Services	149,466	134,428	(15,038)
Leisure Time Activities	130,210	187,932	57,722
Interest and Fiscal Charges	219,038	130,774	(88,264)
<i>Total Expenses</i>	<u>7,853,357</u>	<u>8,204,709</u>	<u>351,352</u>
<i>Increase in Net Assets</i>	2,655,900	1,366,058	1,289,842
<i>Net Assets Beginning of Year</i>	<u>17,172,800</u>	<u>15,806,742</u>	<u>1,366,058</u>
<i>Net Assets End of Year</i>	<u>\$19,828,700</u>	<u>\$17,172,800</u>	<u>\$2,655,900</u>

City of Norton, Ohio
Management's Discussion and Analysis
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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. In 2009 City Council reduced the credit to a maximum of 1.5 percent towards the 2 percent tax, with the proceeds going to sewer and water improvement projects.

The significant increase in capital grants in 2009 is due to the capital contribution of a road project. The project was primarily paid for by the Ohio Department of Transportation, but the City will own the road when complete.

The operations of the City's safety forces account for the largest expense in governmental activities, representing almost half of the total governmental activity expenses. The police service for the City of Norton is a full time, 24-hour per day, 365 days per year operation. The staff consists of a full time chief, four full time sergeants, eleven full time patrol officers, five 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, six of which are Lieutenants and three are Captains, and one full time secretary.

General government expense increased over 2008 due to increased fees paid for income tax collection. Transportation expense decreased from 2008 due to decreases 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. This year was marked by a reduction of revenues. The City responded by cutting operating costs where possible and use of the carryover balances. Historically, the City has maintained healthy carryover balances in operating funds and saves up carryover balances in capital funds.

Expenses exceeded revenue overall by \$1,846,782, causing reductions to the carryover balances. The overall carryover balances were down to \$2,186,565. Significant reductions to the carryover balance occurred in the Cleveland-Massillon Road waterline fund by \$922,488 and the general fund by \$901,608.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Revenues were down in 2009. General fund revenue of \$5,236,359 was lower than 2008 by \$681,532 (11.5 percent of 2008 revenue), including lower intergovernmental revenue by \$426,936 and lower tax revenues by \$309,624. For the total governmental funds, 2009 revenue of \$9,186,667 was lower than 2008 by \$359,315. Revenue reductions were a result of a general downturn in the National Economy.

Expenditure decreases over 2008 were achieved in security of persons and property by \$339,674 (8.4 percent of 2008 expenses). General government expenses were up \$573,158, which includes the purchase of land for \$406,904. Overall expenses of \$11,033,449 were up by \$1,389,741 (14 percent over 2008). Nonrecurring expenses of \$406,904 in the general fund and \$1,145,795 in the Cleveland-Massillon Road waterline fund made up most of the overall increase. Overall the City made reductions in recurring operating costs and proceeded with capital projects.

General Fund Budgeting Highlights

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

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

For the general fund, original budgeted revenues were \$5,019,275 and final budgeted revenues were \$5,775,453. This \$756,178 difference is due to increased budgeted revenues for property taxes of \$54,709, municipal income tax of \$527,468 and intergovernmental for \$125,034. Original budgeted expenditures were \$5,790,888 and final budgeted expenditures were \$5,627,442 for a decrease of \$163,446. The decrease is primarily the result of supplemental appropriations for the police department for costs in relation to salaries and wages, materials and supplies, and capital outlay. Additionally, small capital replacements were cut back or deferred to a later period.

For the general fund, final budgeted revenues were \$5,775,453 and actual revenue collections were \$5,326,327. Of this \$449,126 difference, most is due to less actual income tax revenues than anticipated. The general fund final budgeted expenditures were \$5,627,442 and the actual expenditures were \$5,348,509. This reduction of \$278,933 is due to efforts to control actual expenditures in recognition of lower revenue.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		
	2009	Restated 2008	Change
Land	\$1,160,308	\$715,178	\$445,130
Construction in Progress	3,748,182	461,338	3,286,844
Land Improvements	826,460	749,919	76,541
Building and Improvements	1,223,151	1,149,624	73,527
Equipment, Furniture and Fixtures	751,205	781,206	(30,001)
Vehicles	1,528,554	1,642,844	(114,290)
Infrastructure			
Water Lines	2,810,700	2,843,337	(32,637)
Sanitary Sewer Lines	4,056,402	4,100,736	(44,334)
Roads	2,445,212	2,201,322	243,890
<i>Totals</i>	<u>\$18,550,174</u>	<u>\$14,645,504</u>	<u>\$3,904,670</u>

Capital assets increased over 2008, primarily due to increases in construction in progress. This is made up of many projects, most notably the State Route 261 project the City is doing with the Ohio Department of Transportation and the Cleveland-Massillon Road waterline project. For more information about the City's capital assets, see Note 8 in the basic financial statements.

Debt

As of December 31, 2009, the City of Norton had the following in outstanding general obligation and special assessment bonds:

Table 4
Outstanding Bonds at Year End

	Governmental Activities		
	2009	2008	Change
General Obligation Bonds	\$2,464,119	\$2,641,884	(\$177,765)
Special Assessment Bonds	715,881	758,116	(42,235)
<i>Totals</i>	<u>\$3,180,000</u>	<u>\$3,400,000</u>	<u>(\$220,000)</u>

City of Norton, Ohio
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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.

For more information about the City's debt, see Note 10 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. The City has received further increases based on normal economic growth. Additionally, in 2009 City Council reduced the tax credit from up to 2 percent to up to 1.5 percent resulting in an effective minimum tax of ½ percent. The new revenue from this change is committed to the cost of water and sewer improvements.

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 adjust to lower revenues while sustaining City services at past levels. Equipment purchases as well as facility improvements, acquisitions and other necessary major purchases have been paid for in cash where possible to facilitate the pay-down of debt. Attention to healthy carryover balances and the pay-down of debt will continue in the future. However, the economic downturn has hurt the General Fund carryover. The City has kept the work force size at a financially manageable level and still has met the needs of City residents, but has not replaced most personnel that retired or left employment. As of January 1, 2010, the City is no longer self-insured for employee medical benefits, in an attempt to reduce benefit costs.

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, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,061,542
Cash and Cash Equivalents In Segregated Accounts	25,670
Cash and Cash Equivalents With Fiscal Agents	209,473
Materials and Supplies Inventory	273,881
Accounts Receivable	333,163
Accrued Interest Receivable	707
Intergovernmental Receivable	1,459,517
Prepaid Items	28,382
Income Taxes Receivable	970,300
Property Taxes Receivable	1,942,297
Special Assessments Receivable	759,486
Nondepreciable Capital Assets	4,908,490
Depreciable Capital Assets, Net	13,641,684
<i>Total Assets</i>	<i>29,614,592</i>
Liabilities	
Accounts Payable	63,684
Contracts Payable	385,353
Accrued Wages and Benefits	192,697
Intergovernmental Payable	234,510
Notes Payable	3,139,099
Claims Payable	100,036
Deferred Revenue	1,722,633
Accrued Interest Payable	33,109
Long-Term Liabilities:	
Due Within One Year	472,173
Due in More Than One Year	3,442,598
<i>Total Liabilities</i>	<i>9,785,892</i>
Net Assets	
Invested in Capital Assets, Net of Related Debt	12,983,587
Restricted for:	
Capital Projects	966,739
Debt Service	682,976
Police	33,363
Fire and EMS	922,576
Transportation	992,559
Sewerline/Waterline Maintenance	1,304,656
Other Purposes	160,556
Unrestricted	1,781,688
<i>Total Net Assets</i>	<i>\$19,828,700</i>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities				
General Government	\$2,125,361	\$300,905	\$33,741	\$0
Security of Persons and Property	3,663,609	360,415	293,797	0
Transportation	1,350,060	17,867	861,965	1,156,369
Community Environment	215,613	9,121	0	0
Public Health Services	149,466	229,682	0	597,946
Leisure Time Activities	130,210	9,285	0	247,550
Interest and Fiscal Charges	219,038	0	0	0
<i>Totals</i>	<u>\$7,853,357</u>	<u>\$927,275</u>	<u>\$1,189,503</u>	<u>\$2,001,865</u>

General Revenues

Property Taxes Levied for:	
General Purposes	378,213
Fire	319,334
EMS	261,571
Police and Fire Disability and Pension	70,915
Fire/EMS Levy	700,260
Income Taxes Levied for	
General Purposes	3,461,568
Water and Sewer Improvements	135,842
Grants and Entitlements not Restricted to Specific Programs	811,264
Interest	75,019
Other	176,628
<i>Total General Revenues</i>	<u>6,390,614</u>
Change in Net Assets	2,655,900
<i>Net Assets Beginning of year - Restated (See Note 3)</i>	<u>17,172,800</u>
<i>Net Assets End of Year</i>	<u>\$19,828,700</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio

Balance Sheet

Governmental Funds

December 31, 2009

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	Special Assessment Bond Retirement	Cleveland Massillon Road Waterline
Assets					
Equity in Pooled Cash and Cash Equivalents	\$880,678	\$254,034	\$360,855	\$45,885	\$495,237
Cash and Cash Equivalents:					
In Segregated Accounts	25,670	0	0	0	0
With Fiscal Agents	0	0	0	0	0
Materials and Supplies Inventory	3,906	269,975	0	0	0
Accounts Receivable	26,790	1,726	0	0	0
Accrued Interest Receivable	707	0	0	0	0
Intergovernmental Receivable	516,560	293,501	55,058	0	394,621
Interfund Receivable	129,000	0	0	0	0
Prepaid Items	22,716	1,817	0	0	0
Income Taxes Receivable	834,458	0	0	0	0
Property Taxes Receivable	423,783	0	777,170	0	0
Special Assessments Receivable	0	0	0	759,486	0
<i>Total Assets</i>	<u>\$2,864,268</u>	<u>\$821,053</u>	<u>\$1,193,083</u>	<u>\$805,371</u>	<u>\$889,858</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$41,325	\$6,957	\$5,177	\$0	\$0
Accrued Wages	106,567	30,133	22,051	0	0
Intergovernmental Payable	158,591	22,502	18,366	0	0
Contracts Payable	0	0	0	0	0
Notes Payable	400,000	0	290,000	0	1,401,537
Interfund Payable	0	0	0	120,000	0
Accrued Interest Payable	2,210	0	4,134	0	16,188
Deferred Revenue	1,370,260	196,798	829,228	759,486	394,621
<i>Total Liabilities</i>	<u>2,078,953</u>	<u>256,390</u>	<u>1,168,956</u>	<u>879,486</u>	<u>1,812,346</u>
Fund Balances					
Reserved for Encumbrances	213,732	18,959	15,151	0	22,284
Unreserved, Undesignated, Reported in:					
General Fund	571,583	0	0	0	0
Special Revenue Funds	0	545,704	8,976	0	0
Debt Service Funds (Deficit)	0	0	0	(74,115)	0
Capital Projects Funds (Deficit)	0	0	0	0	(944,772)
<i>Total Fund Balances (Deficits)</i>	<u>785,315</u>	<u>564,663</u>	<u>24,127</u>	<u>(74,115)</u>	<u>(922,488)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,864,268</u>	<u>\$821,053</u>	<u>\$1,193,083</u>	<u>\$805,371</u>	<u>\$889,858</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, 2009*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$2,186,565
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$2,782,356	\$4,819,045	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	18,550,174
0	25,670	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
209,473	209,473	Delinquent Property Taxes	219,664
0	273,881	Income Tax	601,055
304,647	333,163	Special Assessments	759,486
0	707	Grants	1,169,880
199,777	1,459,517	Charges for Services	<u>123,334</u>
0	129,000		
3,849	28,382	Total	2,873,419
135,842	970,300		
741,344	1,942,297	In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(9,148)
0	759,486		
<u>\$4,377,288</u>	<u>\$10,950,921</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.	142,461
\$10,225	\$63,684	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:	
33,946	192,697	General Obligation Bonds	(2,464,119)
35,051	234,510	Special Assessment Bonds	(715,881)
385,353	385,353	Compensated Absences	<u>(734,771)</u>
1,047,562	3,139,099		
9,000	129,000	Total	<u>(3,914,771)</u>
1,429	23,961		
<u>1,045,659</u>	<u>4,596,052</u>	<i>Net Assets of Governmental Activities</i>	<u><u>\$19,828,700</u></u>
2,568,225	8,764,356		
207,837	477,963		
0	571,583		
1,905,512	2,460,192		
6,753	(67,362)		
<u>(311,039)</u>	<u>(1,255,811)</u>		
1,809,063	2,186,565		
<u>\$4,377,288</u>	<u>\$10,950,921</u>		

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	Special Assessment Bond Retirement	Cleveland Massillon Road Waterline
Revenues					
Property Taxes	\$368,879	\$0	\$690,176	\$0	\$0
Municipal Income Tax	3,686,334	0	0	0	0
Charges for Services	38,535	17,867	927	0	0
Special Assessments	0	0	0	72,165	0
Licenses, Permits and Fees	74,823	0	0	0	0
Fines and Forfeitures	96,702	0	0	0	0
Intergovernmental	773,493	634,641	107,147	0	223,304
Interest	48,482	0	0	0	3
Other	149,111	15,763	0	0	0
<i>Total Revenues</i>	<u>5,236,359</u>	<u>668,271</u>	<u>798,250</u>	<u>72,165</u>	<u>223,307</u>
Expenditures					
Current:					
General Government	2,444,757	0	0	2,879	0
Security of Persons and Property	2,187,712	0	674,106	0	0
Transportation	0	1,168,189	0	0	0
Community Environment	221,965	0	0	0	0
Public Health Services	0	0	0	0	0
Leisure Time Activities	227,452	0	0	0	0
Capital Outlay	0	0	139,582	0	1,131,145
Debt Service:					
Principal Retirement	9,364	0	0	105,000	0
Interest and Fiscal Charges	3,298	0	13,913	69,730	14,650
<i>Total Expenditures</i>	<u>5,094,548</u>	<u>1,168,189</u>	<u>827,601</u>	<u>177,609</u>	<u>1,145,795</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>141,811</u>	<u>(499,918)</u>	<u>(29,351)</u>	<u>(105,444)</u>	<u>(922,488)</u>
Other Financing Sources (Uses)					
Transfers In	0	417,500	0	0	0
Transfers Out	(1,043,419)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,043,419)</u>	<u>417,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(901,608)	(82,418)	(29,351)	(105,444)	(922,488)
<i>Fund Balances Beginning of Year</i>	<u>1,686,923</u>	<u>647,081</u>	<u>53,478</u>	<u>31,329</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$785,315</u></u>	<u><u>\$564,663</u></u>	<u><u>\$24,127</u></u>	<u><u>(\$74,115)</u></u>	<u><u>(\$922,488)</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, 2009*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances -Total Governmental Funds	(\$1,846,782)
		<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 and capital contributions exceeded depreciation in the current period.	
\$631,758	\$1,690,813	Capital Asset Additions	
51,694	3,738,028	Capital Outlays	3,379,601
649,557	706,886	Capital Contributions	1,091,471
3,006	75,171	Current Year Depreciation	<u>(558,968)</u>
0	74,823		
19,097	115,799		
794,915	2,533,500		
26,534	75,019		
11,754	176,628		
<u>2,188,315</u>	<u>9,186,667</u>	Total	3,912,104
		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.	(7,434)
129,966	2,577,602		
854,879	3,716,697		
540,724	1,708,913	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
0	221,965	Delinquent Property Taxes	39,480
230,224	230,224	Income Tax	(140,618)
23,715	251,167	Special Assessments	(6,919)
607,276	1,878,003	Grants	377,661
		Charges for Services	<u>(38,485)</u>
115,000	229,364		
117,923	219,514		
<u>2,619,707</u>	<u>11,033,449</u>	Total	231,119
(431,392)	(1,846,782)	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.	229,364
625,919	1,043,419		
0	(1,043,419)	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	476
625,919	0		
194,527	(1,846,782)	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.	
1,614,536	4,033,347	Compensated Absences	(44,529)
		Claims and Judgement Payable	<u>70,000</u>
<u>\$1,809,063</u>	<u>\$2,186,565</u>	Total	25,471
		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>111,582</u>
		<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$2,655,900</u></u>

