



Dave Yost • Auditor of State

CITY OF NORTON
SUMMIT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance.....	3
Schedule of Federal Awards Receipts and Expenditures.....	7
Notes to the Schedule of Federal Awards Receipts and Expenditures	8
Schedule of Findings.....	9
Schedule of Prior Audit Findings.....	13
Corrective Action Plan.....	15

This page intentionally left blank.



Dave Yost • Auditor of State

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

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

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2016, wherein we noted the City adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In addition, we noted the City restated the Governmental Activities Net Position due to the understatement of prior year capital assets.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2015-002 and 2015-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001.

City's Response to Findings

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

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

June 30, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Members of Council:

Report on Compliance for the Major Federal Program

We have audited the City of Norton's, Summit County, Ohio, (the City's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City's major federal program for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Basis for Qualified Opinion on Assistance to Firefighters Grant

As described in finding 2015-004 in the accompanying schedule of findings, the City did not comply with requirements regarding Procurement and Suspension and Debarment applicable to its Assistance to Firefighters Grant major federal program. Compliance with this requirement is necessary, in our opinion, for the City to comply with requirements applicable to this program.

Qualified Opinion on Assistance to Firefighters Grant

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Assistance to Firefighters Grant* paragraph, the City of Norton complied, in all material respects, with the requirements referred to above that could directly and materially affect its Assistance to Firefighters Grant for the year ended December 31, 2015.

Report on Internal Control over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected or corrected. *A significant deficiency in internal over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2015-004.

The City's response to our internal control over compliance finding is described in the accompanying schedule of findings and / or corrective action plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Receipts and Expenditures Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Norton, Summit County, Ohio, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 30, 2016, wherein we noted the City adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In addition, we noted the City restated the Governmental Activities Net Position due to the understatement of prior year capital assets. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

June 30, 2016

This Page Intentionally Left Blank.

**CITY OF NORTON
SUMMIT COUNTY**

**SCHEDULE OF FEDERAL AWARD RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/ Pass-Through/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction Cleveland-Massillon Road	PID 84498	20.205	\$123,295	\$83,523
Cleveland-Massillon Road	PID 85076	20.205	309,890	309,890
Total U.S. Department of Transportation			<u>433,185</u>	<u>393,413</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Assistance to Firefighters Grant	n/a	97.044	356,250	356,250
Total U.S. Department of Homeland Security			<u>356,250</u>	<u>356,250</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Summit County:</i>				
Community Development Block Grants/Entitlement Grants	n/a	14.218	0	45,000
Total U.S. Department of Housing and Urban Development			<u>0</u>	<u>45,000</u>
Total Federal Financial Assistance			<u><u>\$789,435</u></u>	<u><u>\$794,663</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF NORTON
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARD RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the City of Norton's (the City's) federal award program receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**CITY OF NORTON
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Qualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR §200.516(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Assistance to Firefighters Grant – CFDA #97.044
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2015-001

Noncompliance - Schedule of Federal Awards Receipts and Expenditures

2 CFR §200.510(b) Schedule of Federal Awards Receipts and Expenditures (Federal Schedule) states the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements, which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. One of the minimum requirements is the Federal Schedule shall provide total federal awards expended for each individual federal program and the CFDA number or other identifying number when the CFDA information is not available.

**FINDING NUMBER 2015-001
(Continued)**

Several issues were noted with the City's Federal Schedule as originally presented, due to a lack of controls over the preparation of the Federal Schedule, including:

- The required Catalog of Federal Domestic Assistance (CFDA) number, used to identify the source of the grant funding, was excluded from the Federal Schedule for the City's Assistance to Firefighters grant and one of the City's Highway Planning and Construction grant.
- The Federal Schedule reflected incorrect expenditure information, including amounts and account numbers, for the Highway Planning and Construction with the Project Identification (PID) number 84498. Multiple adjustments, included voided and reissued checks, were posted to the account number reflected on the original schedule, leading to an unclear audit trail and expenditures being ultimately classified in what appeared to be the incorrect project fund. Additionally, expenditures used to determine the reimbursement requests submitted by the City for the Highway Planning and Construction Grant PID 85076 were included on the Finance Director's documentation as being for PID 97638, which appeared to represent the co-mingling of federal expenditures.

The necessary adjustments to the Federal Schedule, a net amount of \$62,195 (overstatement of PID 84498 of \$73,524 and understatement of \$135,719 of PID 85076), were proposed and included on the Federal Schedule. To reduce the risk of inaccurate reporting of federal expenditures and noncompliance with 2 CFR §200.510(b) due care should be taken in the preparation of the Federal Schedule. Additionally, the City should:

- Review the CFDA website and grant documentation to determine the CFDA number for each federal grant awarded to the City for proper reporting on the Federal Schedule.
- Maintain separate accounts within the accounting system for each grant and PID number.

Official's Response: The City of Norton has adjusted its policy and procedures to check the CFDA website to determine the CFDA number for each federal grant it receives for application to the federal grant schedule. The City of Norton will exercise additional review when preparing the Federal Schedule.

FINDING NUMBER 2015-002

Material Weakness - Intergovernmental Receivable

Sound financial reporting is the responsibility of the Finance Director and City Council, and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The City improperly included \$134,479 of grants receivable related to the Cleveland-Massillon Road Highway Planning and Construction "Left turn lane addition project" (PID #85076) at December 31, 2015, despite having received all available funding for the project from the Ohio Department of Transportation (ODOT) during 2015. This was due to several posting adjustments being made to the City's accounting system that improperly reflected the receivable balance on the "2015 Grant Federal Schedule" grants spreadsheet prepared by the Finance Director. The result of the error caused intergovernmental receivable and deferred revenue to be overstated by the material amount noted above. Additionally, the City did not include an immaterial \$11,204 receivable amount related to the Cleveland-Massillon Road Widening Project (PID #97638) for work performed by a contractor but not paid or reimbursed by ODOT until 2016. The net result of these errors caused the intergovernmental receivable and deferred inflows of resources to be overstated by \$123,275. The necessary adjustments were made to the financial statements and the City's accounting records.

To help ensure the financial statements are presented properly, the City should review grant documentation and related receivable balances in order to evaluate if amounts are expected to be collected after fiscal year end.

Official's Response: Finding 2005-002 resulted from a mutual clerical error between ODOT and the City following a supervisory employee change at ODOT. This resulted in grant funds being misallocated between PID 85076 and PID 97638, which represents Phase I and Phase II of a road widening project in the City. Once the clerical error was discovered, the City communicated with ODOT to correct the allocation of grant funds between PID 85076 and PID 97638. The City did not misspend federal grant funds and this issue resulted from incorrectly assigning receivables to PID 85076 that should have been assigned to PID 97638. The City acknowledges that an immaterial receivable of \$11,204 was not recorded based on work completed, but not reimbursed by ODOT during 2015. The City has adjusted its policies and procedures going forward to ensure a clear demarcation of receivables at year end.

FINDING NUMBER 2015-003

Material Weakness - Capital Assets

The following discrepancies were noted during the testing of Capital Assets:

- The City improperly excluded from capitalization the right of way acquisition costs, professional services fees, and the Ohio Department of Transportation 90% grant portion of costs related to the Cleveland-Massillon Road Widening project in both 2015 and 2014. Additional Construction in Progress (CIP) amounts of \$419,661 and \$491,635 were noted for 2015 and 2014, respectively. The exclusion of these costs understates the value of the asset and overstates the related expenses in each year.
- Three (3) CIP checks reviewed were issued to the same vendor for multiple projects. However, amounts were not allocated correctly to the different assets, resulting in a total error of \$46,896. Inaccurate allocation could lead to the overstatement or understatement of amounts capitalized for each CIP asset.
- Two (2) expenditures of nine (9) tested, or 22%, were improperly not capitalized for a total amount of \$138,221 in infrastructure projects, including the Road Program 2015 - Summit Road and Sanitary Sewer infrastructure. Excluding capital-related expenditures can lead to understated capital assets reported on the financial statements and overstated expenses in year of expenditure.

While the City has procedures in place to track and capitalize assets, the City has no formal review process to help ensure the completeness and accuracy of the asset listing and other supporting documentation. The City's records and financial statements were adjusted for the aforementioned errors. Sound financial reporting is the responsibility of the Finance Director and City Council, and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

In order to help correct these deficiencies, the City should:

- Include all costs related to additions, including professional services, as part of the asset cost to be capitalized.
- Provide to the GAAP converter a complete and accurate capital asset listing to help reduce possible misstatement of capital assets on the financial statements.
- Review the year-end Capital Asset listing to make sure additions include only the applicable portion of expenses for checks with multiple project expenditures included.

Official's Response:

The City has adjusted its capital asset policy and procedures to ensure that all categories of property capitalized costs are included in the City's capital asset listing.

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2015-004		
CFDA Title and Number	Assistance to Firefighters Grant– CFDA #97.044		
Federal Award Identification Number / Year	2015		
Federal Agency	U.S. Department of Homeland Security		
Pass-Through Entity	N/A		
Repeat Finding from Prior Audit?	Yes	Finding Number? (if repeat)	2015-004

Noncompliance and Material Weakness – Federal Covered Transactions

2 C.F.R. Part 180.305 indicates non Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services under a non-procurement transaction (e.g., grant or cooperative agreement). **2 C.F.R. Part 180.300** indicates when a non-Federal entity enters into a covered transaction the entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Systems for Award Management (SAM) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transactions with that entity.

The City was aware of the requirement and performed a search of SAM database. However, the City did not maintain documentation the vendor paid by the Federal Emergency Management Agency Assistance to Firefighters Grant was not suspended or debarred or otherwise excluded prior to the contracting with the vendor. In addition, a certification was not obtained from the vendor stating they were not included on the SAM listing nor was a clause included in the contract.

The City should implement procedures to ensure one of the three aforementioned methods is used to verify the entity is not excluded or disqualified. In addition, if the City checks the SAM online at <https://www.sam.gov/portal/public/SAM>, a search print out should be maintained to document the search had been performed for all vendors to whom federal dollars are disbursed. We subsequently performed the search of the SAM listing, at the time of testing, and verified the vendor was not suspended or debarred or otherwise excluded.

Official’s Response:

As acknowledged in Finding 2015-004, the City was aware of the requirement to perform a search of the SAM database and the Fire Chief performed a search in connection with the Federal Emergency Management Agency Assistance to Firefighters Grant, however, he did not keep a written copy of the search in his grant file. The City acknowledges that it does not have written documentation of this search, but a routine search revealed the contractor was in fact not suspended or debarred. The City has implemented policies to ensure that written documentation will exist to substantiate all required SAM searches in the future.

**CITY OF NORTON
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2015**

Finding Number	Finding Summary	Status	Additional Information
2014-001	2 C.F.R. Part 180.305 – The City did not review the SAM listing to ensure a vendor used was not suspended, debarred, or otherwise excluded.	Corrective Action Not Taken	The City was made aware of the requirement during the prior audit (completed in 2015) but the vendor was selected prior to the application process, which began in 2014. The Finance Director plans to discuss the requirement with all department heads that are responsible for federal grant applications, including the City Engineer, the Fire Chief, and the Police Chief.

THIS PAGE INTENTIONALLY LEFT BLANK.

**CITY OF NORTON
SUMMIT COUNTY**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2015**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	<p>The City of Norton has adjusted its policy and procedures to check the CFDA website to determine the CFDA number for each federal grant it receives for application to the federal grant schedule.</p> <p>The City of Norton will exercise additional review when preparing the Federal Schedule.</p>	June 2016	Finance Director
2015-002	The City of Norton has adjusted its policies and procedures going forward to ensure a clear demarcation of receivables at year end	June 2016	Finance Director & Accounts Payable Clerk
2015-003	The City of Norton has adjusted its capital asset policy and procedures to ensure all categories of property capitalized costs are included in the City's capital asset listing.	June 2016	Finance Director & Accounts Payable Clerk
2015-004	The City of Norton has checked the SAM registration site to review any potential contractor prior to being awarded a contract. The City has amended its policy to ensure that written documentation of the search is kept in the grant file as verification of the search	June 2016	Finance Director, City Engineer, Fire Chief and Police Chief

This page intentionally left blank.