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$363,140	\$417,849	\$368,879	(\$48,970)
Municipal Income Tax	3,501,164	4,028,632	3,757,159	(271,473)
Charges for Services	47,886	55,100	39,783	(15,317)
Licenses, Permits and Fees	89,313	102,769	74,823	(27,946)
Fines and Forfeitures	77,616	89,309	91,682	2,373
Intergovernmental	829,936	954,970	787,617	(167,353)
Interest	104,613	120,374	57,073	(63,301)
Other	5,607	6,450	149,311	142,861
<i>Total Revenues</i>	<u>5,019,275</u>	<u>5,775,453</u>	<u>5,326,327</u>	<u>(449,126)</u>
Expenditures				
Current:				
General Government	2,308,286	2,656,591	2,626,391	30,200
Security of Persons and Property	3,018,449	2,494,442	2,267,837	226,605
Community Environment	257,318	241,823	228,434	13,389
Leisure Time Activities	206,835	234,586	225,847	8,739
<i>Total Expenditures</i>	<u>5,790,888</u>	<u>5,627,442</u>	<u>5,348,509</u>	<u>278,933</u>
<i>Excess of Revenues</i> <i>Over (Under) Expenditures</i>	<u>(771,613)</u>	<u>148,011</u>	<u>(22,182)</u>	<u>(170,193)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	0	400,000	400,000
Advances In	588,881	588,881	733,339	144,458
Advances Out	(129,000)	(129,000)	(129,000)	0
Transfers Out	(1,103,419)	(1,103,419)	(1,043,419)	60,000
<i>Total Other Financing Sources (Uses)</i>	<u>(643,538)</u>	<u>(643,538)</u>	<u>(39,080)</u>	<u>604,458</u>
<i>Net Change in Fund Balance</i>	(1,415,151)	(495,527)	(61,262)	434,265
<i>Fund Balance Beginning of</i> <i>Year - Restated (See Note 3)</i>	463,904	463,904	463,904	0
Prior Year Encumbrances Appropriated	235,549	235,549	235,549	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$715,698)</u>	<u>\$203,926</u>	<u>\$638,191</u>	<u>\$434,265</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$39,951	\$40,633	\$16,706	(\$23,927)
Intergovernmental	709,124	721,227	638,171	(83,056)
Interest	53,267	54,177	1,645	(52,532)
Other	6,658	6,772	15,763	8,991
<i>Total Revenues</i>	809,000	822,809	672,285	(150,524)
Expenditures				
Current:				
Transportation	1,404,584	1,376,933	1,327,108	49,825
<i>Excess of Revenues Under Expenditures</i>	(595,584)	(554,124)	(654,823)	(100,699)
Other Financing Sources				
Transfers In	443,000	443,000	417,500	(25,500)
<i>Net Change in Fund Balance</i>	(152,584)	(111,124)	(237,323)	(126,199)
<i>Fund Balance Beginning of Year</i>	363,152	363,152	363,152	0
Prior Year Encumbrances Appropriated	102,978	102,978	102,978	0
<i>Fund Balance End of Year</i>	\$313,546	\$355,006	\$228,807	(\$126,199)

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Levy Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Property Taxes	\$486,124	\$946,936	\$690,176	(\$256,760)
Charges for Services	0	0	927	927
Intergovernmental	62,404	68,030	104,147	36,117
<i>Total Revenues</i>	<u>548,528</u>	<u>1,014,966</u>	<u>795,250</u>	<u>(219,716)</u>
Expenditures				
Current:				
Security of Persons and Property	347,731	719,135	633,483	85,652
Capital Outlay	1,809,207	208,344	150,966	57,378
Debt Service:				
Principal Retirement	411,000	411,000	411,000	0
Interest and Fiscal Charges	15,577	15,577	15,577	0
<i>Total Expenditures</i>	<u>2,583,515</u>	<u>1,354,056</u>	<u>1,211,026</u>	<u>143,030</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(2,034,987)</u>	<u>(339,090)</u>	<u>(415,776)</u>	<u>(76,686)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	1,800,000	1,800,000	290,000	(1,510,000)
Advances Out	(120,000)	(120,000)	(120,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,680,000</u>	<u>1,680,000</u>	<u>170,000</u>	<u>(1,510,000)</u>
<i>Net Change in Fund Balance</i>	(354,987)	1,340,910	(245,776)	(1,586,686)
<i>Fund Balance Beginning of Year</i>	487,269	487,269	487,269	0
Prior Year Encumbrances Appropriated	104,072	104,072	104,072	0
<i>Fund Balance End of Year</i>	<u>\$236,354</u>	<u>\$1,932,251</u>	<u>\$345,565</u>	<u>(\$1,586,686)</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Fund Net Assets
Internal Service Fund
December 31, 2009

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$242,497
Liabilities	
Claims Payable	<u>100,036</u>
Net Assets	
Unrestricted	<u>\$142,461</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, 2009*

	<u>Insurance</u>
Operating Revenues	
Charges for Services	<u>\$788,782</u>
Operating Expenses	
Purchased Services	287,223
Claims	<u>389,977</u>
<i>Total Operating Expenses</i>	<u>677,200</u>
<i>Operating Income</i>	111,582
<i>Net Assets Beginning of Year</i>	<u>30,879</u>
<i>Net Assets End of Year</i>	<u><u>\$142,461</u></u>

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, 2009

	Insurance
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$788,782
Cash Payments for Goods and Services	(287,223)
Cash Payments for Claims	(407,116)
<i>Net Increase in Cash and Cash Equivalents</i>	94,443
<i>Cash and Cash Equivalents Beginning of Year</i>	148,054
<i>Cash and Cash Equivalents End of Year</i>	\$242,497
 <i>Reconciliation of Operating Income to</i>	
<i>Net Cash Provided by Operating Activities</i>	
<i>Operating Income</i>	\$111,582
 Adjustments	
Decrease in Claims Payable	(17,139)
<i>Net Cash Provided by Operating Activities</i>	\$94,443
 See accompanying notes to the basic financial statements	

City of Norton, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2009

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$33,041</u></u>
Liabilities	
Undistributed Assets	<u><u>\$33,041</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, 2009

Note 1 - Description of the City and Reporting Entity

The City of Norton (the "City") is a chartered municipal corporation, incorporated under the laws of the State of Ohio. Norton became a City in 1969. The City operates under a council/mayor form of government. Legislative power is vested in a seven-member council, including the President, each elected to four-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. The Administrator is appointed by the Mayor with Council approval and handles the operational activities of the City's departments. All other City officials are also appointed by the Mayor with Council approval.

Reporting Entity

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

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, 2009

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.

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, 2009

Cleveland Massillon Road Waterline Fund The Cleveland Massillon road waterline fund accounts for revenues and expenditures designated for water line construction.

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.

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. 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, 2009, but which were levied to finance year 2010 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

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

Budgetary Process

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

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.

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 2009, 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 2009 amounted to \$48,482, which includes \$35,725 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, 2009

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

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

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.

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, 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.

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.

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.

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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 cemetery, community center and court computer.

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

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.

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.

Note 3 – Change in Accounting Principles and Restatement of Net Assets

Change in Accounting Principle

For fiscal year 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments”, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City’s financial statements.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

Restatement of Prior Year Net Assets

During 2009, it was determined that capital assets had been overstated in prior years by \$74,447 and net assets needed to be restated. This restatement reduced Net Assets at January 1, 2009 from \$17,247,247 to \$17,172,800.

During 2009, it was determined that the general fund budgetary balance had been understated in prior years by \$806,000 and needed to be restated. This restatement increased general fund's fund balance at January 1, 2009, budgetary basis only, from a deficit of \$342,096 to a surplus of \$463,904.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 4 – Accountability and Compliance

Accountability

The following funds had a deficit fund balance as of December 31, 2009:

Major Funds:	
Special Assessment Bond Retirement	\$74,115
Cleveland Massillon Road Waterline	922,488
Total Major Funds	<u>996,603</u>
Capital Projects Funds:	
The Meadows at Johnson	237,389
Connect Road	45,621
Gardner Phase II	204,707
Wadsworth Berry McGowan	275,613
Total Capital Projects Funds	<u>763,330</u>
Total All Funds	<u><u>\$1,759,933</u></u>

The deficits in the special assessment bond retirement fund above was caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for the deficit in this fund and provides transfers when cash is required, not when accruals occur.

The capital projects funds' deficits are the result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. Once the notes are retired or bonds are issued, there deficits will be eliminated.

Compliance

Contrary to Section 5705.39, Ohio Revised Code, the City's original appropriations exceeded original estimated in the fire/EMS levy fund. This was corrected in subsequent appropriations and estimated resources.

Contrary to Section 5705.10, Ohio Revised Code, the following funds, on the cash basis, had negative fund balances: fire fund and state highway fund as of April 30, 2009 and the fire fund as of July 31, 2009.

Contrary to Section 5705.36, Ohio Revised Code, the City should have obtained an amended certificate of estimated resources for the Gardner phase III fund.

Contrary to Section 5705.38(C), Ohio Revised Code, the City appropriated on a fund and personal services level rather than a fund, department or division and personal service level.

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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.

Net Change in Fund Balances

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy
GAAP Basis	(\$901,608)	(\$82,418)	(\$29,351)
Net Adjustment for Revenue Accruals	489,768	4,014	287,000
Advances In	733,339	0	0
Beginning Unrecorded Cash	2,118	0	0
Ending Unrecorded Cash	(1,918)	0	0
Net Adjustment for			
Expenditure Accruals	(13,392)	(133,692)	(368,135)
Advances Out	(129,000)	0	(120,000)
Adjustments for Encumbrances	(240,569)	(25,227)	(15,290)
Budget Basis	(\$61,262)	(\$237,323)	(\$245,776)

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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.

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the bank balance was \$3,749,789. Of the bank balance \$900,000 was covered by Federal Depository Insurance (FDIC) and \$2,849,789 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, 2009, the City had an investment in a repurchase agreement with a fair value of \$1,515,000. The underlying securities of the repurchase agreement are the Federal Home Loan Mortgage Bonds and have a maturity of less than thirty days.

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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, 2009, consisted primarily of municipal income taxes, property taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest and accounts receivable.

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

Special assessments expected to be collected in one year amount to \$44,097, with the remaining \$715,389 expected to be collected in more than one year. At December 31, 2009, the amount of delinquent special assessments was \$43,605.

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 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property tax revenue during 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

The full tax rate for all City operations for the year ended December 31, 2009 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Estate	
Residential/Agricultural	\$219,772,920
Other Real Estate	43,273,710
Tangible Personal Property	
Public Utility	5,339,870
General	480,359
Total	\$268,866,859

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, 2009, 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 2009 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 revenue while the remainder of the receivable is deferred.

Income Tax

The City levies a municipal income tax of two percent on salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. Residents of the City are granted a credit for taxes paid to other municipalities up to 1.5 percent of income, this amount was changed from 2 percent on July 1, 2009.

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 2009, income tax proceeds, after income tax department expenditures, are credited to the general fund and the water and sewer improvement special revenue fund.

Intergovernmental Receivables

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

	Amounts
Cleveland Massillon Road OPWC Grant	\$394,621
Other Grants	294,012
Local Government	283,684
Gasoline Tax	162,747
Homestead and Rollback	124,099
Cents Per Gallon	80,467
Motor Vehicle License Registration	59,022
Permissive Motor Vehicle License Tax	46,969
Public Utilities	9,178
Inheritance Tax	4,718
Total	\$1,459,517

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

	Restated Balance 12/31/08	Additions	Reductions	Balance 12/31/09
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$715,178	\$445,130	\$0	\$1,160,308
Construction in Progress	461,338	3,286,844	0	3,748,182
<i>Total Capital Assets, not being depreciated</i>	<u>1,176,516</u>	<u>3,731,974</u>	<u>0</u>	<u>4,908,490</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	823,048	111,069	0	934,117
Buildings and Improvements	1,790,927	102,192	(85,592)	1,807,527
Equipment, Furniture and Fixtures	1,752,864	81,778	(221,423)	1,613,219
Vehicles	2,821,314	85,420	0	2,906,734
Infrastructure:				
Water Lines	3,263,713	0	0	3,263,713
Sanitary Sewer Lines	4,433,407	0	0	4,433,407
Roads	2,424,200	358,639	0	2,782,839
<i>Total Capital Assets, being depreciated</i>	<u>17,309,473</u>	<u>739,098</u>	<u>(307,015)</u>	<u>17,741,556</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(73,129)	(34,528)	0	(107,657)
Buildings and Improvements	(641,303)	(24,100)	81,027	(584,376)
Equipment, Furniture and Fixtures	(971,658)	(108,910)	218,554	(862,014)
Vehicles	(1,178,470)	(199,710)	0	(1,378,180)
Infrastructure:				
Water Lines	(420,376)	(32,637)	0	(453,013)
Sanitary Sewer Lines	(332,671)	(44,334)	0	(377,005)
Roads	(222,878)	(114,749)	0	(337,627)
<i>Total Accumulated Depreciation</i>	<u>(3,840,485)</u>	<u>(558,968)</u> *	<u>299,581</u>	<u>(4,099,872)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>13,468,988</u>	<u>180,130</u>	<u>(7,434)</u>	<u>13,641,684</u>
Governmental Activities Capital Assets, Net	<u>\$14,645,504</u>	<u>\$3,912,104</u>	<u>(\$7,434)</u>	<u>\$18,550,174</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$26,528
Security of Persons and Property	183,662
Transportation	248,150
Community Environment	17
Public Health Services	76,971
Leisure Time Activities	23,640
Total Depreciation Expense	<u>\$558,968</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

The Ohio Department of Transportation paid \$1,091,471 for work completed on the State Route 261 project. The City has recorded this as a capital contribution.

Note 9 – Notes Payable

A summary of the note transactions for the year ended December 31, 2009, follows:

	Outstanding 12/31/2008	Issued	Retired	Outstanding 12/31/2009
3.83% Vehicle Acquisition Note	\$0	\$290,000	\$0	\$290,000
3.79% Vehicle Acquisition Note	411,000	0	411,000	0
2.55% Real Property Acquisition Note	0	400,000	0	400,000
3.56% Various Purpose Note	152,000	0	152,000	0
2.25% Various Purpose Note	0	1,047,562	0	1,047,562
2.89% Cleveland Massillon Road Water Improvement Note	0	1,400,000	0	1,400,000
Premium on Cleveland Massillon Road Water Improvement Note	0	3,075	1,538	1,537
Total	\$563,000	\$3,140,637	\$564,538	\$3,139,099

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. The City had \$752,512 in unspent proceeds at December 31, 2009.

On August 20, 2009, the City was issued \$290,000 in bond anticipation notes in the fire/ems capital levy fund at an interest rate of 3.83 percent. The note was issued for the acquisition of an evacuation/rescue vehicle and will mature on August 20, 2010.

On October 15, 2009, the City was issued \$400,000 in bond anticipation notes in the general fund at an interest rate of 2.55 percent. The note was issued for the acquisition of real property for municipal purposes. The note will mature on October 15, 2010.

On December 15, 2009, the City was issued \$1,047,562 in bond anticipation notes. \$239,562 in the Johnson meadows fund, \$67,000 in the land and land improvements fund, \$136,000 in the Connect Road fund, \$270,000 in the Garner phase II fund and \$335,000 in the Wadsworth Berry McGowan capital projects funds at an interest rate of 2.89 percent. The note was issued in anticipation of the issuance of bonds to pay the costs of constructing, equipping and otherwise improving ball field improvements, to pay the cost of improvement of Hazelwood Avenue and Connect Road by constructing and installing new water lines and hydrants to pay the cost of constructing a water main, hydrants and related improvements to the Gardner Boulevard Phase II Project, and the cost of constructing and installing water lines, hydrants and related improvements to the Wadsworth Berry McGowan Road waterline project. The note will mature on December 15, 2010.

On June 30, 2009, the City was issued \$1,400,000 in bond anticipation notes in the Cleveland Massillon Road waterline fund at an interest rate of 2.25 percent. The note was issued in anticipation of the issuance of bonds and the levy and collection of special assessments to pay costs of the improvement of Cleveland-Massillon Road, Greenridge Road, Durham Road, Driftwood Road and certain other parcels by constructing and installing water lines. The note will mature on June 30, 2010.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 10 - Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds</i>				
Street Improvement	2003	2.00%	\$570,000	December 1, 2018
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

A schedule of changes in bonds and other long-term obligations of the City during 2009 follows:

	Amounts Outstanding 12/31/08	Additions	Reductions	Amounts Outstanding 12/31/09	Amounts Due in One Year
<i>General Obligation Bonds:</i>					
Street Improvement	\$400,000	\$0	(\$35,000)	\$365,000	\$35,000
Police Radio System	290,000	0	(25,000)	265,000	25,000
Road Program	370,000	0	(35,000)	335,000	35,000
Ballfields	210,000	0	(10,000)	200,000	10,000
Gardner Engineering	165,000	0	(10,000)	155,000	10,000
Barber Road Sanitary Sewer	1,206,884	0	(62,765)	1,144,119	65,903
<i>Total General Obligation Bonds</i>	<u>2,641,884</u>	<u>0</u>	<u>(177,765)</u>	<u>2,464,119</u>	<u>180,903</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment:</i>					
1996 Special Assessment	60,000	0	(5,000)	55,000	5,000
Barber Road Special Assessment	698,116	0	(37,235)	660,881	39,097
<i>Total Special Assessment Bonds</i>	<u>758,116</u>	<u>0</u>	<u>(42,235)</u>	<u>715,881</u>	<u>44,097</u>
<i>Other Long-Term Liabilities</i>					
Capital Leases	9,364	0	(9,364)	0	0
Claims and Judgement Payable	70,000	0	(70,000)	0	0
Compensated Absences	690,242	76,949	(32,420)	734,771	247,173
<i>Total Other Long-Term Liabilities</i>	<u>769,606</u>	<u>76,949</u>	<u>(111,784)</u>	<u>734,771</u>	<u>247,173</u>
<i>Total Governmental Long-Term Liabilities</i>	<u>\$4,169,606</u>	<u>\$76,949</u>	<u>(\$331,784)</u>	<u>\$3,914,771</u>	<u>\$472,173</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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.

The City's overall debt margin was \$22,634,555 and the unvoted legal debt margin was \$9,191,212 at December 31, 2009.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2009, are as follows:

	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
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	201,589	60,578	53,411	21,578
2015-2019	986,881	202,017	263,119	73,905
2020-2023	518,802	52,559	211,198	22,041
Total	\$2,464,119	\$615,523	\$715,881	\$218,946

Note 11 - Contingencies

Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2009.

Litigation

The City is not currently party to legal proceedings.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 12 – 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 13 – Risk Management

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

Company	Type of Coverage	Deductible	Coverage
Flickinger Insurance Services	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
Wichert Insurance Agency	Public Officials Liability	10,000	1,000,000
	Law Enforcement Liability	10,000	1,000,000
	Commercial Property	1,000	5,915,588
	Personal Property	1,000	809,597
	Inland Marine	0 - 25,000	2,759,417
	General Liability	0	1,000,000
	Commercial Crime - Employee Theft Per Loss	500	100,000
	Commercial Crime - Forgery or Alteration	500	5,000
	Automobile Liability	0	1,000,000
	Automobile Uninsured Motorists	0	25,000
Automobile Underinsured Motorists	0	25,000	
Umbrella Liability	0	10,000,000	

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 \$1,285 per employee per month to cover healthcare costs.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

The claims liability of \$100,036 reported in the self-insurance fund at December 31, 2009, 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
2008	\$115,961	\$395,697	\$394,483	\$117,175
2009	117,175	389,977	407,116	100,036

Note 14 - Defined Benefit Pension Plans

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 Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan 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, 2009, members in state and local classifications contributed 10 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City's 2009 contribution rate was 14 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63 percent of covered payroll. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.00 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$148,031, \$124,082, and \$144,256, respectively; 88.82 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the member-directed plan for 2009 were \$5,794 made by the City and \$4,139 made by the plan members.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to 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, while employers are required to contribute 19.5 percent for police officers and 24 percent for firefighters. The City's pension contributions to OP&F for police and firefighters were \$131,700 and \$23,846 for the year ended December 31, 2009, \$134,467 and \$24,834 for the year ended December 31, 2008, and \$138,744 and \$39,388 for the year ended December 31, 2007. 63.08 percent has been contributed for police and 28.97 percent has been contributed for firefighters for 2009. The full amount has been contributed for 2008 and 2007.

Social Security System

As of December 31, 2009, 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 15- Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension 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 Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not 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, 2009

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 OPERS 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 2009, state and local employers contributed 14.0 percent of covered payroll, and public safety and law enforcement employees contributed 17.63 percent. 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. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$108,091, \$124,082, and \$95,019, respectively; 88.82 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

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, of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

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 check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other post-Employment Benefit (OPEB) as described in GASB Statement No.45.

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$69,724 and \$9,331 for the year ended December 31, 2009, \$71,189 and \$9,718 for the year ended December 31, 2008, and \$73,453 and \$15,413 for the year ended December 31, 2007. 63.08 percent has been contributed for police and 28.97 percent has been contributed for firefighters for 2009. The full amount has been contributed for 2008 and 2007.

Note 16 – 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 17 - Interfund Transfers and Balances

Transfers

Interfund transfers for the year ended December 31, 2009, consisted of the following:

<u>Transfer To</u>	<u>Transfer From General</u>
Street Construction, Maintenance and Repair	\$417,500
Nonmajor Funds	625,919
<i>Total</i>	<u>\$1,043,419</u>

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.

Balances

At December 31, 2009, the general fund had an interfund receivable of \$129,000. This balance was made to support programs and projects in the special permissive special revenue fund and the special assessment bond retirement debt service fund 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 18 – Contractual Commitments

The City had contractual commitments outstanding of \$652,058 at December 31, 2009, \$309,318 for the Cleveland-Massillon Road resurfacing project and \$342,740 for the Gardner Boulevard phase III waterline project.

Note 19 – Subsequent Events

As of January 1, 2010 the City is no longer self-insured. The City purchases medical insurance from Medical Mutual and is now part of the Ohio Plan Healthcare Consortium, Incorporated.

On March 4, 2010, the City issued \$4,116,000 in bond anticipation notes, \$3,500,000 for constructing, furnishing, equipping and otherwise improving the fire station, \$346,000 for the installation of a new waterline, \$80,000 for construction improvements to Greenwich Road and \$190,000 for acquiring real property for municipal purposes. The notes mature on March 3, 2011 and have an interest rate of 1.625 percent.

**Combining and Individual Fund
Statements and 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.

Federal Emergency Management Assistance Fund To provide for federal grant monies used to assist local governments in disaster assistance.

Recycling Fund To account for grant revenue to provide for the recycling of solid waste within the City.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Scrap Tire Fund To account for various revenues to provide for a scrap tire management and recovery program.

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 charges for services revenue for water line maintenance fees.

Sanitary Sewer Fund To account for charges for services revenue 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

Water and Sewer Improvements Fund To account for revenue generated from a reduction in the credit for income tax paid to other municipalities. This fund did not have any budgetary activity in 2009, therefore, budgetary information is not provided.

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.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

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.

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.

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.

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

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,251,582	\$6,753	\$524,021	\$2,782,356
Cash and Cash Equivalents				
With Fiscal Agents	0	0	209,473	209,473
Accounts Receivable	274,193	0	30,454	304,647
Intergovernmental Receivable	117,541	0	82,236	199,777
Prepaid Items	3,849	0	0	3,849
Income Taxes Receivable	135,842	0	0	135,842
Property Taxes Receivable	741,344	0	0	741,344
<i>Total Assets</i>	<u>\$3,524,351</u>	<u>\$6,753</u>	<u>\$846,184</u>	<u>\$4,377,288</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$10,225	\$0	\$0	\$10,225
Accrued Wages	33,946	0	0	33,946
Intergovernmental Payable	35,051	0	0	35,051
Contracts Payable	344,151	0	41,202	385,353
Notes Payable	0	0	1,047,562	1,047,562
Interfund Payable	9,000	0	0	9,000
Accrued Interest Payable	0	0	1,429	1,429
Deferred Revenue	1,018,139	0	27,520	1,045,659
<i>Total Liabilities</i>	<u>1,450,512</u>	<u>0</u>	<u>1,117,713</u>	<u>2,568,225</u>
Fund Balances				
Reserved for Encumbrances	168,327	0	39,510	207,837
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,905,512	0	0	1,905,512
Debt Service Fund	0	6,753	0	6,753
Capital Projects Funds (Deficit)	0	0	(311,039)	(311,039)
<i>Total Fund Balances (Deficit)</i>	<u>2,073,839</u>	<u>6,753</u>	<u>(271,529)</u>	<u>1,809,063</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,524,351</u>	<u>\$6,753</u>	<u>\$846,184</u>	<u>\$4,377,288</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$631,758	\$0	\$0	\$631,758
Municipal Income Tax	51,694	0	0	51,694
Charges for Services	528,694	0	120,863	649,557
Special Assessments	0	0	3,006	3,006
Fines and Forfeitures	19,097	0	0	19,097
Intergovernmental	421,733	0	373,182	794,915
Interest	26,529	0	5	26,534
Other	11,726	0	28	11,754
<i>Total Revenues</i>	<u>1,691,231</u>	<u>0</u>	<u>497,084</u>	<u>2,188,315</u>
Expenditures				
Current:				
General Government	129,966	0	0	129,966
Security of Persons and Property	854,879	0	0	854,879
Transportation	540,724	0	0	540,724
Public Health Services	230,224	0	0	230,224
Leisure Time Activities	23,715	0	0	23,715
Capital Outlay	0	0	607,276	607,276
Debt Service:				
Principal Retirement	0	105,000	10,000	115,000
Interest and Fiscal Charges	0	40,267	77,656	117,923
<i>Total Expenditures</i>	<u>1,779,508</u>	<u>145,267</u>	<u>694,932</u>	<u>2,619,707</u>
<i>Excess of Revenues Under Expenditures</i>	(88,277)	(145,267)	(197,848)	(431,392)
Other Financing Sources				
Transfers In	407,299	120,000	98,620	625,919
<i>Net Change in Fund Balances</i>	319,022	(25,267)	(99,228)	194,527
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,754,817</u>	<u>32,020</u>	<u>(172,301)</u>	<u>1,614,536</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,073,839</u>	<u>\$6,753</u>	<u>(\$271,529)</u>	<u>\$1,809,063</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	State Highway Improvement	Special Permissive License Plate Tax	Fire	Emergency Medical Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,821	\$621,541	\$142,340	\$256,048
Accounts Receivable	0	0	0	124,509
Intergovernmental Receivable	23,500	32,205	25,422	20,175
Prepaid Items	0	0	1,717	1,717
Income Taxes Receivable	0	0	0	0
Property Taxes Receivable	0	0	359,399	302,486
<i>Total Assets</i>	<u>\$30,321</u>	<u>\$653,746</u>	<u>\$528,878</u>	<u>\$704,935</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$1,349	\$5,021	\$3,125
Accrued Wages	0	0	9,648	24,118
Intergovernmental Payable	0	0	11,993	22,352
Contracts Payable	0	308,278	0	0
Interfund Payable	0	9,000	0	0
Deferred Revenue	15,759	22,628	384,821	401,699
<i>Total Liabilities</i>	<u>15,759</u>	<u>341,255</u>	<u>411,483</u>	<u>451,294</u>
Fund Balances:				
Reserved for Encumbrances	0	78,419	1,805	2,106
Unreserved, Undesignated (Deficit)	14,562	234,072	115,590	251,535
<i>Total Fund Balances</i>	<u>14,562</u>	<u>312,491</u>	<u>117,395</u>	<u>253,641</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$30,321</u>	<u>\$653,746</u>	<u>\$528,878</u>	<u>\$704,935</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>
\$1,381	\$1,071	\$5,624	\$4,380	\$10,915	\$23,423
0	0	0	0	0	0
10,614	0	0	0	0	0
0	0	0	0	0	337
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$11,995</u>	<u>\$1,071</u>	<u>\$5,624</u>	<u>\$4,380</u>	<u>\$10,915</u>	<u>\$23,760</u>
\$0	\$0	\$0	\$0	\$0	\$523
0	0	0	0	0	180
0	0	0	0	622	84
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>622</u>	<u>787</u>
0	0	351	0	337	367
<u>11,995</u>	<u>1,071</u>	<u>5,273</u>	<u>4,380</u>	<u>9,956</u>	<u>22,606</u>
<u>11,995</u>	<u>1,071</u>	<u>5,624</u>	<u>4,380</u>	<u>10,293</u>	<u>22,973</u>
<u>\$11,995</u>	<u>\$1,071</u>	<u>\$5,624</u>	<u>\$4,380</u>	<u>\$10,915</u>	<u>\$23,760</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	Greenwich Road	Cemetery	Recycling	Scrap Tire
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,246	\$10,501	\$5,416	\$933
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Prepaid Items	78	0	0	0
Income Taxes Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$2,324</u>	<u>\$10,501</u>	<u>\$5,416</u>	<u>\$933</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0
Intergovernmental Payable	0	0	0	0
Contracts Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	5,892	0	0	0
Unreserved, Undesignated (Deficit)	(3,568)	10,501	5,416	933
<i>Total Fund Balances</i>	<u>2,324</u>	<u>10,501</u>	<u>5,416</u>	<u>933</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,324</u>	<u>\$10,501</u>	<u>\$5,416</u>	<u>\$933</u>

Police and Fire Disability and Pension	Mayor's Court	Water System	Sanitary Sewer	Brentwood Water	Water and Sewer Improvements	Total Nonmajor Special Revenue Funds
\$79,384	\$24,348	\$175,217	\$823,598	\$56,395	\$0	\$2,251,582
0	0	88,203	53,777	7,704	0	274,193
5,625	0	0	0	0	0	117,541
0	0	0	0	0	0	3,849
0	0	0	0	0	135,842	135,842
79,459	0	0	0	0	0	741,344
<u>\$164,468</u>	<u>\$24,348</u>	<u>\$263,420</u>	<u>\$877,375</u>	<u>\$64,099</u>	<u>\$135,842</u>	<u>\$3,524,351</u>
\$0	\$0	\$207	\$0	\$0	\$0	\$10,225
0	0	0	0	0	0	33,946
0	0	0	0	0	0	35,051
0	0	35,873	0	0	0	344,151
0	0	0	0	0	0	9,000
85,084	0	13,858	10,142	0	84,148	1,018,139
<u>85,084</u>	<u>0</u>	<u>49,938</u>	<u>10,142</u>	<u>0</u>	<u>84,148</u>	<u>1,450,512</u>
0	0	59,300	11,900	7,850	0	168,327
79,384	24,348	154,182	855,333	56,249	51,694	1,905,512
<u>79,384</u>	<u>24,348</u>	<u>213,482</u>	<u>867,233</u>	<u>64,099</u>	<u>51,694</u>	<u>2,073,839</u>
<u>\$164,468</u>	<u>\$24,348</u>	<u>\$263,420</u>	<u>\$877,375</u>	<u>\$64,099</u>	<u>\$135,842</u>	<u>\$3,524,351</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, 2009

	State Highway Improvement	Special Permissive License Plate Tax	Fire	Emergency Medical Services	DARE Program
Revenues					
Property Taxes	\$0	\$0	\$313,293	\$249,300	\$0
Municipal Income Tax	0	0	0	0	0
Charges for Services	0	0	0	294,613	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	48,481	130,600	106,113	84,772	10,614
Interest	23	0	0	0	0
Other	0	0	1,776	2,199	0
<i>Total Revenues</i>	<u>48,504</u>	<u>130,600</u>	<u>421,182</u>	<u>630,884</u>	<u>10,614</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	219,894	598,959	10,589
Transportation	48,694	492,030	0	0	0
Public Health Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>48,694</u>	<u>492,030</u>	<u>219,894</u>	<u>598,959</u>	<u>10,589</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(190)	(361,430)	201,288	31,925	25
Other Financing Sources					
Transfers In	0	400,000	0	0	0
<i>Net Change in Fund Balances</i>	(190)	38,570	201,288	31,925	25
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>14,752</u>	<u>273,921</u>	<u>(83,893)</u>	<u>221,716</u>	<u>11,970</u>
<i>Fund Balances End of Year</i>	<u>\$14,562</u>	<u>\$312,491</u>	<u>\$117,395</u>	<u>\$253,641</u>	<u>\$11,995</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>	<u>Greenwich Road</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	2,006	0	2,890	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	7,450	301
<u>0</u>	<u>2,006</u>	<u>0</u>	<u>2,890</u>	<u>7,450</u>	<u>301</u>
0	0	0	0	0	0
393	4,649	0	12,409	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	22,297	1,418
<u>393</u>	<u>4,649</u>	<u>0</u>	<u>12,409</u>	<u>22,297</u>	<u>1,418</u>
(393)	(2,643)	0	(9,519)	(14,847)	(1,117)
0	0	0	0	5,000	1,900
(393)	(2,643)	0	(9,519)	(9,847)	783
<u>1,464</u>	<u>8,267</u>	<u>4,380</u>	<u>19,812</u>	<u>32,820</u>	<u>1,541</u>
<u>\$1,071</u>	<u>\$5,624</u>	<u>\$4,380</u>	<u>\$10,293</u>	<u>\$22,973</u>	<u>\$2,324</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, 2009

	Cemetery	Special Event	Federal Emergency Management Assistance	Recycling	Scrap Tire
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Tax	0	0	0	0	0
Charges for Services	3,998	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	0	15,921	0	0
Interest	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>3,998</u>	<u>0</u>	<u>15,921</u>	<u>0</u>	<u>0</u>
Expenditures					
Current:					
General Government	0	3,016	15,921	0	0
Security of Persons and Property	0	0	0	0	0
Transportation	0	0	0	0	0
Public Health Services	133	0	0	0	0
Leisure Time Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>133</u>	<u>3,016</u>	<u>15,921</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,865	(3,016)	0	0	0
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	3,865	(3,016)	0	0	0
<i>Fund Balances (Deficit) Beginning of Year</i>	6,636	3,016	0	5,416	933
<i>Fund Balances End of Year</i>	<u>\$10,501</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,416</u>	<u>\$933</u>