CITY OF

NORTON, OHIO



City of
NORTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED—DECEMBER 31

2015

City of Norton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

Issued by:

City of Norton
Department of Finance

Ronald Messner
Director of Finance

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Introductory



Section



2015

City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015
Table of Contents

	<u>Page</u>
I. Introductory Section	
Letter of Transmittal	iv
GFOA Certificate of Achievement	xi
Principal Officials	xii
Organizational Chart	xiii
II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	20
Street Construction, Maintenance and Repair Fund.....	21
Fire/EMS Fund.....	22
Statement of Fiduciary Assets and Liabilities – Agency Funds	23
Notes to the Basic Financial Statements	24
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employee Retirement System – Traditional Plan – Last Two Years	65
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Fund – Last Two Years.....	66
Schedule of City Contributions – Ohio Public Employee Retirement System Traditional Plan – Last Three Years.....	67
Schedule of City Contributions – Ohio Police and Fire Fund – Last Ten Years.....	68

Combining and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions – Nonmajor Governmental Funds.....	71
Combining Balance Sheet – Nonmajor Governmental Funds.....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	75
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	79
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	84

Combining Statements – Agency Funds:

Fund Descriptions – Fiduciary Funds.....	86
Combining Statement of Changes in Assets and Liabilities – Agency Funds	87

Individual Fund Schedules of Revenues, Expenditures and Changes in
Fund Balances – Budget (Non-GAAP Basis) and Actual:

Major Funds:

General Fund.....	89
Street Construction, Maintenance and Repair Fund	94
Fire/EMS Fund	95
Special Assessment Bond Retirement Fund	96
Water and Sewer Improvements Fund.....	97

Nonmajor Funds:

State Highway Improvement Fund.....	98
DARE Program Fund.....	99
Drug Law Enforcement Fund	100
Law Enforcement Fund	101
Law Enforcement Assistance Fund	102
DWI Enforcement and Education Fund.....	103
Cemetery Fund.....	104
Special Events Fund.....	105
Police and Fire Disability and Pension Fund.....	106
Mayor’s Court Fund.....	107
Water System Fund.....	108
Sanitary Sewer Fund.....	109
Police Equipment Fund.....	110
Special Permissive License Plate Tax Fund	111
Community Center Fund	112
Greenwich Road Fund	113
Recycling Fund.....	114
Brentwood Water Fund.....	115
General Obligation Bond Retirement Fund.....	116

Land and Land Improvements Fund	117
Streets, Highways and Bridges Fund	118
Storm Sewers Fund	119
Wadsworth/Summit Road Sanitary Sewer Fund	120
Nash Heights East Fund	121
Cleveland-Massillon Widening Fund	122
Greenwich Pump Station Fund	123

III. Statistical Section

Statistical Section Descriptions.....	S1
Net Position by Component – Last Ten Years.....	S2
Changes in Net Position – Last Ten Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years	S8
Changes in Fund Balances, Governmental Funds – Last Ten Years	S10
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years	S12
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S14
Property Tax Levies and Collections – Last Ten Years.....	S16
Income Tax Revenue Base and Collections – Last Ten Years	S18
Principal Real Estate Property Taxpayers – 2015 and 2006	S20
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita – Last Ten Years.....	S21
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S23
Legal Debt Margin – Last Ten Years.....	S24
Demographic and Economic Statistics – Last Ten Years	S26
Principal Employers – 2015 and 2006	S28
Operating Indicators by Function/Program – Last Ten Years	S30
Capital Assets Statistics by Function/Program – Last Ten Years.....	S34
City Government Employees by Function/Program – Last Ten Years.....	S36



Mayor Mike Zita

CITY OF NORTON

4060 Columbia Woods Drive
Norton, Ohio 44203

Offices: 330-825-7815 Fax: 330-825-3104
Website: www.cityofnorton.org

June 30, 2016

Members of City Council and
Citizens of Norton

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

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State rendered an opinion on the City's financial statements as of December 31, 2015, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

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

The City of Norton has an excellent public school system which is supplemented by local vocational and technical schools. An array of higher education programs are available at nearby University of Akron (5 miles) as well as 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, Northeast Ohio Medical University, Case Western Reserve University, Kent State University, Wooster ATI and Wooster College, all within a one-hour drive.

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

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

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

Legislative authority is vested in a seven member Council, four of which are elected from wards and three elected at-large. Council's term of office begins January 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. The Director of Community Development is currently an unfilled position, and those tasks are shared by the Administrative Officer and through the utilization of a consultant inSITE Advisory Group.

LOCAL ECONOMY

Development of Community Reinvestment Area The hiring of inSITE Advisory Group proved to be a wise investment to assist in jump-starting economic development efforts in Norton. In order to encourage new construction and renovation in the City of Norton, inSITE developed and filed necessary State approvals to create a Community Reinvestment Area (CRA). On August 17, 2015, with the unanimous support of City Council, Ordinance #44-2015 was passed which designated the City of Norton as a CRA to offer real property tax incentives for eligible commercial and industrial projects. By offering tax incentives through the CRA program, the City will now be able to attract new companies to Norton and provide incentives to existing businesses in the City to assist in their expansion and renovation projects, which in turn creates and retains jobs and increases property values throughout the community. The CRA provides the City with more equal footing with the surrounding communities in economic incentives.

KDA Industries This entity was the first company to receive real property tax incentives from the newly formed CRA within the City of Norton for 10 years at 50 percent exemption. KDA began construction on a new 35,000 square foot building on a 20-acre site on Cleveland Massillon Road. Utilities are being brought into place. This took some considerable effort and cooperation with the City of Barberton with the need of easements to cross McCafferty Park to access both water and sewer. In addition, easements were obtained to allow for gas and electric services. The owner and president of KDA plans to invest \$2.74 million for this project, which will create approximately 25+ new jobs. The City of Norton looks forward to a long relationship with KDA and we welcome them to the community.