Police and Fire Disability and Pension	Mayor's Court	Water System	Sanitary Sewer	Brentwood Water	Assistance to Firefighters	Water and Sewer Improvements	Total Nonmajor Special Revenue Funds
\$69,165	\$0	\$0	\$0	\$0	\$0	\$0	\$631,758
0	0	0	0	0	0	51,694	51,694
0	0	128,452	87,628	14,003	0	0	528,694
0	14,201	0	0	0	0	0	19,097
17,645	0	0	0	0	7,587	0	421,733
0	0	0	26,506	0	0	0	26,529
0	0	0	0	0	0	0	11,726
<u>86,810</u>	<u>14,201</u>	<u>128,452</u>	<u>114,134</u>	<u>14,003</u>	<u>7,587</u>	<u>51,694</u>	<u>1,691,231</u>
101,000	10,029	0	0	0	0	0	129,966
0	0	0	0	0	7,986	0	854,879
0	0	0	0	0	0	0	540,724
0	0	189,737	30,024	10,330	0	0	230,224
0	0	0	0	0	0	0	23,715
<u>101,000</u>	<u>10,029</u>	<u>189,737</u>	<u>30,024</u>	<u>10,330</u>	<u>7,986</u>	<u>0</u>	<u>1,779,508</u>
(14,190)	4,172	(61,285)	84,110	3,673	(399)	51,694	(88,277)
0	0	0	0	0	399	0	407,299
(14,190)	4,172	(61,285)	84,110	3,673	0	51,694	319,022
<u>93,574</u>	<u>20,176</u>	<u>274,767</u>	<u>783,123</u>	<u>60,426</u>	<u>0</u>	<u>0</u>	<u>1,754,817</u>
<u>\$79,384</u>	<u>\$24,348</u>	<u>\$213,482</u>	<u>\$867,233</u>	<u>\$64,099</u>	<u>\$0</u>	<u>\$51,694</u>	<u>\$2,073,839</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	The Meadows at Johnson	Land and Land Improvements	Buildings	Equipment
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,500	\$60,695	\$14,964	\$58,177
Cash and Cash Equivalents				
With Fiscal Agents	0	0	0	0
Accounts Receivable	0	30,454	0	0
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$2,500</u>	<u>\$91,149</u>	<u>\$14,964</u>	<u>\$58,177</u>
Liabilities and Fund Balances				
Liabilities				
Contracts Payable	\$0	\$0	\$0	\$0
Notes Payable	239,562	67,000	0	0
Accrued Interest Payable	327	91	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>239,889</u>	<u>67,091</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	2,500	0	0	0
Unreserved, Undesignated (Deficit)	(239,889)	24,058	14,964	58,177
<i>Total Fund Balances (Deficit)</i>	<u>(237,389)</u>	<u>24,058</u>	<u>14,964</u>	<u>58,177</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,500</u>	<u>\$91,149</u>	<u>\$14,964</u>	<u>\$58,177</u>

Streets, Highways and Bridges	Storm Sewers	Sanitary Sewers	Connect Road	Gardner Phase I
\$18,905	\$22,607	\$10,703	\$90,565	\$78,198
209,473	0	0	0	0
0	0	0	0	0
54,716	0	0	6,264	0
<u>\$283,094</u>	<u>\$22,607</u>	<u>\$10,703</u>	<u>\$96,829</u>	<u>\$78,198</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	136,000	0
0	0	0	186	0
0	0	0	6,264	0
0	0	0	142,450	0
18,357	0	0	7,514	0
264,737	22,607	10,703	(53,135)	78,198
283,094	22,607	10,703	(45,621)	78,198
<u>\$283,094</u>	<u>\$22,607</u>	<u>\$10,703</u>	<u>\$96,829</u>	<u>\$78,198</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2009

	Gardner Phase II	Gardner Phase III	Wadsworth Berry McGowan	Total Nonmajor Capital Projects Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$65,661	\$0	\$101,046	\$524,021
Cash and Cash Equivalents				
With Fiscal Agents	0	0	0	209,473
Accounts Receivable	0	0	0	30,454
Intergovernmental Receivable	0	21,256	0	82,236
<i>Total Assets</i>	<u>\$65,661</u>	<u>\$21,256</u>	<u>\$101,046</u>	<u>\$846,184</u>
Liabilities and Fund Balances				
Liabilities				
Contracts Payable	\$0	\$0	\$41,202	\$41,202
Notes Payable	270,000	0	335,000	1,047,562
Accrued Interest Payable	368	0	457	1,429
Deferred Revenue	0	21,256	0	27,520
<i>Total Liabilities</i>	<u>270,368</u>	<u>21,256</u>	<u>376,659</u>	<u>1,117,713</u>
Fund Balances				
Reserved for Encumbrances	4,978	0	6,161	39,510
Unreserved, Undesignated (Deficit)	(209,685)	0	(281,774)	(311,039)
<i>Total Fund Balances (Deficit)</i>	<u>(204,707)</u>	<u>0</u>	<u>(275,613)</u>	<u>(271,529)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$65,661</u>	<u>\$21,256</u>	<u>\$101,046</u>	<u>\$846,184</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, 2009

	The Meadows at Johnson	Land and Land Improvements	Buildings	Equipment
Revenues				
Charges for Services	\$0	\$120,863	\$0	\$0
Special Assessments	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Other	0	28	0	0
<i>Total Revenues</i>	<u>0</u>	<u>120,891</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay	0	50,015	0	27,009
Debt Service:				
Principal Retirement	0	10,000	0	0
Interest and Fiscal Charges	65,660	10,985	0	0
<i>Total Expenditures</i>	<u>65,660</u>	<u>71,000</u>	<u>0</u>	<u>27,009</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(65,660)	49,891	0	(27,009)
Other Financing Sources				
Transfers In	0	0	0	7,620
<i>Net Change in Fund Balances</i>	(65,660)	49,891	0	(19,389)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(171,729)</u>	<u>(25,833)</u>	<u>14,964</u>	<u>77,566</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$237,389)</u>	<u>\$24,058</u>	<u>\$14,964</u>	<u>\$58,177</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, 2009

	Streets, Highways and Bridges	Storm Sewers	Sanitary Sewers	Connect Road
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0
Intergovernmental	54,716	0	0	70,916
Interest	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>54,716</u>	<u>0</u>	<u>0</u>	<u>70,916</u>
Expenditures				
Capital Outlay	241,754	8,530	0	116,351
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	186
<i>Total Expenditures</i>	<u>241,754</u>	<u>8,530</u>	<u>0</u>	<u>116,537</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(187,038)	(8,530)	0	(45,621)
Other Financing Sources				
Transfers In	91,000	0	0	0
<i>Net Change in Fund Balances</i>	(96,038)	(8,530)	0	(45,621)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>379,132</u>	<u>31,137</u>	<u>10,703</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$283,094</u>	<u>\$22,607</u>	<u>\$10,703</u>	<u>(\$45,621)</u>

Gardner Phase I	Gardner Phase II	Wadsworth Berry McGowan	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$120,863
3,006	0	0	3,006
0	0	247,550	373,182
0	0	5	5
0	0	0	28
<u>3,006</u>	<u>0</u>	<u>247,555</u>	<u>497,084</u>
116	0	163,501	607,276
0	0	0	10,000
0	368	457	77,656
<u>116</u>	<u>368</u>	<u>163,958</u>	<u>694,932</u>
2,890	(368)	83,597	(197,848)
0	0	0	98,620
2,890	(368)	83,597	(99,228)
<u>75,308</u>	<u>(204,339)</u>	<u>(359,210)</u>	<u>(172,301)</u>
<u>\$78,198</u>	<u>(\$204,707)</u>	<u>(\$275,613)</u>	<u>(\$271,529)</u>

Fund Descriptions - Fiduciary Funds

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

Agency Funds

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

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

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

City of Norton, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009

	Beginning Balance 12/31/08	Additions	Deductions	Ending Balance 12/31/09
<i>General Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$39,030	\$59,156	\$65,262	\$32,924
Liabilities				
Undistributed Assets	\$39,030	\$59,156	\$65,262	\$32,924
<i>Building Standards</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$101	\$369	\$353	\$117
Liabilities				
Undistributed Assets	\$101	\$369	\$353	\$117
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$39,131	\$59,525	\$65,615	\$33,041
Liabilities				
Undistributed Assets	\$39,131	\$59,525	\$65,615	\$33,041

**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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$363,140	\$417,849	\$368,879	(\$48,970)
Municipal Income Tax	3,501,164	4,028,632	3,757,159	(271,473)
Charges for Services	47,886	55,100	39,783	(15,317)
Licenses, Permits and Fees	89,313	102,769	74,823	(27,946)
Fines and Forfeitures	77,616	89,309	91,682	2,373
Intergovernmental	829,936	954,970	787,617	(167,353)
Interest	104,613	120,374	57,073	(63,301)
Other	5,607	6,450	149,311	142,861
<i>Total Revenues</i>	<i>5,019,275</i>	<i>5,775,453</i>	<i>5,326,327</i>	<i>(449,126)</i>
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	45,361	28,933	28,891	42
Fringe Benefits	8,005	12,896	12,643	253
Purchased Services	1,715	2,763	2,227	536
Materials and Supplies	93	150	119	31
Capital Outlay	124	200	123	77
Other	186	300	46	254
<i>Total Mayor</i>	<i>55,484</i>	<i>45,242</i>	<i>44,049</i>	<i>1,193</i>
City Council:				
Salaries and Wages	151,087	95,931	95,931	0
Fringe Benefits	20,075	32,574	32,407	167
Purchased Services	18,020	18,025	17,797	228
Materials and Supplies	308	500	406	94
Other	532	863	706	157
<i>Total City Council</i>	<i>190,022</i>	<i>147,893</i>	<i>147,247</i>	<i>646</i>
Mayor's Court:				
Salaries and Wages	102,237	64,868	63,868	1,000
Fringe Benefits	18,930	30,699	30,598	101
Purchased Services	308	500	172	328
Materials and Supplies	203	330	171	159
Other	185	300	256	44
<i>Total Mayor's Court</i>	<i>\$121,863</i>	<i>\$96,697</i>	<i>\$95,065</i>	<i>\$1,632</i>

(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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance Office:				
Salaries and Wages	\$268,328	\$170,464	\$170,302	\$162
Fringe Benefits	56,764	92,395	92,372	23
Purchased Services	12,066	15,261	14,690	571
Materials and Supplies	922	1,500	1,121	379
Capital Outlay	2,845	3,688	3,612	76
Other	918	1,494	1,432	62
Total Finance Office	341,843	284,802	283,529	1,273
Income Tax:				
Salaries and Wages	62,110	39,545	39,545	0
Fringe Benefits	14,860	24,178	24,178	0
Purchased Services	370,752	550,758	550,135	623
Materials and Supplies	61	100	0	100
Capital Outlay	31	50	0	50
Other	464	755	148	607
Total Income Tax	448,278	615,386	614,006	1,380
Law Director:				
Salaries and Wages	16,749	10,712	10,712	0
Fringe Benefits	1,471	2,395	2,395	0
Purchased Services	96,369	130,844	125,144	5,700
Total Law Director	114,589	143,951	138,251	5,700
Engineer:				
Salaries and Wages	8,374	5,416	5,416	0
Fringe Benefits	2,068	3,366	3,296	70
Purchased Services	140,265	173,812	173,812	0
Materials and Supplies	76	123	52	71
Capital Outlay	382	622	622	0
Other	25	40	3	37
Total Engineer	151,190	183,379	183,201	178
Administrative Officer:				
Salaries and Wages	155,972	99,046	98,802	244
Fringe Benefits	33,963	55,683	55,672	11
Purchased Services	9,406	7,625	7,625	0
Materials and Supplies	877	958	950	8
Capital Outlay	72	118	118	0
Other	1,224	2,007	1,799	208
Total Administrative Officer	\$201,514	\$165,437	\$164,966	\$471

(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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Planning Commission:				
Fringe Benefits	\$57	\$92	\$92	\$0
Purchased Services	2,055	3,320	2,710	610
Materials and Supplies	37	60	5	55
Other	124	200	104	96
Total Planning Commission	2,273	3,672	2,911	761
General Government				
Salaries and Wages	77,114	49,075	47,024	2,051
Fringe Benefits	16,778	27,286	26,697	589
Purchased Services	222,537	329,964	319,559	10,405
Materials and Supplies	9,011	14,484	13,835	649
Capital Outlay	247,615	398,885	398,650	235
Other	101,170	139,958	139,526	432
Total General Government	674,225	959,652	945,291	14,361
Parks and Recreation Board:				
Fringe Benefits	55	92	92	0
Purchased Services	1,569	2,645	1,910	735
Other	30	50	1	49
Total Parks and Recreation Board	1,654	2,787	2,003	784
Building and Zoning Board:				
Fringe Benefits	54	92	92	0
Purchased Services	1,159	1,988	1,858	130
Materials and Supplies	29	50	0	50
Other	204	350	97	253
Total Building and Zoning Board	1,446	2,480	2,047	433
Health Advisory Board:				
Materials and Supplies	598	870	750	120
Other	22	32	1	31
Total Health Advisory Board	\$620	\$902	\$751	\$151

(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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service Commission:				
Purchased Services	\$2,642	\$4,241	\$3,058	\$1,183
Materials and Supplies	631	50	0	50
Other	12	20	16	4
Total Civil Service Commission	3,285	4,311	3,074	1,237
Total General Government	2,308,286	2,656,591	2,626,391	30,200
Security of Persons and Property:				
Police:				
Salaries and Wages	2,346,558	1,520,686	1,355,063	165,623
Fringe Benefits	346,889	575,685	530,839	44,846
Purchased Services	98,266	144,386	137,853	6,533
Materials and Supplies	48,164	63,051	58,597	4,454
Capital Outlay	178,206	190,068	184,936	5,132
Other	366	566	549	17
Total Security of Persons and Property	3,018,449	2,494,442	2,267,837	226,605
Community Environment:				
Community Development:				
Fringe Benefits	829	1,346	1,346	0
Purchased Services	26,982	42,206	37,304	4,902
Materials and Supplies	462	750	98	652
Total Community Development	28,273	44,302	38,748	5,554
Building:				
Salaries and Wages	172,023	109,352	106,966	2,386
Fringe Benefits	36,958	59,969	59,930	39
Purchased Services	17,408	24,645	19,728	4,917
Materials and Supplies	1,877	2,289	1,848	441
Capital Outlay	370	600	548	52
Other	409	666	666	0
Total Building	229,045	197,521	189,686	7,835
Total Community Environment	\$257,318	\$241,823	\$228,434	\$13,389

(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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Leisure Time Activities:				
Recreation Center:				
Salaries and Wages	\$83,394	\$52,958	\$51,122	\$1,836
Fringe Benefits	12,527	20,393	20,367	26
Purchased Services	19,945	32,470	30,445	2,025
Materials and Supplies	31,560	32,047	27,806	4,241
Capital Outlay	56,953	92,718	92,378	340
Other	2,456	4,000	3,729	271
Total Leisure Time Activities	206,835	234,586	225,847	8,739
<i>Total Expenditures</i>	5,790,888	5,627,442	5,348,509	278,933
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	(771,613)	148,011	(22,182)	(170,193)
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	0	400,000	400,000
Advances In	588,881	588,881	733,339	144,458
Advances Out	(129,000)	(129,000)	(129,000)	0
Transfers Out	(1,103,419)	(1,103,419)	(1,043,419)	60,000
<i>Total Other Financing Sources (Uses)</i>	(643,538)	(643,538)	(39,080)	604,458
<i>Net Change in Fund Balance</i>	(1,415,151)	(495,527)	(61,262)	434,265
<i>Fund Balance Beginning of</i>				
Year - Restated (See Note 3)	463,904	463,904	463,904	0
Prior Year Encumbrances Appropriated	235,549	235,549	235,549	0
<i>Fund Balance (Deficit) End of Year</i>	(\$715,698)	\$203,926	\$638,191	\$434,265

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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$39,951	\$40,633	\$16,706	(\$23,927)
Intergovernmental	709,124	721,227	638,171	(83,056)
Interest	53,267	54,177	1,645	(52,532)
Other	6,658	6,772	15,763	8,991
<i>Total Revenues</i>	<u>809,000</u>	<u>822,809</u>	<u>672,285</u>	<u>(150,524)</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	495,811	509,075	482,852	26,223
Fringe Benefits	249,464	268,678	257,344	11,334
Purchased Services	72,583	76,103	70,540	5,563
Materials and Supplies	401,808	402,387	397,271	5,116
Capital Outlay	162,268	98,105	97,354	751
Other	22,650	22,585	21,747	838
<i>Total Expenditures</i>	<u>1,404,584</u>	<u>1,376,933</u>	<u>1,327,108</u>	<u>49,825</u>
<i>Excess of Revenues Under Expenditures</i>	(595,584)	(554,124)	(654,823)	(100,699)
Other Financing Sources				
Transfers In	443,000	443,000	417,500	(25,500)
<i>Net Change in Fund Balance</i>	(152,584)	(111,124)	(237,323)	(126,199)
<i>Fund Balance Beginning of Year</i>	363,152	363,152	363,152	0
Prior Year Encumbrances Appropriated	102,978	102,978	102,978	0
<i>Fund Balance End of Year</i>	<u>\$313,546</u>	<u>\$355,006</u>	<u>\$228,807</u>	<u>(\$126,199)</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Property Taxes	\$486,124	\$946,936	\$690,176	(\$256,760)
Charges for Services	0	0	927	927
Intergovernmental	62,404	68,030	104,147	36,117
<i>Total Revenues</i>	<u>548,528</u>	<u>1,014,966</u>	<u>795,250</u>	<u>(219,716)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Salaries and Wages	0	376,813	362,662	14,151
Fringe Benefits	0	121,619	89,955	31,664
Purchased Services	57,294	36,686	31,779	4,907
Materials and Supplies	50,159	30,197	21,148	9,049
Capital Outlay	205,735	131,720	116,240	15,480
Other	34,543	22,100	11,699	10,401
Total Security of Persons and Property	<u>347,731</u>	<u>719,135</u>	<u>633,483</u>	<u>85,652</u>
Capital Outlay:				
Purchased Services	970,178	106,137	106,136	1
Capital Outlay	779,409	94,935	39,816	55,119
Other	59,620	7,272	5,014	2,258
Total Capital Outlay	<u>1,809,207</u>	<u>208,344</u>	<u>150,966</u>	<u>57,378</u>
Debt Service:				
Principal Retirement	411,000	411,000	411,000	0
Interest and Fiscal Charges	15,577	15,577	15,577	0
Total Debt Service	<u>426,577</u>	<u>426,577</u>	<u>426,577</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,583,515</u>	<u>1,354,056</u>	<u>1,211,026</u>	<u>143,030</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(2,034,987)</u>	<u>(339,090)</u>	<u>(415,776)</u>	<u>(76,686)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	1,800,000	1,800,000	290,000	(1,510,000)
Advances Out	(120,000)	(120,000)	(120,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,680,000</u>	<u>1,680,000</u>	<u>170,000</u>	<u>(1,510,000)</u>
<i>Net Change in Fund Balance</i>	<u>(354,987)</u>	<u>1,340,910</u>	<u>(245,776)</u>	<u>(1,586,686)</u>
<i>Fund Balance Beginning of Year</i>	487,269	487,269	487,269	0
Prior Year Encumbrances Appropriated	104,072	104,072	104,072	0
<i>Fund Balance End of Year</i>	<u>\$236,354</u>	<u>\$1,932,251</u>	<u>\$345,565</u>	<u>(\$1,586,686)</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Special Assessments	\$56,600	\$56,600	\$72,165	\$15,565
Expenditures				
Current:				
General Government:				
Other	3,664	3,664	2,879	785
Debt Service:				
Principal Retirement:				
1996 Special Assessment	5,000	5,000	5,000	0
Barber Road Special Assessment	100,000	100,000	100,000	0
Total Principal Retirement	105,000	105,000	105,000	0
Interest and Fiscal Charges:				
1996 Special Assessment	3,960	3,960	3,960	0
Barber Road Special Assessment	65,770	65,770	65,770	0
Total Interest and Fiscal Charges	69,730	69,730	69,730	0
Total Debt Service	174,730	174,730	174,730	0
<i>Total Expenditures</i>	178,394	178,394	177,609	785
<i>Excess of Revenues</i>				
<i> Under Expenditures</i>	(121,794)	(121,794)	(105,444)	16,350
Other Financing Sources				
Advances In	120,000	120,000	120,000	0
Transfers In	6,000	6,000	0	(6,000)
<i>Total Other Financing Sources</i>	126,000	126,000	120,000	(6,000)
<i>Net Change in Fund Balance</i>	4,206	4,206	14,556	10,350
<i>Fund Balance Beginning of Year</i>	31,329	31,329	31,329	0
<i>Fund Balance End of Year</i>	\$35,535	\$35,535	\$45,885	\$10,350

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland Massillon Road Waterline Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental	\$0	\$0	\$223,304	\$223,304
Interest	0	0	3	3
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>223,307</u>	<u>223,307</u>
Expenditures				
Capital Outlay:				
Purchased Services	1,290,100	1,290,100	1,153,429	136,671
Capital Outlay	2,000	2,000	0	2,000
Total Capital Outlay	1,292,100	1,292,100	1,153,429	138,671
Debt Service:				
Issuance Costs	6,000	6,000	0	6,000
<i>Total Expenditures</i>	<u>1,298,100</u>	<u>1,298,100</u>	<u>1,153,429</u>	<u>144,671</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(1,298,100)</u>	<u>(1,298,100)</u>	<u>(930,122)</u>	<u>367,978</u>
Other Financing Sources				
General Obligation Notes Issued	2,597,600	2,597,600	1,400,000	(1,197,600)
General Obligation Notes Premium	0	0	3,075	3,075
<i>Total Other Financing Sources</i>	<u>2,597,600</u>	<u>2,597,600</u>	<u>1,403,075</u>	<u>(1,194,525)</u>
<i>Net Change in Fund Balance</i>	1,299,500	1,299,500	472,953	(826,547)
<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>\$1,299,500</u></u>	<u><u>\$1,299,500</u></u>	<u><u>\$472,953</u></u>	<u><u>(\$826,547)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$73,234	\$48,515	(\$24,719)
Interest	1,224	23	(1,201)
<i>Total Revenues</i>	<u>74,458</u>	<u>48,538</u>	<u>(25,920)</u>
Expenditures			
Current:			
Transportation:			
State Highway:			
Purchased Services	495	494	1
Materials and Supplies	48,405	48,200	205
<i>Total Expenditures</i>	<u>48,900</u>	<u>48,694</u>	<u>206</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	25,558	(156)	(25,714)
Other Financing Uses			
Advances Out	(24,458)	0	24,458
<i>Net Change in Fund Balance</i>	1,100	(156)	(1,256)
<i>Fund Balance Beginning of Year</i>	<u>6,977</u>	<u>6,977</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,077</u></u>	<u><u>\$6,821</u></u>	<u><u>(\$1,256)</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Permissive License Plate Tax Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$162,735	\$131,112	(\$31,623)
Interest	25,222	1,933	(23,289)
<i>Total Revenues</i>	<u>187,957</u>	<u>133,045</u>	<u>(54,912)</u>
Expenditures			
Current:			
Transportation:			
Special Permissive License Plate Tax:			
Purchased Services	68,229	52,861	15,368
Materials and Supplies	20,871	16,982	3,889
Capital Outlay	915,652	826,424	89,228
<i>Total Expenditures</i>	<u>1,004,752</u>	<u>896,267</u>	<u>108,485</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(816,795)</u>	<u>(763,222)</u>	<u>53,573</u>
Other Financing Sources (Uses)			
Advances In	9,000	9,000	0
Advances Out	(9,000)	(9,000)	0
Transfers In	420,000	400,000	(20,000)
<i>Total Other Financing Sources(Uses)</i>	<u>420,000</u>	<u>400,000</u>	<u>(20,000)</u>
<i>Net Change in Fund Balance</i>	(396,795)	(363,222)	33,573
<i>Fund Balance Beginning of Year</i>	168,908	168,908	0
Prior Year Encumbrances Appropriated	427,809	427,809	0
<i>Fund Balance End of Year</i>	<u>\$199,922</u>	<u>\$233,495</u>	<u>\$33,573</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$526,746	\$313,293	(\$213,453)
Intergovernmental	97,428	106,113	8,685
Other	662	1,776	1,114
<i>Total Revenues</i>	<u>624,836</u>	<u>421,182</u>	<u>(203,654)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire Department:			
Salaries and Wages	161,363	154,193	7,170
Fringe Benefits	54,088	49,043	5,045
Purchased Services	19,538	18,259	1,279
Materials and Supplies	11,474	10,817	657
Capital Outlay	5,377	777	4,600
Other	9,431	8,451	980
<i>Total Expenditures</i>	<u>261,271</u>	<u>241,540</u>	<u>19,731</u>
<i>Excess of Revenues Over Expenditures</i>	363,565	179,642	(183,923)
Other Financing Uses			
Advances Out	(70,000)	(70,000)	0
<i>Net Change in Fund Balance</i>	293,565	109,642	(183,923)
<i>Fund Balance Beginning of Year</i>	20,015	20,015	0
Prior Year Encumbrances Appropriated	10,877	10,877	0
<i>Fund Balance End of Year</i>	<u>\$324,457</u>	<u>\$140,534</u>	<u>(\$183,923)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$357,082	\$249,300	(\$107,782)
Charges for Services	165,826	292,858	127,032
Intergovernmental	52,630	84,772	32,142
Other	691	2,199	1,508
<i>Total Revenues</i>	<u>576,229</u>	<u>629,129</u>	<u>52,900</u>
Expenditures			
Current:			
Security of Persons and Property:			
Emergency Medical Services:			
Salaries and Wages	401,288	385,485	15,803
Fringe Benefits	116,188	115,036	1,152
Purchased Services	74,933	57,172	17,761
Materials and Supplies	31,211	21,704	9,507
Capital Outlay	27,631	5,661	21,970
Other	9,943	6,792	3,151
<i>Total Expenditures</i>	<u>661,194</u>	<u>591,850</u>	<u>69,344</u>
<i>Net Change in Fund Balance</i>	(84,965)	37,279	122,244
<i>Fund Balance Beginning of Year</i>	210,504	210,504	0
Prior Year Encumbrances Appropriated	<u>3,410</u>	<u>3,410</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$128,949</u></u>	<u><u>\$251,193</u></u>	<u><u>\$122,244</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,000	\$0	(\$10,000)
Expenditures			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Salaries and Wages	10,514	10,514	0
Purchased Services	75	75	0
Materials and Supplies	325	0	325
<i>Total Expenditures</i>	10,914	10,589	325
<i>Net Change in Fund Balance</i>	(914)	(10,589)	(9,675)
<i>Fund Balance Beginning of Year</i>	11,970	11,970	0
<i>Fund Balance End of Year</i>	\$11,056	\$1,381	(\$9,675)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Security of Persons and Property:			
Drug Law Enforcement:			
Purchased Services	327	0	327
Capital Outlay	600	393	207
<i>Total Expenditures</i>	927	393	534
<i>Net Change in Fund Balance</i>	(927)	(393)	534
<i>Fund Balance Beginning of Year</i>	1,464	1,464	0
<i>Fund Balance End of Year</i>	\$537	\$1,071	\$534

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$2,500	\$2,006	(\$494)
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>	(4,500)	(2,994)	1,506
<i>Fund Balance Beginning of Year</i>	8,267	8,267	0
<i>Fund Balance End of Year</i>	\$3,767	\$5,273	\$1,506

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,400	\$0	(\$2,400)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	2,400	0	2,400
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	4,380	4,380	0
<i>Fund Balance End of Year</i>	\$4,380	\$4,380	\$0

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$5,000	\$2,890	(\$2,110)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	13,708	12,746	962
<i>Net Change in Fund Balance</i>	(8,708)	(9,856)	(1,148)
<i>Fund Balance Beginning of Year</i>	19,812	19,812	0
<i>Fund Balance End of Year</i>	\$11,104	\$9,956	(\$1,148)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$57,000	\$7,450	(\$49,550)
Expenditures			
Current:			
Leisure Time Activities:			
Community Recreation:			
Salaries and Wages	5,900	620	5,280
Fringe Benefits	920	67	853
Purchased Services	24,957	19,927	5,030
Materials and Supplies	3,800	1,803	1,997
Capital Outlay	40	0	40
<i>Total Expenditures</i>	35,617	22,417	13,200
<i>Excess of Revenues</i>			
<i>Over (Under) Expenditures</i>	21,383	(14,967)	(36,350)
Other Financing Sources			
Transfers In	0	5,000	5,000
<i>Net Change in Fund Balance</i>	21,383	(9,967)	(31,350)
<i>Fund Balance Beginning of Year</i>	31,883	31,883	0
Prior Year Encumbrances Appropriated	1,140	1,140	0
<i>Fund Balance End of Year</i>	\$54,406	\$23,056	(\$31,350)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$1	\$301	\$300
Expenditures			
Current:			
Leisure Time Activities:			
Historical Greenwich Road:			
Purchased Services	2,234	1,426	808
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(2,233)	(1,125)	1,108
Other Financing Sources			
Transfers In	1,900	1,900	0
<i>Net Change in Fund Balance</i>	(333)	775	1,108
<i>Fund Balance Beginning of Year</i>	1,471	1,471	0
<i>Fund Balance (Deficit) End of Year</i>	\$1,138	\$2,246	\$1,108

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$500	\$3,998	\$3,498
Expenditures			
Current:			
Public Health Services:			
Cemetery:			
Materials and Supplies	6,000	6,000	0
Other	50	25	25
<i>Total Expenditures</i>	6,050	6,025	25
<i>Net Change in Fund Balance</i>	(5,550)	(2,027)	3,523
<i>Fund Balance Beginning of Year</i>	6,636	6,636	0
<i>Fund Balance End of Year</i>	\$1,086	\$4,609	\$3,523

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$10,200	\$0	(\$10,200)
Expenditures			
Current:			
General Government:			
Special Events:			
Purchased Services	3,016	3,016	0
<i>Net Change in Fund Balance</i>	7,184	(3,016)	(10,200)
<i>Fund Balance Beginning of Year</i>	3,016	3,016	0
<i>Fund Balance End of Year</i>	\$10,200	\$0	(\$10,200)

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Assistance Fund
For the Year Ended December 31, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$15,921	\$15,921	\$0
Expenditures			
Current:			
General Government:			
FEMA:			
Purchased Services	15,921	15,921	0
<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
Recycling Fund
For the Year Ended December 31, 2009*

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

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, 2009*

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

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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$85,178	\$69,165	(\$16,013)
Intergovernmental	12,612	17,645	5,033
<i>Total Revenues</i>	<u>97,790</u>	<u>86,810</u>	<u>(10,980)</u>
Expenditures			
Current:			
General Government:			
Police and Fire Disability and Pension:			
Fringe Benefits	99,319	99,319	0
Other	1,681	1,681	0
<i>Total Expenditures</i>	<u>101,000</u>	<u>101,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,210)	(14,190)	(10,980)
<i>Fund Balance Beginning of Year</i>	<u>93,574</u>	<u>93,574</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$90,364</u></u>	<u><u>\$79,384</u></u>	<u><u>(\$10,980)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$19,000	\$14,201	(\$4,799)
Expenditures			
Current:			
General Government:			
Mayor's Court:			
Purchased Services	17,132	10,126	7,006
Materials and Supplies	347	185	162
Capital Outlay	1,668	265	1,403
<i>Total Expenditures</i>	19,147	10,576	8,571
<i>Net Change in Fund Balance</i>	(147)	3,625	3,772
<i>Fund Balance Beginning of Year</i>	9,026	9,026	0
Prior Year Encumbrances Appropriated	11,697	11,697	0
<i>Fund Balance End of Year</i>	\$20,576	\$24,348	\$3,772

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$115,000	\$62,395	(\$52,605)
Expenditures			
Current:			
Public Health Services:			
Waterline Improvement:			
Purchased Services	41,927	24,646	17,281
Capital Outlay	200,000	188,311	11,689
<i>Total Expenditures</i>	241,927	212,957	28,970
<i>Net Change in Fund Balance</i>	(126,927)	(150,562)	(23,635)
<i>Fund Balance Beginning of Year</i>	260,152	260,152	0
Prior Year Encumbrances Appropriated	6,327	6,327	0
<i>Fund Balance End of Year</i>	\$139,552	\$115,917	(\$23,635)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$130,000	\$49,649	(\$80,351)
Interest	0	32,573	32,573
Other	2,500	0	(2,500)
<i>Total Revenues</i>	<u>132,500</u>	<u>82,222</u>	<u>(50,278)</u>
Expenditures			
Current:			
Public Health Services:			
Sewerline Improvement:			
Purchased Services	43,501	41,283	2,218
Capital Outlay	260,881	1,753	259,128
<i>Total Expenditures</i>	<u>304,382</u>	<u>43,036</u>	<u>261,346</u>
<i>Net Change in Fund Balance</i>	(171,882)	39,186	211,068
<i>Fund Balance Beginning of Year</i>	766,855	766,855	0
Prior Year Encumbrances Appropriated	<u>5,657</u>	<u>5,657</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$600,630</u></u>	<u><u>\$811,698</u></u>	<u><u>\$211,068</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$30,000	\$6,299	(\$23,701)
Expenditures			
Current:			
Public Health Services:			
Brentwood Waterlines:			
Purchased Services	19,372	17,761	1,611
Capital Outlay	25,084	1,019	24,065
<i>Total Expenditures</i>	44,456	18,780	25,676
<i>Net Change in Fund Balance</i>	(14,456)	(12,481)	1,975
<i>Fund Balance Beginning of Year</i>	59,426	59,426	0
Prior Year Encumbrances Appropriated	1,600	1,600	0
<i>Fund Balance End of Year</i>	\$46,570	\$48,545	\$1,975