On November 5, 2013, the voters of Norton gave strong support for Issue 42, a school construction levy. The 3.89-mill levy and bond issue is the Norton City School District's share of a \$32 million Ohio Facilities Construction Commission project. A new high school stadium will also be built. The current high school will be renovated for middle school students and the aging Cornerstone and Grill schools will be sold or demolished. This location is an important potential development catalyst for the City because of its corner location at Cleveland-Massillon and Greenwich roads, in the heart of the City. The new stadium and track are complete. The high school is slated to be completed by fall of 2017.

CITY PROJECTS

Consolidation of Services Results in Efficiency In April, after much analysis, the City opted to contract with the City of Barberton to provide building services. The contract with the City of Barberton saves approximately \$100,000 in overhead, while still allowing the City of Norton to receive some revenue. The City of Norton's building revenue was just under \$30,000 for 2015. The zoning department maintained its office with the City and refocused on complaint driven zoning issues with the hiring of a part-time zoning inspector.

The end of July saw the retirement of the long-time Mayor's Court Clerk, who served 25 years. In addition, the Magistrate announced her resignation. The City, at a turning point on whether to continue the Mayor's Court, performed a cost-benefit analysis and opted to suspend Mayor's Court operations. The cases generally heard in Mayor's Court now run through the Barberton Municipal Court, thus saving the City the personnel and operational overhead while still collecting a portion of the fines.

Civic Updates and Improvements By far the largest improvements were to the Community Center in 2015. The Community Center underwent several new updates. A new roof was installed, which was the first replacement since the building was constructed in 1987. A new heating, ventilation, and air conditioning (HVAC) system as well as a new furnace (95 percent efficient) and digital thermostats were installed for greater fuel efficiency. A new keyless Americans with Disabilities Act compliant door system was also installed making remote entry and closing possible from the administration building. The cost of these projects was underwritten by a \$45,000 Community Development Block Grant (CDBG) received through the County. This is the first time the City of Norton received CDBG funding. In the kitchen, a new two-door refrigerator, warmer box, new microwave and coffee brewer pots were installed. An additional four new 8 foot rectangular tables and 75 new padded chairs were purchased. In working with the civic groups, storage items were collected from various parts of the building and were centralized into one storage closet location utilizing new shelving and storage totes. The civic groups continue to use their shadow boxes to display information about their groups.

New fees and operating procedures for the Community Center and Parks are presently under review to be approved by the Parks Board and City Council during the second quarter of 2016.

The City assisted the Norton Library in installing a “Little Library” site at the playground in Columbia Woods Park. Two other locations include the Williams Park Gazebo and Loyal Oak Park.

During 2015, the City updated the lighting along the driveway between the safety and administration building and the fire station. New cameras were installed to provide improved vision along the side of the Administration Building and in the Community Center. New carpet was added in the administrative office area on the first floor. New LED lighting was completed in the lobby area of the administration building. The deteriorating concrete deck along the north side of City Hall was replaced, several trees were removed on the north side of the building and all beds were cleaned and mulched with the assistance of the Youth of Grace Church.

Engineering

Professional Road Evaluation Completed In the Summer of 2015, Michael Benza and Associates was hired to evaluate and rate the Norton roadways by a professional engineer using the “Pavement Condition Rating” PCR system recognized by the Ohio Department of Transportation (ODOT). An action list was developed to use as a guideline to include not only the resurfacing of poor roads but general maintenance of good roads so that good roads continue to rate at a high standard. It is certainly recognized that many roads are in need of repair, but by using the Pavement Management System Report developed by Benza and Associates as a planning guide for the 2016 road program as an overall strategy to begin rehabilitation methodology. A review of the report and recommendations was conducted again in the fall and a revised listing of the roadways was updated for the 2016 pavement program. Other factors were considered as well, including streets that deteriorated at an even greater rate than expected. A final list of streets will be developed and used for the final list of work to be bid out through the Summit County Road Program and a list of repairs that can be completed by our own Service crews.

Cleveland-Massillon Road Widening Project

Phase 1: Pleasant Road to Grenfall Road Plans for this first phase were completed and the ODOT has given final approval. Trans Systems completed the ODOT process to acquire necessary right of ways, including some narrow strips for widening and some curved portions at intersections. All landowners have signed the right of way documents and received compensation from the project funds. It was not necessary for any parcel to go to court for appropriation. Utility companies began relocating facilities for ODOT to be ready to bid the project in spring 2016.

Phase 2: Weber Drive to Pleasant Road Plans for this second phase were completed and ODOT has given final approval. Trans Systems began the ODOT process to acquire necessary right-of-way. This phase goes through the dense commercial development in the center of Norton; therefore, there are many complex issues related to right of ways. The City of Norton administration worked closely with Trans Systems and landowners to achieve the best resolution of all issues. Limitations of Federal funds have caused a delay in the phase two schedule, which allows more time to resolve issues regarding right-of-way and utility relocation. Tentative schedule to begin Phase 2 construction is 2018.

Phase 3: Barberton Corporation Line (near Shannon Avenue) to Weber Drive Plans for this third phase were completed and submitted to ODOT; however, ODOT is delaying final approval of this phase because Federal funds have not yet been officially committed to this phase. The City applied for the second time to the Metropolitan Planning Organization (MPO) for this region, Akron Metropolitan Area Transportation Study (AMATS). This project did not receive sufficient points to receive federal funds this round. The City intends to submit this phase again the next time AMATS solicits projects, which is expected to be in 2018.

Silver Springs Road Stabilization and Reconstruction Repeated repairs that work well on most roads have not been successful on Silver Springs Road due to unusual water problems. Based on Summit County Engineer recommendations from similar projects, the City retained an experienced engineering team at GPD Group to perform necessary underground testing and analysis to develop a permanent stabilization and repair for this road. Preliminary plans were prepared to present to residents affected by the road problems. Work on this project has been on a fast track for construction to begin in mid-2016.

MAJOR INITIATIVES

Fire Equipment 2015 was another productive year for the Norton Fire Division. June saw the delivery of the new E-1 Typhoon Pumper Truck, which the City paid \$18,750 and a Federal Emergency Management Agency (FEMA) grant paid \$356,250 for the purchase. Special features of the truck include night scan flood lighting for better night time operations and a multipoint foam injection system for increased fire suppression in areas without hydrant accessibility. This engine takes the Division's fleet to three engines which are planned to be rotated, saving wear and tear on this equipment and reducing the mileage thus extending the life of the engines.

As part of our 20-year capital equipment replacement program, the replacement of a 20-year old ambulance was purchased in 2015 and the division received delivery in early May of 2016. The ambulance came in \$35,000 under budget. The strong point of this new piece of equipment is that the ambulance box can be re-mounted on a new chassis an unlimited number of times, greatly reducing replacement costs.

Effective January of 2019, the current mobile and portable radios used by police, fire and service departments will no longer be supported, meaning no replacement parts will be available, forcing an upgrade to a new radio. Motorola, the leading manufacturer of radio equipment, decided to offer the new generation of radios at a discounted price in 2015 and 2016, as incentive to begin radio upgrades now before the 2019 transition period. Radios purchased in 2015 would be discounted 45 percent, the discount would drop to 40 percent in 2016. City Council accepted the pricing for the 2015 upgrade in December with the radios in operation in January of 2016. The cost to upgrade the radios without any discounts would have been over \$500,000. However, by taking advantage of the 2015 discount program the City cost was \$270,000. The new radios are guaranteed to be upgradable until 2032.

Personnel After reviewing ways to control costs in the Fire Division it was found that staffing the division with full-time Firefighter/EMT's would cut back on costly overtime hours that were being incurred by the staff working as part-time employees. In June, with the support of City Council, the Fire Division transitioned from a part-time manned station to a full-time manned station with the promotion of nine firefighters to full-time, one of those being Norton's first full-time Assistant Fire Chief. Overtime was reduced by 36 percent within 6 months. An even greater savings is expected in 2016.

2015 Grant Success Grant success came in the form of a \$300,000 grant from FEMA, Assistance to Firefighters Grant (AFG) for the new E-1 Typhoon Pumper Truck, as previously mentioned, and \$30,000 for a multi station alerting system in conjunction with Copley Township and the City of Barberton for a cost of only \$10,000. These communities provide mutual aid to each other quite frequently for structure fires. We now have the ability to alert multiple stations at one time, reducing response times.

In addition, with assistance from ALCOA Foundation Investments, we were able to purchase \$22,770 worth of water and ice rescue equipment with a non-matching grant. This equipment that will be shared with the City of Barberton Fire Department will greatly enhance our rescue abilities during floods, water rescue and ice rescue.

The new Electronic Reporting System that was donated by Akron General Medical Center began being used on January 1, 2015. This system reduces by greater than half the amount of man-hours that were spent on hand-written reports followed by having to enter the information into our old software. The reports are now entered using an iPad and the completed reports are then synced to a server. This has been a tremendous step in the ongoing process of streamlining our operations and reducing costs on the division.

New projects on the horizon include a \$16 million (original estimate) expansion of Cleveland-Massillon Road, a main thoroughfare. Grants account for 80 to 90 percent of the project funding and engineering on the project continues and remains on track. The City began negotiation with the City of Barberton and Summit County Department of Environmental Services (DOES) to purchase sanitary sewer assets within the City of Norton and concluded with a memorandum of understanding (MOU). Under the MOU the City of Barberton would own and operate the sewers for the City of Norton. Construction of an EPA mandated sewer installation is slated to begin in mid 2015 in the Nash Heights neighborhood. The City continues to seek funding to purchase Lake Dorothy, a 200-plus acre lake in the center of the community. Lake Dorothy is unique in that the entire perimeter of the lake is privately owned.

FINANCIAL PLANNING AND POLICIES

The City continues to target 15 to 25 percent carryover balances as a percent of appropriations needed to cover accrued obligations and unexpected expenditures. Further, the healthy balances are intended to be attractive to financing sources when we issue debt. The City received an A+ bond rating in August 2014. It is also notable that the City received \$128,467 in entertainment device fees in 2015. With three new entertainment locations coming online in late 2016, it is expected this figure will significantly increase.

NEW TAXES SUPPORT LOCAL GOVERNMENT

In November 2004, the voters of Norton approved a half (1/2) percent increase for City income tax and then in 2005 out-sourced the collection to Central Collection Agency, a regional income tax collecting service in Cleveland. The annual income tax collections (cash basis) increased from \$2,657,039 in 2004 to \$4,014,015 in 2008 for an increase of 51.07 percent. Income tax revenues while being impacted through 2012 due to a slowdown in the economy appeared to be recovering in 2015. On a cash basis, 2015 income tax results for the general fund were \$5,048,137, of which \$624,599 was moved to other funds due to the change in the tax credit.

In 2009, the Norton City Council passed a change to the tax credit from a full credit up to 1 and 1/2 percent credit effective July 1, 2009. As a result, all residents pay at least a 1/2 percent income tax to the City of Norton. The proceeds from this change are intended to be used on sewer and water lines. The fund that accounts for this was established in 2009, and as of December 31, 2015, has an ending unencumbered cash balance of \$1,550,044.

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, 2014. 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 12 years. Nevertheless, we believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for review.