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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$7,587	\$7,587	\$0
Expenditures			
Current:			
Security of Persons and Property:			
Fire:			
Purchased Services	7,986	7,986	0
<i>Excess of Revenues Under Expenditures</i>	(399)	(399)	0
Other Financing Sources			
Transfers In	399	399	0
<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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Debt Service:			
Principal Retirement:			
Road Program	35,000	35,000	0
Police Radio System	25,000	25,000	0
Street Improvement	35,000	35,000	0
Gardner Engineering	10,000	10,000	0
Service Equipment	50,000	50,000	0
Total Principal Retirement	155,000	155,000	0
Interest and Fiscal Charges:			
Road Program	11,420	11,420	0
Police Radio System	8,995	8,995	0
Street Improvement	12,408	12,407	1
Gardner Engineering	5,665	5,665	0
Service Equipment	2,500	1,780	720
Total Interest and Fiscal Charges	40,988	40,267	721
<i>Total Expenditures</i>	195,988	195,267	721
<i>Excess of Revenues Under Expenditures</i>	(195,988)	(195,267)	721
Other Financing Sources			
Transfers In	200,000	170,000	(30,000)
<i>Net Change in Fund Balance</i>	4,012	(25,267)	(29,279)
<i>Fund Balance Beginning of Year</i>	32,020	32,020	0
<i>Fund Balance End of Year</i>	\$36,032	\$6,753	(\$29,279)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Capital Outlay:			
Purchased Services	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Debt Service:			
Principal Retirement	560,000	560,000	0
Interest and Fiscal Charges	<u>71,400</u>	<u>71,400</u>	<u>0</u>
Total Debt Service	<u>631,400</u>	<u>631,400</u>	<u>0</u>
<i>Total Expenditures</i>	<u>633,900</u>	<u>633,900</u>	<u>0</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(633,900)	(633,900)	0
Other Financing Sources			
General Obligation Notes Issued	<u>240,804</u>	<u>239,562</u>	<u>(1,242)</u>
<i>Net Change in Fund Balance</i>	(393,096)	(394,338)	(1,242)
<i>Fund Balance Beginning of Year</i>	<u>394,338</u>	<u>394,338</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,242</u>	<u>\$0</u>	<u>(\$1,242)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$121,000	\$120,448	(\$552)
Other	0	28	28
<i>Total Revenues</i>	<u>121,000</u>	<u>120,476</u>	<u>(524)</u>
Expenditures			
Capital Outlay:			
Purchased Services	182	91	91
Capital Outlay	50,234	49,924	310
<i>Total Capital Outlay</i>	<u>50,416</u>	<u>50,015</u>	<u>401</u>
Debt Service:			
Principal Retirement	112,000	112,000	0
Interest and Fiscal Charges	12,363	10,894	1,469
<i>Total Debt Service</i>	<u>124,363</u>	<u>122,894</u>	<u>1,469</u>
<i>Total Expenditures</i>	<u>174,779</u>	<u>172,909</u>	<u>1,870</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(53,779)	(52,433)	1,346
Other Financing Sources			
General Obligation Notes Issued	67,000	67,000	0
<i>Net Change in Fund Balance</i>	13,221	14,567	1,346
<i>Fund Balance Beginning of Year</i>	45,817	45,817	0
Prior Year Encumbrances Appropriated	310	310	0
<i>Fund Balance End of Year</i>	<u>\$59,348</u>	<u>\$60,694</u>	<u>\$1,346</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Sources			
Transfers In	<u>64,600</u>	<u>0</u>	<u>(64,600)</u>
<i>Net Change in Fund Balance</i>	64,600	0	(64,600)
<i>Fund Balance Beginning of Year</i>	<u>14,964</u>	<u>14,964</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$79,564</u></u>	<u><u>\$14,964</u></u>	<u><u>(\$64,600)</u></u>

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	85,185	27,009	58,176
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(85,185)	(27,009)	58,176
Other Financing Sources			
Transfers In	100,000	7,620	(92,380)
<i>Net Change in Fund Balance</i>	14,815	(19,389)	(34,204)
<i>Fund Balance Beginning of Year</i>	77,565	77,565	0
<i>Fund Balance End of Year</i>	\$92,380	\$58,176	(\$34,204)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	79,153	79,153	0
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(79,153)	(79,153)	0
Other Financing Sources			
Transfers In	65,000	41,000	(24,000)
<i>Net Change in Fund Balance</i>	(14,153)	(38,153)	(24,000)
<i>Fund Balance Beginning of Year</i>	38,701	38,701	0
<i>Fund Balance End of Year</i>	\$24,548	\$548	(\$24,000)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Capital Outlay:			
Purchased Services	2,084	1,430	654
Capital Outlay	<u>11,054</u>	<u>7,100</u>	<u>3,954</u>
<i>Total Expenditures</i>	<u>13,138</u>	<u>8,530</u>	<u>4,608</u>
<i>Net Change in Fund Balance</i>	(13,138)	(8,530)	4,608
<i>Fund Balance Beginning of Year</i>	21,514	21,514	0
Prior Year Encumbrances Appropriated	<u>9,623</u>	<u>9,623</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$17,999</u></u>	<u><u>\$22,607</u></u>	<u><u>\$4,608</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, 2009

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

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Connect Road Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$120,000	\$70,916	(\$49,084)
Expenditures			
Capital Outlay:			
Purchased Services	<u>125,000</u>	<u>123,865</u>	<u>1,135</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(5,000)	(52,949)	(47,949)
Other Financing Sources			
General Obligation Notes Issued	<u>136,000</u>	<u>136,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	131,000	83,051	(47,949)
<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>\$131,000</u></u>	<u><u>\$83,051</u></u>	<u><u>(\$47,949)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Special Assessment	\$4,196	\$3,006	(\$1,190)
Expenditures			
Capital Outlay:			
Other	75,615	116	75,499
<i>Net Change in Fund Balance</i>	(71,419)	2,890	74,309
<i>Fund Balance Beginning of Year</i>	75,308	75,308	0
<i>Fund Balance End of Year</i>	\$3,889	\$78,198	\$74,309

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Purchased Services	5,000	4,978	22
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(5,000)	(4,978)	22
Other Financing Sources (Uses)			
General Obligation Notes Issued	455,436	270,000	(185,436)
Advances Out	(204,339)	(204,339)	0
<i>Total Other Financing Sources (Uses)</i>	251,097	65,661	(185,436)
<i>Net Change in Fund Balance</i>	246,097	60,683	(185,414)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$246,097	\$60,683	(\$185,414)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Gardner Phase III Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$265,215	\$0	(\$265,215)
Expenditures			
Capital Outlay:			
Purchased Services	3,000	0	3,000
Capital Outlay	300,000	0	300,000
<i>Total Expenditures</i>	<u>303,000</u>	<u>0</u>	<u>303,000</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(37,785)	0	37,785
Other Financing Sources			
Advances In	268,215	0	(268,215)
<i>Net Change in Fund Balance</i>	230,430	0	(230,430)
<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>\$230,430</u></u>	<u><u>\$0</u></u>	<u><u>(\$230,430)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$275,559	\$247,550	(\$28,009)
Interest	0	5	5
<i>Total Revenues</i>	<u>275,559</u>	<u>247,555</u>	<u>(28,004)</u>
Expenditures			
Capital Outlay:			
Purchased Services	308,936	301,539	7,397
Capital Outlay	14,878	14,673	205
<i>Total Expenditures</i>	<u>323,814</u>	<u>316,212</u>	<u>7,602</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>(48,255)</u>	<u>(68,657)</u>	<u>(20,402)</u>
Other Financing Sources (Uses)			
General Obligation Notes Issued	335,000	335,000	0
Advances In	256,334	0	(256,334)
Advances Out	<u>(330,000)</u>	<u>(330,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>261,334</u>	<u>5,000</u>	<u>(256,334)</u>
<i>Net Change in Fund Balance</i>	213,079	(63,657)	(276,736)
<i>Fund Balance Beginning of Year</i>	2,914	2,914	0
Prior Year Encumbrances Appropriated	<u>117,426</u>	<u>117,426</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$333,419</u></u>	<u><u>\$56,683</u></u>	<u><u>(\$276,736)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$720,000	\$788,782	\$68,782
Expenses			
Purchased Services	324,131	288,473	35,658
Claims	414,716	414,716	0
<i>Total Expenses</i>	738,847	703,189	35,658
<i>Net Change in Fund Equity</i>	(18,847)	85,593	104,440
<i>Fund Equity Beginning of Year</i>	148,054	148,054	0
<i>Fund Equity End of Year</i>	\$129,207	\$233,647	\$104,440

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



Statistical

Section



2009

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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	S2-S11
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	S12-S20
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	S21-S26
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	S27-S29
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	S30-S37
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$12,983,587	\$10,673,140	\$9,834,555
Restricted:			
Capital Projects	966,739	768,494	423,673
Debt Service	682,976	820,130	918,452
Police	33,363	45,893	36,217
Fire and EMS	922,576	735,962	186,546
Transportation	992,559	1,012,433	1,063,984
Sewerline/Waterline Maintenance	1,304,656	1,146,715	881,202
Other Purposes	160,556	393,029	180,234
Unrestricted	<u>1,781,688</u>	<u>1,577,004</u>	<u>2,281,879</u>
<i>Total Governmental Activities Net Assets</i>	<u><u>\$19,828,700</u></u>	<u><u>\$17,172,800</u></u>	<u><u>\$15,806,742</u></u>

<u>2006</u>	<u>2005</u>	<u>2004</u>
\$7,828,844	\$6,350,813	\$6,015,088
979,920	2,146,426	1,877,579
955,831	861,303	915,517
34,637	46,168	58,012
315,989	340,123	198,162
1,593,221	557,757	463,227
655,415	484,483	238,163
48,876	20,960	33,510
2,397,561	1,874,013	878,242
<u>\$14,810,294</u>	<u>\$12,682,046</u>	<u>\$10,677,500</u>

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

	2009	2008	2007
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	\$300,905	\$301,207	\$227,855
Security of Persons and Property	360,415	396,414	408,448
Transportation	17,867	44,801	15,047
Community Environment	9,121	14,141	19,018
Public Health Services	229,682	313,884	321,192
Leisure Time Activities	9,285	7,983	9,893
Subtotal - Charges for Services	<u>927,275</u>	<u>1,078,430</u>	<u>1,001,453</u>
Operating Grants and Contributions:			
General Government	33,741	1,520	9,030
Security of Persons and Property	293,797	190,692	57,822
Transportation	861,965	835,367	751,886
Community Environment	0	0	4,293
Leisure Time Activities	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,189,503</u>	<u>1,027,579</u>	<u>823,031</u>
Capital Grants and Contributions:			
General Government	0	27,549	47,346
Security of Persons and Property	0	0	125,852
Transportation	1,156,369	12,282	0
Public Health Services	597,946	53,216	0
Leisure Time Activities	247,550	0	146,993
Subtotal - Capital Grants and Contributions	<u>2,001,865</u>	<u>93,047</u>	<u>320,191</u>
<i>Total Governmental Activities Program Revenues</i>	<u>4,118,643</u>	<u>2,199,056</u>	<u>2,144,675</u>
Expenses			
Governmental Activities:			
General Government	2,125,361	1,960,544	1,797,290
Security of Persons and Property	3,663,609	3,635,906	3,486,686
Transportation	1,350,060	1,890,748	1,305,616
Community Environment	215,613	264,377	266,813
Public Health Services	149,466	134,428	167,598
Leisure Time Activities	130,210	187,932	172,172
Interest and Fiscal Charges	219,038	130,774	174,121
<i>Total Governmental Activities Expenses</i>	<u>7,853,357</u>	<u>8,204,709</u>	<u>7,370,296</u>
Net (Expense)/Revenue	<u>(\$3,734,714)</u>	<u>(\$6,005,653)</u>	<u>(\$5,225,621)</u>

2006	2005	2004
\$252,100	\$369,512	\$193,091
460,447	427,016	384,907
12,295	19,795	40,639
32,387	0	0
214,416	317,382	229,228
1,349	47,823	58,631
<u>972,994</u>	<u>1,181,528</u>	<u>906,496</u>
48,886	29,435	13,221
89,332	139,065	35,910
908,733	635,167	635,810
0	2,878	0
7,353	0	0
<u>1,054,304</u>	<u>806,545</u>	<u>684,941</u>
0	0	0
0	0	0
512,808	134,890	671,481
503,239	60,701	697,612
0	0	0
<u>1,016,047</u>	<u>195,591</u>	<u>1,369,093</u>
<u>3,043,345</u>	<u>2,183,664</u>	<u>2,960,530</u>
2,258,088	1,657,936	1,496,946
3,697,437	2,749,595	2,907,755
1,105,515	1,168,903	1,306,330
310,737	245,311	251,646
101,908	128,117	86,907
230,960	179,714	149,725
169,150	166,384	167,244
<u>7,873,795</u>	<u>6,295,960</u>	<u>6,366,553</u>
<u>(\$4,830,450)</u>	<u>(\$4,112,296)</u>	<u>(\$3,406,023)</u>

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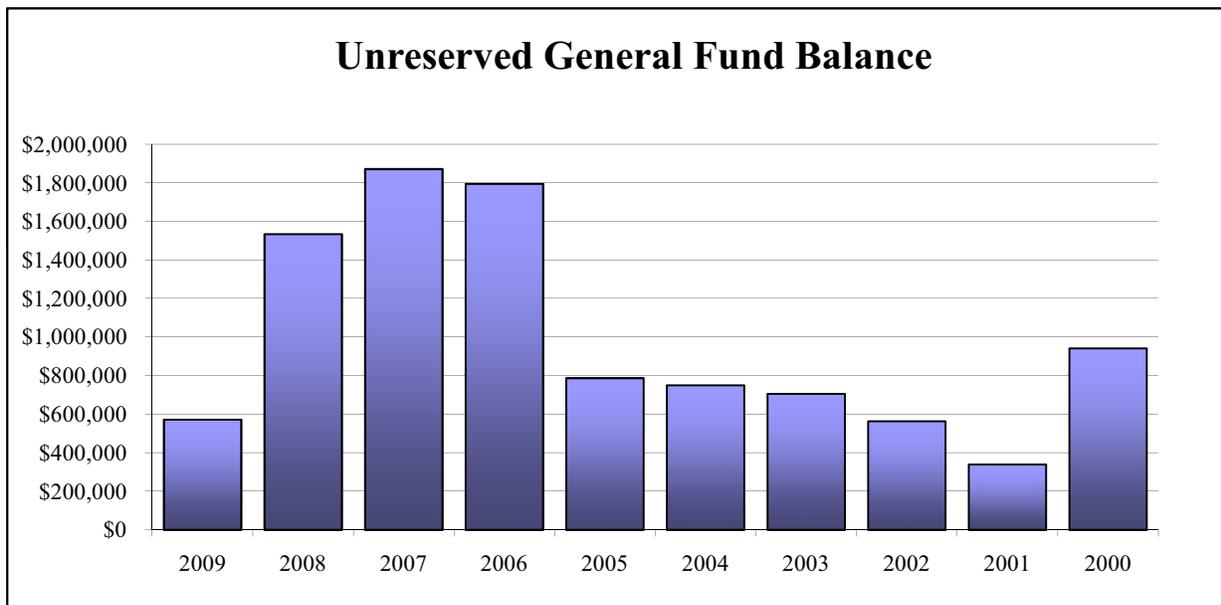
City of Norton, Ohio
Changes in Net Assets (continued)
Last Six Years
(Accrual Basis of Accounting)

	2009	2008	2007
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes:			
Property Taxes Levied For:			
General Purposes	\$378,213	\$357,431	\$430,607
Fire	319,334	423,795	422,687
EMS	261,571	371,831	319,338
Police and Fire Disability and Pension	70,915	67,018	81,662
Fire/EMS Levy	700,260	530,585	0
Municipal Income Taxes levied for			
General Purposes	3,461,568	3,903,789	2,759,385
Debt Service	0	0	252,565
Capital Projects	0	0	157,456
Street Repair and Maintenance	0	0	542,585
Water and Sewer Improvements	135,842	0	0
Grants and Entitlements not Restricted to			
Specific Programs	811,264	1,577,087	953,675
Interest	75,019	101,997	282,650
Gain on Sale of Capital Assets	0	0	0
Other	176,628	38,178	19,459
<i>Total Governmental Activities</i>	<u>6,390,614</u>	<u>7,371,711</u>	<u>6,222,069</u>
Change in Net Assets	<u><u>\$2,655,900</u></u>	<u><u>\$1,366,058</u></u>	<u><u>\$996,448</u></u>

2006	2005	2004
\$420,666	\$391,304	\$364,278
368,796	387,997	358,948
306,426	301,426	289,622
77,621	73,369	68,302
0	0	0
3,383,613	2,548,525	2,483,503
337,550	259,260	67,904
79,365	60,989	16,050
784,923	602,001	147,741
0	0	0
857,119	1,278,637	1,096,348
276,651	113,769	55,784
0	0	26,184
65,968	99,565	112,326
6,958,698	6,116,842	5,086,990
\$2,128,248	\$2,004,546	\$1,680,967

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

	2009	2008	2007	2006	2005
General Fund					
Reserved	\$213,732	\$152,340	\$29,733	\$153,661	\$192,524
Unreserved	571,583	1,534,583	1,871,927	1,795,049	787,233
Total General Fund	785,315	1,686,923	1,901,660	1,948,710	979,757
All Other Governmental Funds					
Reserved	264,231	342,587	219,485	269,137	1,140,679
Unreserved, Undesignated, Reported in:					
Special Revenue funds	2,460,192	2,122,723	1,830,304	2,041,482	1,269,915
Debt Service funds	(67,362)	63,349	61,381	40,203	56,643
Capital Projects funds	(1,255,811)	(182,235)	38,243	333,382	283,899
Total All Other Governmental Funds	1,401,250	2,346,424	2,149,413	2,684,204	2,751,136
Total Governmental Funds	\$2,186,565	\$4,033,347	\$4,051,073	\$4,632,914	\$3,730,893



2004	2003	2002	2001	2000
\$44,672	\$42,751	\$34,892	\$25,589	\$24,912
750,252	706,069	563,433	339,076	941,843
794,924	748,820	598,325	364,665	966,755
1,158,506	132,269	1,055,321	1,554,681	4,143,247
859,357	681,639	472,305	698,784	843,872
65,404	(194)	0	0	0
(45,352)	1,293,887	(3,501,653)	(3,728,327)	(4,209,197)
2,037,915	2,107,601	(1,974,027)	(1,474,862)	777,922
\$2,832,839	\$2,856,421	(\$1,375,702)	(\$1,110,197)	\$1,744,677