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

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

Respectfully submitted,



Mike Zita
Mayor



Ronald Messner
Director of Finance



Government Finance Officers Association

**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, 2014

Executive Director/CEO

City of Norton, Ohio

Principal Officials

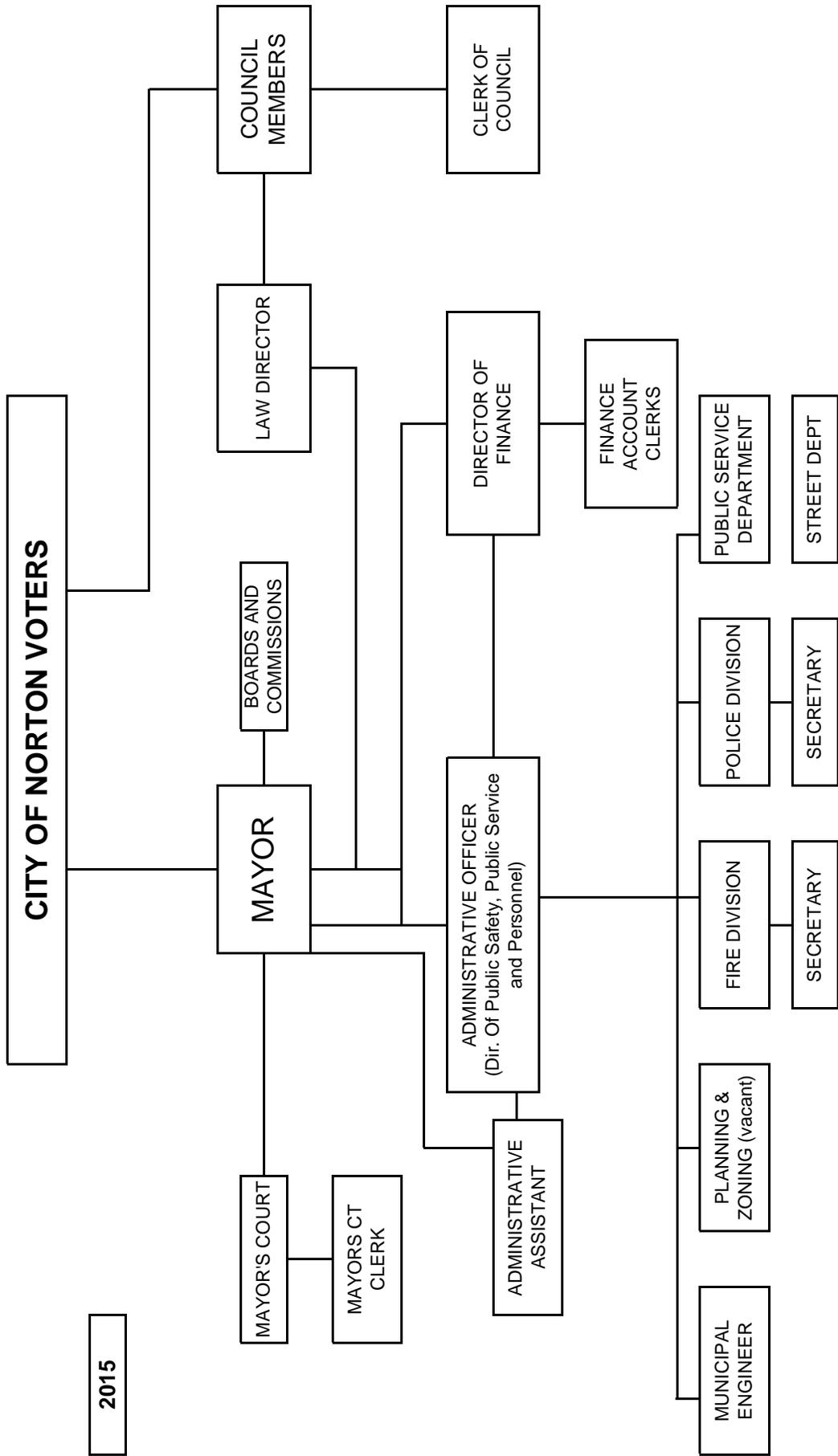
December 31, 2015

Elected Officials

Mike Zita..... Mayor
Charlotte Whipkey Council President, City Council, At-Large
Scott Pelot Council Vice President, City Council, At-Large
Rick Rodgers..... City Council, Ward 1
Dennis McGlone City Council, Ward 2
Dennis Pierson City Council, Ward 3
Paul Tousley..... City Council, Ward 4
Joe Kernan City Council, At-Large

Administrators

Valerie Wax Carr Administrative Officer
Ronald Messner Director of Finance and Tax Administrator
Justin Markey..... Director of Law
John Dalessandro Police Chief
Mike Schultz Chief of Fire/EMS
William Braman..... Zoning Inspector
Karla Richards Clerk of Council



2015

(This Page Intentionally Left Blank)

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Financial

Section



2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, Ohio, as of December 31, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Street Construction Maintenance and Repair, and Fire/EMS Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In addition, the City restated the Governmental Activities Net Position as of January 1, 2015 due to the understatement of prior year capital assets due to the understatement of capital assets. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

Other Matters (Continued)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 30, 2016

(This Page Intentionally Left Blank)

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The discussion and analysis for the City of Norton's (City) financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2015. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding regarding the City's financial performance, one should also review the transmittal letter, the basic financial statements and notes to the basic financial statements.

Financial Highlights

The financial summary for 2015 follows:

- The City issued \$270,000 in radio equipment bond anticipation notes to finance Motorola P25 emergency radios for Fire/EMS, Police and Service Departments. This note will be paid in December 2016.

Using this Annual Financial Report

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

The statement of net position and statement of activities provide information from a summary perspective showing the effects of the operations for the year 2015 and how they affected the City of Norton's operations. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City of Norton as a Whole

Statement of Net Position and the Statement of Activities

This financial view of the City as a whole considers all transactions and answers the question of how the City of Norton performed financially during 2015. The statement of net position and the statement of activities provide summary information concerning the financial position and operations of the City as an entity, as well as the overall evaluation of the City's financial status.

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

These two statements report the City's net position and any changes in net position. The change in net position is important because it indicates whether the financial position of the City has improved or declined. 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.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The statement of net position and the statement of activities for the City of Norton are divided into the following categories:

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

Reporting the City of Norton's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 11. Fund financial reports give detailed information of activities within these funds. The City currently has thirty-four funds, which have been established to account for the multitude of services provided to residents, for the operation of facilities, as well as for infrastructure and capital purchases. These fund financial statements focus on the City's five major funds: the general fund, the street construction, maintenance and repair fund, the fire/EMS fund, the special assessment bond retirement fund and the water and sewer improvements capital projects fund.

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

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

The City of Norton as a Whole

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2015 as they compare to 2014.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Table 1
Net Position

	Governmental Activities		
	2015	2014	Change
<i>Assets</i>			
Current and Other Assets	\$17,612,807	\$16,678,580	\$934,227
Capital Assets, Net	25,126,797	24,338,710	788,087
Total Assets	42,739,604	41,017,290	1,722,314
<i>Deferred Outflows of Resources</i>			
Deferred Charge on Refunding	55,147	62,041	(6,894)
Pension	556,250	366,170	190,080
Total Deferred Outflows of Resources	611,397	428,211	183,186
<i>Liabilities</i>			
Current and Other Liabilities	826,035	888,986	62,951
Long-term Liabilities			
Due Within One Year	842,757	734,273	(108,484)
Due in More than One Year:			
Other Amounts	5,837,931	6,429,840	591,909
Net Pension Liability	3,865,036	3,682,483	(182,553)
Total Liabilities	11,371,759	11,735,582	363,823
<i>Deferred Inflows of Resources</i>			
Property Tax	1,976,208	2,056,245	80,037
Pension	23,005	0	(23,005)
Total Deferred Inflows of Resources	1,999,213	2,056,245	57,032
<i>Net Position</i>			
Net Investment in Capital Assets	19,026,829	17,549,395	1,477,434
Restricted:			
Capital Projects	255,837	298,792	(42,955)
Debt Service	1,883,002	2,135,396	(252,394)
Police	133,343	108,101	25,242
Fire/EMS	1,919,138	1,714,333	204,805
Transportation	972,141	960,450	11,691
Sewerline/Waterline Maintenance	1,980,557	1,662,644	317,913
Other Purposes	64,363	63,297	1,066
Unclaimed Monies	8,329	8,329	0
Unrestricted	3,736,490	3,152,937	583,553
Total Net Position	\$29,980,029	\$27,653,674	\$2,326,355

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68," which significantly revises accounting for pension costs and liabilities. For reasons discussed that follow, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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

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

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$30,479,358 to \$27,653,674 for governmental activities.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Current and other assets have increased from 2014, mainly due to an increase in equity in pooled cash and cash equivalents. The increase in equity in pooled cash and cash equivalents was due to revenues exceeding expenses for 2015, despite an increase in expenses.

Long-term liabilities due in more than one year decreased from 2014 due to the paying down of debt.

Table 2 shows the changes in net position for 2015 compared to 2014.

Table 2
Changes in Net Position

	Governmental Activities		
	2015	2014	Change
<i>Revenues:</i>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$1,073,680	\$1,143,012	(\$69,332)
Operating Grants and Contributions	1,359,943	1,024,111	335,832
Capital Grants and Contributions	335,767	554,695	(218,928)
Total Program Revenues	2,769,390	2,721,818	47,572
<i>General Revenues:</i>			
Property Taxes	2,163,643	2,045,520	118,123
Income Tax	5,885,738	5,148,424	737,314
Grants and Entitlements	422,526	430,244	(7,718)
Interest	4,355	4,331	24
Other	126,670	112,396	14,274
Total General Revenues	8,602,932	7,740,915	862,017
Total Revenues	\$11,372,322	\$10,462,733	\$909,589
<i>Program Expenses:</i>			
General Government	2,215,323	1,897,592	(317,731)
Security of Persons and Property	4,279,816	4,054,819	(224,997)
Transportation	1,861,856	2,219,620	357,764
Community Environment	83,176	182,717	99,541
Public Health Services	26,810	279,427	252,617
Leisure Time Activities	359,994	115,566	(244,428)
Interest and Fiscal Charges	218,992	218,845	(147)
Total Expenses	9,045,967	8,968,586	(77,381)
Changes in Net Position	2,326,355	1,494,147	832,208
<i>Net Position, January 1 - Restated (See Note 3)</i>	<i>27,653,674</i>	N/A	N/A
Net Position End of Year	\$29,980,029	\$27,653,674	\$2,326,355

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$366,170 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense is \$391,716. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities
Total 2015 program expense under GASB 68	\$9,045,967
Pension expense under GASB 68	(391,716)
2015 contractually required contribution	376,238
Adjusted 2015 program expenses	9,030,489
Total 2014 program expenses under GASB 27	8,968,586
Increase in program expenses not related to pension	\$61,903

Total revenues increased primarily due to a significant increase in operating grants and contributions and income tax revenue. The increase in operating grants and contributions is due to increased grants received by the fire/EMS fund. There was an increase of \$737,314 in income tax revenue due to increased employment and new commercial development.

Total program expenses increased from the prior year. The largest increase was seen in program expenses for general government. This increase is mainly due to an increase in purchased services.

Governmental Activities

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

The operations of the City's safety forces account for the largest expense in governmental activities, representing almost half of the total governmental activity expenses. The police service for the City of Norton is a full time, 24-hour per day, 365 days per year operation. The staff consists of a full time chief, three full time sergeants, ten full time patrol officers, six part time patrol officers and one full time office manager. As of December 31, 2013, dispatch was run as a joint project with Copley Township. In January of 2014 the dispatch operations changed over to the Southwest Summit Council of Governments which includes the cities of Barberton, Norton, and Copley Township.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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

The City's Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for by using the modified accrual method of accounting. This year was marked by a decrease in expenditures. The City had increases in revenues. Historically, the City has maintained healthy carryover balances in operating funds and saves up carryover balances in capital funds.

Revenues and other financing sources exceeded expenditures and other financing uses overall by \$1,105,059, increasing the City-wide fund balance to \$10,721,510. Significant changes to the City's major funds are described below.

For general fund, the carryover balance increased by \$240,977. Total revenues increased overall, but it was mainly due to increased income tax revenue.

The street construction, maintenance and repair fund had an increase in fund balance of \$61,781. The increase in revenues was mainly due to increased intergovernmental revenue.

The fire/EMS fund had an increase in fund balance of \$250,090. This increase was due to a decrease in debt service expenditures compared to the prior year.

The special assessment bond retirement fund increased its fund balance over the prior year by \$16,295, which was slightly lower than the increase in fund balance for 2014.