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

	2009	2008	2007	2006
Revenues				
Property Taxes	\$1,690,813	\$1,758,595	\$1,164,082	\$1,172,254
Municipal Income Taxes	3,738,028	3,995,958	3,880,264	3,949,257
Charges for Services	706,886	819,646	720,637	497,209
Special Assessments	75,171	76,111	71,790	40,373
Licenses, Permits and Fees	74,823	102,918	102,217	99,401
Fines and Forfeitures	115,799	109,155	170,967	228,170
Intergovernmental	2,533,500	2,543,424	1,925,630	2,378,753
Interest	75,019	101,997	282,650	276,651
Other	176,628	38,178	19,459	65,968
<i>Total Revenues</i>	<u>9,186,667</u>	<u>9,545,982</u>	<u>8,337,696</u>	<u>8,708,036</u>
Expenditures				
Current:				
General Government	2,577,602	2,004,444	1,819,921	1,828,117
Security of Persons and Property	3,716,697	4,056,371	3,198,169	2,959,561
Transportation	1,708,913	1,758,624	2,155,630	1,003,741
Community Environment	221,965	258,713	256,666	310,102
Public Health Services	230,224	54,164	92,725	42,742
Leisure Time Activities	251,167	171,382	159,719	51,096
Basic Utility	0	0	0	0
Other	0	0	0	0
Capital Outlay	1,878,003	975,903	802,520	1,006,410
Debt Service:				
Principal Retirement	229,364	232,931	262,917	260,033
Principal Retirement - Current Refunding	0	0	0	0
Interest and Fiscal Charges	219,514	131,176	171,270	175,213
<i>Total Expenditures</i>	<u>11,033,449</u>	<u>9,643,708</u>	<u>8,919,537</u>	<u>7,637,015</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,846,782)</u>	<u>(97,726)</u>	<u>(581,841)</u>	<u>1,071,021</u>
Other Financing Sources (Uses)				
Current Refunding	0	0	0	(185,000)
Sale of Capital Assets	0	80,000	0	0
Notes Issued	0	0	0	0
Inception of Capital Lease	0	0	0	16,000
Transfers In	1,043,419	1,627,890	613,230	682,724
Transfers Out	(1,043,419)	(1,627,890)	(613,230)	(682,724)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>80,000</u>	<u>0</u>	<u>(169,000)</u>
<i>Net Change in Fund Balances</i>	<u>(\$1,846,782)</u>	<u>(\$17,726)</u>	<u>(\$581,841)</u>	<u>\$902,021</u>
Debt Service as a Percentage of Noncapital Expenditures	5.9%	4.9%	6.2%	6.2%

2005	2004	2003	2002	2001	2000
\$1,102,775	\$1,088,710	\$1,222,603	\$1,237,773	\$1,237,773	\$988,758
3,365,754	2,641,551	2,625,238	2,497,599	2,497,599	2,645,267
768,912	560,027	419,741	116,729	116,729	5,771
100,833	55,660	12,756	8,107	8,107	12,342
125,671	66,295	101,487	89,412	89,412	101,183
160,972	256,268	224,804	198,056	198,056	224,131
1,667,640	1,761,685	1,336,911	1,711,539	1,711,539	1,704,422
113,769	55,784	18,544	87,903	87,903	248,739
99,565	112,326	290,026	463,231	463,231	384,227
<u>7,505,891</u>	<u>6,598,306</u>	<u>6,252,110</u>	<u>6,410,349</u>	<u>6,410,349</u>	<u>6,314,840</u>
1,543,564	1,449,123	1,532,231	1,680,515	1,680,515	1,180,714
2,780,456	2,779,708	2,639,560	2,297,744	2,297,744	2,133,845
1,174,789	1,102,624	902,554	741,305	741,305	743,479
254,385	287,058	290,668	196,305	196,305	123,429
35,125	59,445	6,281	601	601	2,075
165,894	137,530	197,901	106,894	106,894	112,545
0	0	0	6,726	6,726	14,119
0	0	30,172	11,141	11,141	0
181,315	324,995	536,282	3,990,369	3,990,369	2,079,144
260,311	577,835	5,000	5,000	5,000	5,000
50,000	0	0	0	0	0
161,998	170,754	299,338	229,592	229,592	49,179
<u>6,607,837</u>	<u>6,889,072</u>	<u>6,439,987</u>	<u>9,266,192</u>	<u>9,266,192</u>	<u>6,443,529</u>
898,054	(290,766)	(187,877)	(2,855,843)	(2,855,843)	(128,689)
(185,000)	0	0	0	0	0
0	26,184	0	969	969	0
185,000	235,000	4,420,000	0	0	0
0	6,000	0	0	0	0
460,251	1,433,843	725,160	2,041,492	2,041,492	3,659,103
(460,251)	(1,433,843)	(725,160)	(2,041,492)	(2,041,492)	(3,659,103)
<u>0</u>	<u>267,184</u>	<u>4,420,000</u>	<u>969</u>	<u>969</u>	<u>0</u>
<u>\$898,054</u>	<u>(\$23,582)</u>	<u>\$4,232,123</u>	<u>(\$2,854,874)</u>	<u>(\$2,854,874)</u>	<u>(\$128,689)</u>
7.3%	11.4%	5.2%	4.4%	4.4%	1.2%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2009	\$219,772,920	\$43,273,710	\$751,561,800	\$5,339,870	\$6,068,034
2008	218,888,440	41,757,830	744,703,629	5,144,670	5,846,216
2007	216,297,250	40,422,950	733,486,286	6,507,780	7,395,205
2006	212,333,270	40,000,130	720,952,571	6,507,780	7,395,205
2005	191,812,190	38,656,010	658,480,571	6,562,270	7,457,125
2004	187,630,300	37,741,080	643,918,229	6,977,590	7,929,080
2003	183,280,910	38,181,150	632,748,743	6,754,770	7,675,875
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

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

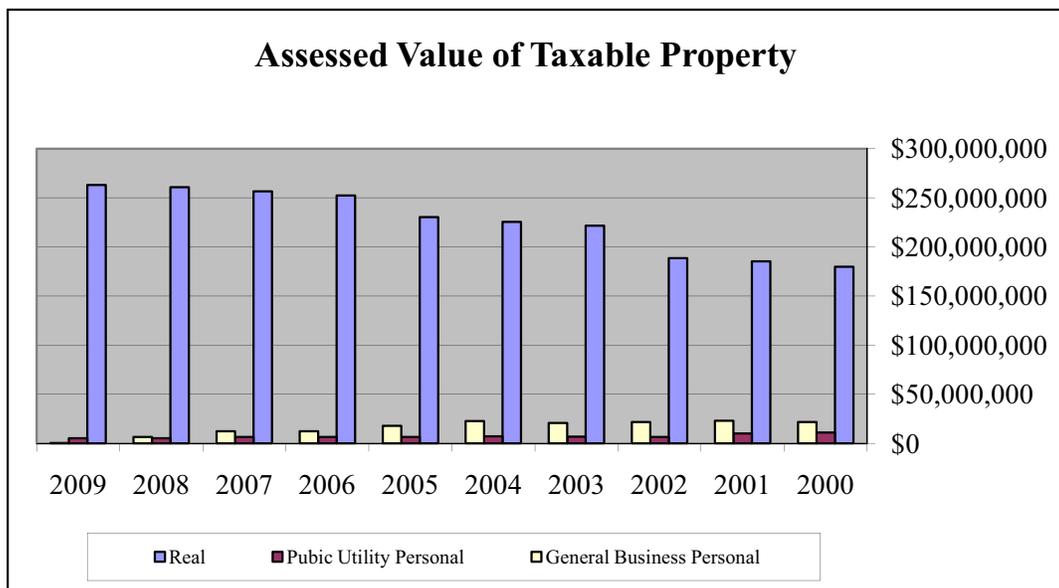
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

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	
\$480,359	\$7,685,744	\$268,866,859	\$765,315,578	35.13%	\$7.31
6,536,255	104,580,080	272,327,195	855,129,924	31.85	7.35
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



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

	2009	2008	2007	2006	2005
Unvoted Millage					
Operating	\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000
Police Pension	0.3000	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>	<u>1.9000</u>
Voted Millage by Levy					
1988 Ambulance and EMS					
Residential/Agricultural Real	0.4226	0.4219	0.4180	0.4203	0.4590
Commerical/Industrial and Public Utility Real	0.5606	0.5572	0.5643	0.5741	0.5884
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
1988 Fire					
Residential/Agricultural Real	0.6762	0.6751	0.6688	0.6724	0.7344
Commerical/Industrial and Public Utility Real	0.8970	0.8915	0.9029	0.9186	0.9415
General Business and Public Utility Personal	1.6000	1.6000	1.6000	1.6000	1.6000
1996 Ambulance and EMS					
Residential/Agricultural Real	0.5772	0.5763	0.5709	0.5740	0.6269
Commerical/Industrial and Public Utility Real	0.7547	0.7501	0.7596	0.7728	0.7921
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
1996 Fire					
Residential/Agricultural Real	0.5772	0.5763	0.5709	0.5740	0.6269
Commerical/Industrial and Public Utility Real	0.7547	0.7501	0.7596	0.7728	0.7921
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
2007 Fire					
Residential/Agricultural Real	3.0000	3.0000	0.0000	0.0000	0.0000
Commerical/Industrial and Public Utility Real	2.9805	2.9622	0.0000	0.0000	0.0000
General Business and Public Utility Personal	3.0000	3.0000	0.0000	0.0000	0.0000
Total Voted Millage by type of property					
Residential/Agricultural Real	\$5.2532	\$5.2496	\$2.2286	\$2.2407	\$2.4472
Commerical/Industrial and Public Utility Real	5.9475	5.9111	2.9864	3.0383	3.1141
General Business and Public Utility Personal	<u>7.6000</u>	<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	\$7.1532	\$7.1496	\$4.1286	\$4.1407	\$4.3472
Commerical/Industrial and Public Utility Real	7.8475	7.8111	4.8864	4.9383	5.0141
General Business and Public Utility Personal	<u>9.5000</u>	<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	\$29.2311	\$29.1958	\$28.8335	\$28.9406	\$31.1576
Commerical/Industrial and Public Utility Real	37.1675	36.9567	37.2881	37.8347	38.6235
General Business and Public Utility Personal	59.9000	59.9000	59.9000	59.9000	59.9000
Summit County					
Residential/Agricultural Real	12.5592	12.5574	10.5997	9.0633	9.6107
Commerical/Industrial and Public Utility Real	12.2347	12.1034	11.4020	10.0247	10.3113
General Business and Public Utility Personal	12.7000	12.7000	13.1100	12.2200	12.2200
Akron/Summit Library					
Residential/Agricultural Real	2.0170	1.9921	1.9206	1.9333	2.1358
Commerical/Industrial and Public Utility Real	2.0199	1.9799	1.9896	1.9907	2.1400
General Business and Public Utility Personal	2.1000	2.0800	2.0300	2.0400	2.1400
Metropolitan Park District					
Residential/Agricultural Real	1.4600	1.4600	1.4573	0.6959	0.7517
Commerical/Industrial and Public Utility Real	1.4102	1.3914	1.4600	0.7470	0.7743
General Business and Public Utility Personal	1.4600	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
\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000
0.3000	0.3000	0.3000	0.3000	0.3000
1.9000	1.9000	1.9000	1.9000	1.9000
0.4627	0.4639	0.5322	0.5340	0.5324
0.5825	0.5627	0.6537	0.6586	0.6634
1.0000	1.0000	1.0000	1.0000	1.0000
0.7403	0.7422	0.8516	0.8544	0.8518
0.9320	0.9003	1.0460	1.0538	1.0615
1.6000	1.6000	1.6000	1.6000	1.6000
0.6320	0.6336	0.7270	0.7294	0.7271
0.7841	0.7575	0.8800	0.8866	0.8931
1.0000	1.0000	1.0000	1.0000	1.0000
0.6320	0.6336	0.7270	0.7294	0.7271
0.7841	0.7575	0.8800	0.8866	0.8931
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
\$2.4670	\$2.4733	\$2.8378	\$2.8472	\$2.8384
3.0827	2.9780	3.4597	3.4856	3.5111
4.6000	4.6000	4.6000	4.6000	4.6000
\$4.3670	\$4.3733	\$4.7378	\$4.7472	\$4.7384
4.9827	4.8780	5.3597	5.3856	5.4111
6.5000	6.5000	6.5000	6.5000	6.5000
\$26.4282	\$26.5082	\$29.3761	\$29.4434	\$29.3675
33.4429	32.5120	37.1708	37.1425	37.3722
55.0000	55.0000	55.0000	55.0000	55.0000
9.6343	9.6215	10.5666	10.5864	8.8947
10.2999	10.2128	11.0662	11.1466	10.0509
12.2200	12.2200	12.2200	12.2200	11.4200
0.7800	1.2633	1.0993	1.1411	1.1431
0.7800	1.4346	1.2739	1.3232	1.3222
0.7800	1.5900	1.3500	1.3900	1.3900
0.7540	0.7526	0.7671	0.7688	0.7705
0.7730	0.7652	0.7944	0.8022	0.8004
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)	Percentage of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2009	\$1,960,075	\$1,855,966	94.69%	\$59,685	\$1,915,651
2008	1,940,960	1,859,423	95.80	33,625	1,893,048
2007	1,132,826	1,085,632	95.83	30,202	1,115,834
2006	1,119,491	1,071,160	95.68	33,666	1,104,826
2005	1,073,413	1,026,171	95.60	31,942	1,058,113
2004	1,098,882	1,017,803	92.62	35,748	1,053,551
2003	1,034,972	989,267	95.58	33,414	1,022,681
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

Source: Summit 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.

Percentage of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
97.73%	\$152,552	7.78%
97.53	108,128	5.57
98.50	60,217	5.32
98.69	65,655	5.86
98.57	60,368	5.62
95.87	45,331	4.13
98.81	52,891	5.11
94.70	54,205	5.30
93.90	62,160	6.10
94.85	51,586	5.20

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

<u>Tax Year</u>	<u>Tax Rate (3)</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>
2009	2.00 %	\$3,734,277	\$702,980	18.83 %	\$2,625,335	70.30 %
2008	2.00	4,014,015	726,135	18.09	2,888,084	71.95
2007	2.00	3,979,767	626,813	15.75	2,873,790	72.21
2006	2.00	3,958,650	677,192	17.11	2,816,173	71.14
2005	2.00	3,794,343	508,573	13.40	2,866,905	75.56
2004	1.50	2,657,039	411,098	15.47	1,899,297	71.48
2003	1.50	2,600,731	432,067	16.61	1,880,010	72.29
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

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

<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>
\$405,962	10.87 %
399,796	9.96
479,164	12.04
465,285	11.75
418,865	11.04
346,644	13.05
288,654	11.10
320,918	12.28
339,665	13.02

City of Norton, Ohio
Principal Real Estate Property Taxpayers
2009 and 2003(1)

Taxpayer	2009	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,730,020	1.04 %
B & C Corporation	2,179,760	0.83
Albrecht, Inc.	2,055,400	0.78
World Real Estate Services LTD.	1,019,980	0.39
Falkenstein Albert J. & Margaret C.	1,012,920	0.39
Newpark Drive Limited Partnership	962,990	0.37
Pittsburgh Plate Glass Company	696,230	0.26
Trinity Broadcasting Network, Inc.	655,260	0.25
Clayson, Inc.	616,730	0.23
Fomo Products, Inc.	605,540	0.23
Total	\$12,534,830	4.77 %
Total Real Assessed Valuation	\$263,046,630	

Taxpayer	2003	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$3,458,640	1.56 %
B&C Corporation	2,527,730	1.14
Albrecht, 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	0.39
Brookside Land Company	756,260	0.35
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>
2009	11,523	765,315,578	\$2,464,119	0.32 %	\$213.84
2008	11,523	855,129,924	2,641,884	0.31	229.27
2007	11,523	838,460,690	2,829,649	0.34	245.57
2006	11,523	793,400,576	3,012,414	0.38	261.43
2005	11,523	737,641,028	3,192,041	0.43	277.01
2004	11,523	743,189,312	3,371,668	0.45	292.60
2003	11,523	723,225,558	4,420,000	0.61	383.58
2002	11,523	632,839,048	0	0.00	0.00
2001	11,523	633,854,227	0	0.00	0.00
2000	11,523	613,324,183	0	0.00	0.00

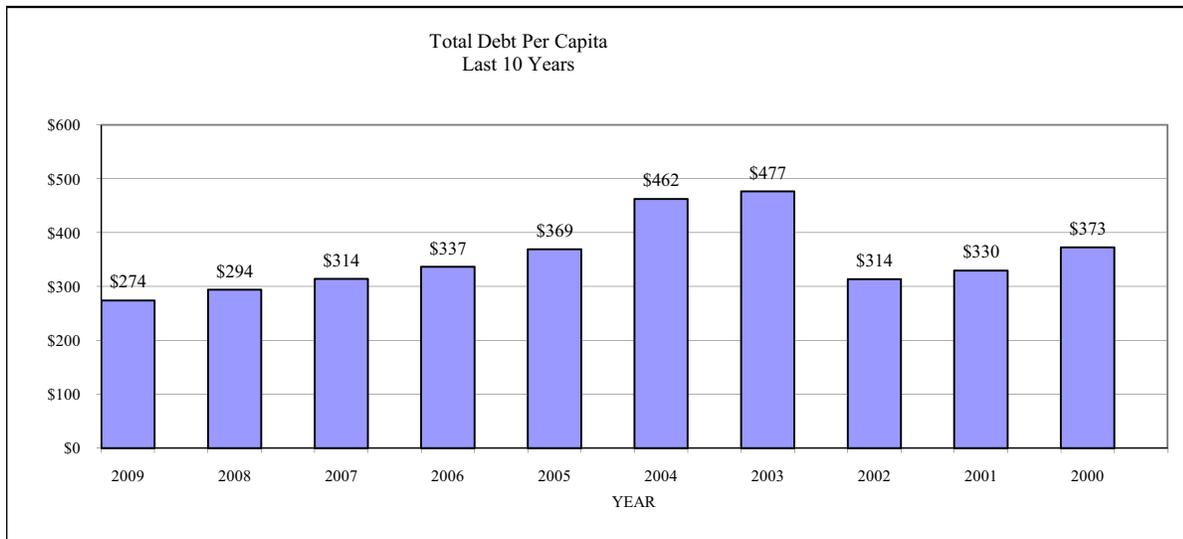
Sources:

- (1) U. S. Bureau of Census, 2000 Census of Population.
- (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
2009	\$2,464,119	\$0	\$715,881	\$0	\$3,180,000	1.20%	\$274
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

Note: Population and Personal Income data are presented on page S28.



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City of Norton, Ohio

Legal Debt Margin

Last Ten Years

	2009	2008	2007	2006
Total Assessed Property Value	<u>\$268,866,859</u>	<u>\$272,327,195</u>	<u>\$275,425,380</u>	<u>\$271,038,580</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$28,231,020</u>	<u>\$28,594,355</u>	<u>\$28,919,665</u>	<u>\$28,459,051</u>
Debt Outstanding:				
General Obligation Bonds	2,464,119	2,641,884	2,829,649	3,012,414
Special Assessment Bonds	715,881	758,116	800,351	842,586
Manuscript Notes	0	560,000	806,000	0
Notes	<u>3,139,099</u>	<u>563,000</u>	<u>0</u>	<u>220,000</u>
Total Gross Indebtedness	6,319,099	4,523,000	4,436,000	4,075,000
Less:				
Special Assessment Bonds	(715,881)	(758,116)	(800,351)	(842,586)
Amount Available in Debt Service	<u>(6,753)</u>	<u>0</u>	<u>(30,914)</u>	<u>(16,888)</u>
Total Net Debt Applicable to Debt Limit	<u>5,596,465</u>	<u>3,764,884</u>	<u>3,604,735</u>	<u>3,215,526</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$22,634,555</u>	<u>\$24,829,471</u>	<u>\$25,314,930</u>	<u>\$25,243,525</u>
Legal Debt Margin as a Percentage of the Debt Limit	80.18%	86.83%	87.54%	88.70%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$14,787,677</u>	<u>\$14,977,996</u>	<u>\$15,148,396</u>	<u>\$14,907,122</u>
Total Gross Indebtedness	6,319,099	4,523,000	4,436,000	4,075,000
Less:				
Special Assessment Bonds	(715,881)	(758,116)	(800,351)	(842,586)
Amount Available in Debt Service	<u>(6,753)</u>	<u>0</u>	<u>(30,914)</u>	<u>(16,888)</u>
Net Debt Within 5 ½ % Limitations	<u>5,596,465</u>	<u>3,764,884</u>	<u>3,604,735</u>	<u>3,215,526</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$9,191,212</u>	<u>\$11,213,112</u>	<u>\$11,543,661</u>	<u>\$11,691,596</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	62.15%	74.86%	76.20%	78.43%

Source: City Financial Records

2005	2004	2003	2002	2001	2000
<u>\$254,956,303</u>	<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>\$26,770,412</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>
3,192,041	3,371,668	4,420,000	0	0	0
882,959	923,332	85,000	90,000	95,000	100,000
0	0	0	0	0	0
<u>840,800</u>	<u>1,116,000</u>	<u>978,000</u>	<u>3,525,000</u>	<u>3,705,000</u>	<u>4,195,000</u>
4,915,800	5,411,000	5,483,000	3,615,000	3,800,000	4,295,000
(882,959)	(923,332)	(85,000)	(90,000)	(95,000)	(100,000)
<u>(46,698)</u>	<u>(56,402)</u>	<u>(10,768)</u>	<u>(11,270)</u>	<u>(10,962)</u>	<u>(144,051)</u>
<u>3,986,143</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>\$22,784,269</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>
85.11%	83.46%	79.39%	84.57%	83.91%	81.84%
<u>\$14,022,597</u>	<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>
4,915,800	5,411,000	5,483,000	3,615,000	3,800,000	4,295,000
(882,959)	(923,332)	(85,000)	(90,000)	(95,000)	(100,000)
<u>(46,698)</u>	<u>(56,402)</u>	<u>(10,768)</u>	<u>(11,270)</u>	<u>(10,962)</u>	<u>(144,051)</u>
<u>3,986,143</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>\$10,036,454</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>
71.57%	68.43%	60.65%	70.54%	69.29%	65.33%

City of Norton, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2009

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
General Obligation Bonds	\$2,464,119	100.00%	\$2,464,119
Special Assessment Bonds	715,881	100.00	715,881
General Obligation Notes	<u>3,139,099</u>	100.00	<u>3,139,099</u>
<i>Total Direct Debt</i>	<u>6,319,099</u>		<u>6,319,099</u>
Overlapping			
Barberton City School District			
General Obligation Bonds	57,389,975	2.12	1,216,667
Summit County			
General Obligation Bonds	49,917,135	2.15	1,073,218
Akron-Summit County Library System			
General Obligation Bonds	47,440,000	3.06	1,451,664
Regional			
Transit Authority	<u>485,000</u>	2.15	<u>10,428</u>
<i>Total Overlapping Debt</i>	<u>155,232,110</u>		<u>3,751,977</u>
Total	<u><u>\$161,551,209</u></u>		<u><u>\$10,071,076</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

2009 and 2002

2009 (1)

Employer	Employees	Percentage of Total City Employment
B&C Corporation	464	8.75%
Norton City School District	365	6.89
SA Comunale Company	339	6.40
Fred Martin Motor Company	301	5.68
Fomo Products Inc.	263	4.96
Fred W. Albrecht Grocery Company	263	4.96
Albert Screenprint	132	2.49
Ganley Ford	121	2.28
City of Norton	117	2.21
RT 80 Express Inc.	85	1.61
TOTAL	<u>2,450</u>	<u>46.23%</u>
Total Employment within the City	<u>5,300</u>	

2002 (2)

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

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

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

(2) 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)
2009	11,523	\$263,208,366	\$22,842	\$47,085	40
2008	11,523	263,208,366	22,842	47,085	40
2007	11,523	263,208,366	22,842	47,085	40
2006	11,523	263,208,366	22,842	47,085	40
2005	11,523	263,208,366	22,842	47,085	40
2004	11,523	259,025,517	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

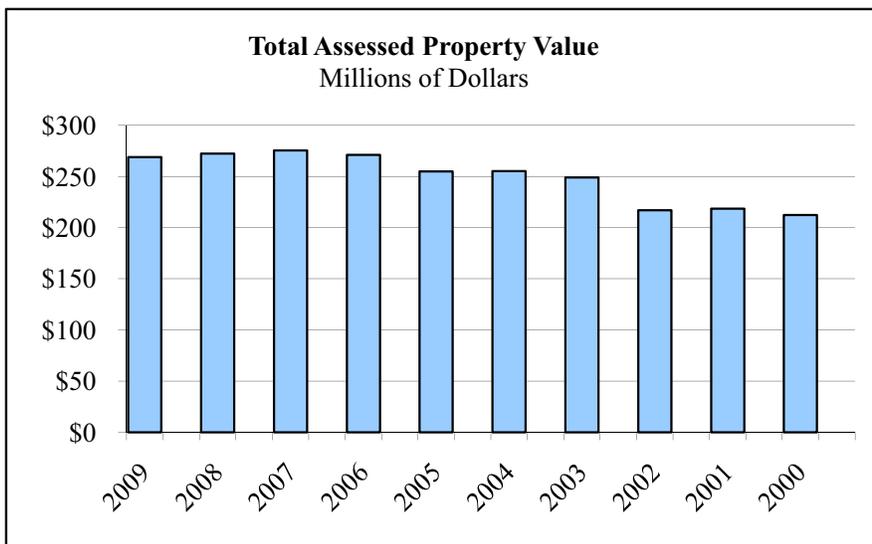
(1) Source: U. S. Census, 2000 Census of Population

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

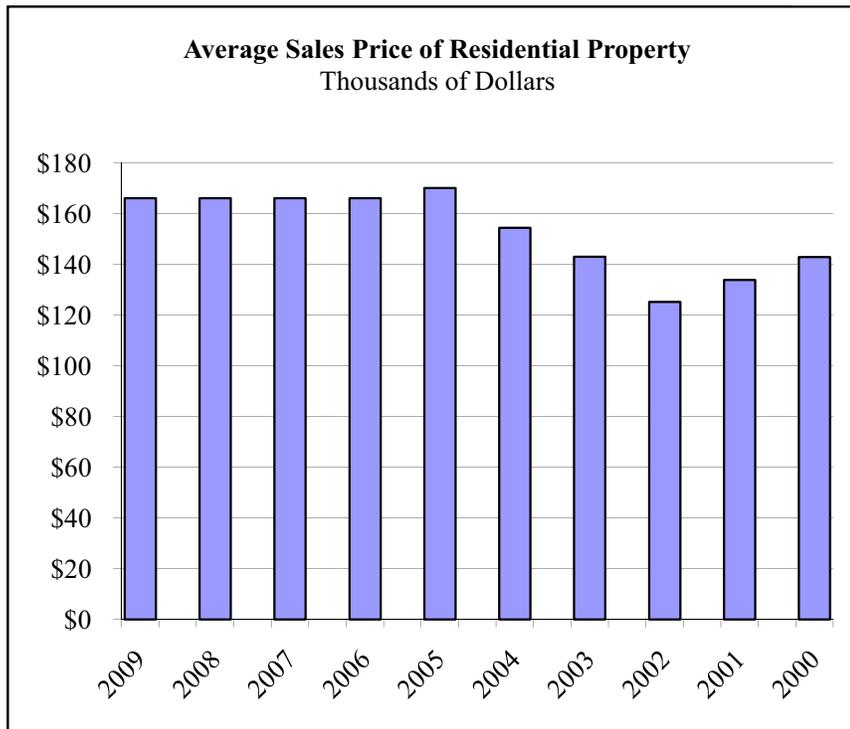
(3) Source: Summit County Planning Commission

(4) Source: Summit County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
11.79 %	2,587	10.80 %	\$165,941	\$268,866,859
11.79	2,505	7.50	165,941	272,327,195
11.79	2,587	6.10	165,941	275,425,380
11.79	2,495	6.10	165,941	271,038,580
11.79	2,446	6.10	169,926	254,956,303
11.79	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



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

Function/Program	2009	2008	2007	2006
General Government				
<i>Council and Clerk</i>				
Number of Ordinances	77	79	72	74
Number of Resolutions	38	31	19	29
Number of Planning Commission docket items	71	47	27	21
Zoning Board of Appeals docket items	25	35	25	23
Park and Cemetery Board docket items	38	16	35	N/A
<i>Finance Department</i>				
Number of checks/ vouchers issued	2397	1841	1797	1927
General Fund Interest earnings for fiscal year (cash basis)	\$57,073	\$116,367	\$272,512	\$228,507
Agency Ratings - Fitch	A	A	A	A
Health Insurance Costs (cash basis in thousands)	\$694	\$666	\$700	\$571
Health Insurance Costs vs General Fund Expenditures %	10.8%	14.1%	9.9%	13.9%
General Fund Receipts (cash basis in thousands)	\$6,603	\$5,827	\$5,892	\$5,328
General Fund Expenditures (cash basis in thousands)	\$6,425	\$4,728	\$7,090	\$4,122
General Fund Cash Balances (in thousands)	\$719	\$767	\$156	\$1,584
<i>Municipal Court</i>				
Number of Misdemeanor Cases	83	99	124	175
Number of OVI cases	14	22	25	52
Number of Traffic cases	1,401	1,280	1,473	2,935
<i>Building Department Indicators</i>				
Residential/Commercial Permits Issued	203	356	189	241
Zoning Permits	64	65	66	84
Electric Permits	107	150	162	206
Heating Permits	61	77	58	74
Number of permits issued	435	648	475	605
Permit Revenue	\$29,216	\$53,652	\$48,397	\$61,643

2005	2004	2003	2002
72	85	99	64
32	53	20	19
23	40	41	28
26	27	30	40
N/A	N/A	N/A	N/A
1896	1769	1930	1692
\$92,392	\$30,597	\$18,544	\$24,274
A	A	A	None
\$498	\$608	N/A	N/A
10.3%	14.1%	N/A	N/A
\$5,238	\$4,416	\$4,297	\$4,456
\$4,856	\$4,302	\$4,203	\$4,391
\$438	\$191	\$122	\$68
178	139	N/A	N/A
51	64	N/A	N/A
2,135	2,689	N/A	N/A
269	306	197	N/A
78	79	58	N/A
206	211	191	N/A
108	120	114	N/A
661	716	560	0
\$69,236	\$80,614	\$86,287	\$77,456

(continued)

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

Function/Program	2009	2008	2007	2006
Security of Persons & Property				
<i>Police</i>				
Felony Arrests	111	130	106	114
Misdemeanor Arrests	559	507	521	754
Arson	1	1	2	1
Assault	45	65	65	67
Residential Burglary	43	54	30	39
Domestic Violence	76	107	84	119
Drug Offense	46	44	28	70
Homicide	0	0	0	0
Larceny	232	296	269	312
Vandalism/Criminal Damaging	63	42	75	77
Robbery	2	3	4	5
Sex Offense	15	13	10	19
Auto Theft/Stolen Plates	31	58	41	50
Traffic Crashes	388	490	487	448
Traffic Fatalities	2	1	2	1
Driving While Intoxicated	102	67	95	163
Traffic Citations Issued	2666	2064	2603	4860
Warrant Arrests	254	291	303	408
<i>Fire</i>				
EMS Calls	1,005	966	968	934
Ambulance Billing Collections (net)	\$292,858	\$273,510	\$200,624	\$199,799
Revenue per run	291	283	207	214
Fire Calls	378	373	332	233
Public Health and Welfare				
Cemetery burials	0	1	3	1
Cemetery foundations	1	3	0	1
Cemetery cremations	0	0	0	0
Cemetery (re)sale of lots	12	0	8	0
Cemetery receipts	\$4,130	\$1,150	\$4,355	\$666
Health Advisory Board docket items	29	19	19	N/A

N/A = Information is not available

(1) Information prior to 2002 is not available

Source: City Records

2005	2004	2003	2002
131	138	106	127
683	763	574	549
2	1	2	0
56	63	76	71
39	44	32	44
140	121	119	120
48	12	9	7
1	0	0	0
311	330	323	306
80	77	98	145
5	11	5	6
13	15	5	14
42	50	62	59
551	528	597	561
2	4	2	3
144	175	131	120
3870	4341	3483	3090
457	386	408	362
942	928	967	1,017
\$231,593	\$208,873	\$226,005	\$208,620
246	225	234	205
287	215	215	236
0	1	4	N/A
1	2	5	N/A
0	0	1	N/A
0	3	22	N/A
\$155	\$1,825	\$6,965	N/A
N/A	N/A	N/A	N/A

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

Function/Program	2009	2008	2007	2006
General Government				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	0	1	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	10	8	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	5	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	15	13	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

2005	2004	2003	2002	2001	2000
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	10	N/A	N/A	N/A	N/A
2	2	2	2	2	2
7	7	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	6,800	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 Eight Years (1)

Function/Program	2009	2008	2007	2006
General Government				
Mayor	2	2	2	2
Council	8	8	8	8
Finance	5	5	4	5
City Administrator	1	1	1	1
Law	1	1	1	1
Administration	2	2	3	3
Engineer	0	1	1	1
Planning	0	0	1	1
Civil Service	0	0	1	1
Court	3	3	3	3
Security of Persons and Property				
Police	30	30	30	30
Fire Full Time	3	3	4	4
Fire Part Time	29	27	33	30
Fire - Secretary - Other	1	1	1	1
Community Development				
Building	2	2	2	2
Transportation				
Service	11	12	12	12
Totals:	<u>98</u>	<u>98</u>	<u>107</u>	<u>105</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

2005	2004	2003	2002
2	2	2	2
8	8	8	8
5	5	5	5
1	1	1	1
1	1	1	1
3	3	3	3
1	1	1	1
1	1	1	1
1	1	1	1
3	3	3	3
30	30	30	30
4	4	3	3
30	30	30	30
1	1	1	1
2	2	2	2
13	14	14	14
106	107	106	106

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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
JULY 27, 2010