The water and sewer improvements capital projects fund increased its fund balance over the prior year by \$195,768. This was achieved by an increase in income tax revenue.

General Fund Budgeting Highlights

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

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

For the general fund, original and final budgeted revenues were \$5,108,027 and \$5,097,721, respectively. Original budgeted and final budgeted expenditures were \$5,589,293.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Actual revenue collections for general fund were \$6,109,034, \$1,011,313 higher than final budgeted revenues, which is attributed to higher actual municipal income tax and intergovernmental revenue than anticipated. Actual expenditures were \$4,520,749. This reduction of \$1,068,544 from the final budget was due to efforts to control actual expenditures in anticipation of lower revenue.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		
	2015	2014	Change
Land	\$1,397,908	\$1,397,908	\$0
Construction in Progress	2,441,657	1,748,707	692,950
Land Improvements	868,521	910,776	(42,255)
Building and Improvements	4,145,063	4,199,059	(53,996)
Equipment, Furniture and Fixtures	345,148	417,003	(71,855)
Vehicles	1,376,167	1,140,276	235,891
Infrastructure			
Water Lines	5,808,205	5,874,635	(66,430)
Sanitary Sewer Lines	4,806,469	4,848,339	(41,870)
Roads	3,937,659	3,802,007	135,652
<i>Totals</i>	\$25,126,797	\$24,338,710	\$788,087

Capital assets have increased over 2014 mainly due to various road and water and sewer line projects. For more information about the City's capital assets, see Notes 9 and 12 in the basic financial statements.

Debt

As of December 31, 2015, the City of Norton had the following in outstanding debt:

Table 4
Outstanding Debt at Year End

	Governmental Activities		
	2015	2014	Change
General Obligation Bonds	\$3,662,025	\$3,967,789	(\$305,764)
Special Assessment Bonds	2,137,650	2,275,610	(137,960)
Capital Leases	211,162	276,283	(65,121)
<i>Totals</i>	\$6,010,837	\$6,519,682	(\$508,845)

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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

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

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

Current Financial Related Issues

Meeting the financial and infrastructure needs of the community continues to be the primary goal of the City. The City has maintained services at past levels while adjusting to lower revenues through fiscal management by the Administration and City Council making budget supervision more of a priority. To facilitate the pay-down of debt, equipment purchases as well as facility improvements, acquisition and other necessary major purchases have been paid for in cash where possible but the City also uses capital leases for equipment purchases. The City continues to work to attain healthy carryover balances.

The Administration's commitment to its 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 the 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. The City has been awarded for a number of years the prestigious Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officer Association.

Contacting the City of Norton's Finance Department

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

City of Norton, Ohio
Statement of Net Position
December 31, 2015

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$10,319,314
Materials and Supplies Inventory	235,894
Accounts Receivable	443,284
Accrued Interest Receivable	64
Intergovernmental Receivable	670,000
Prepaid Items	34,235
Income Taxes Receivable	1,565,042
Property Taxes Receivable	2,184,690
Special Assessments Receivable	2,160,284
Nondepreciable Capital Assets	3,839,565
Depreciable Capital Assets, Net	21,287,232
<i>Total Assets</i>	<i>42,739,604</i>
Deferred Outflows of Resources	
Deferred Charge on Refunding	55,147
Deferred Outflows - OPERS	207,438
Deferred Outflows - OPF	348,812
<i>Total Deferred Outflows of Resources</i>	<i>611,397</i>
Liabilities	
Accounts Payable	64,431
Accrued Wages	107,355
Intergovernmental Payable	203,014
Contracts Payable	168,788
Accrued Interest Payable	12,447
Notes Payable	270,000
Long-Term Liabilities:	
Due Within One Year	842,757
Due in More Than One Year	5,837,931
Net Pension Liability (See Note 14)	3,865,036
<i>Total Liabilities</i>	<i>11,371,759</i>
Deferred Inflows of Resources	
Property Taxes	1,976,208
Deferred Inflows - OPERS	23,005
<i>Total Deferred Inflows of Resources</i>	<i>1,999,213</i>
Net Position	
Net Investment in Capital Assets	19,026,829
Restricted for:	
Capital Projects	255,837
Debt Service	1,883,002
Police	133,343
Fire/EMS	1,919,138
Transportation	972,141
Sewerline/Waterline Maintenance	1,980,557
Other Purposes	64,363
Unclaimed Monies	8,329
Unrestricted	3,736,490
<i>Total Net Position</i>	<i>\$29,980,029</i>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities				
General Government	\$2,215,323	\$320,652	\$20,362	\$0
Security of Persons and Property	4,279,816	390,310	600,938	0
Transportation	1,861,856	20,008	730,329	335,767
Community Environment	83,176	4,381	0	0
Public Health Services	26,810	326,831	0	0
Leisure Time Activities	359,994	11,498	8,314	0
Interest and Fiscal Charges	218,992	0	0	0
<i>Totals</i>	<u>\$9,045,967</u>	<u>\$1,073,680</u>	<u>\$1,359,943</u>	<u>\$335,767</u>

General Revenues

Property Taxes Levied for:	
General Purposes	337,438
Police and Fire Disability and Pension	63,270
Fire/EMS	1,762,935
Income Taxes Levied for:	
General Purposes	5,236,793
Water and Sewer Improvements	648,945
Grants and Entitlements not Restricted to Specific Programs	422,526
Interest	4,355
Other	126,670
<i>Total General Revenues</i>	<u>8,602,932</u>
Change in Net Position	2,326,355
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>27,653,674</u>
<i>Net Position End of Year</i>	<u>\$29,980,029</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio

Balance Sheet

Governmental Funds

December 31, 2015

	General	Street Construction, Maintenance and Repair	Fire/EMS	Special Assessment Bond Retirement	Water and Sewer Improvements
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,477,877	\$613,413	\$1,446,539	\$130,792	\$1,764,274
Materials and Supplies Inventory	2,508	233,386	0	0	0
Accounts Receivable	0	0	364,263	0	0
Accrued Interest Receivable	64	0	0	0	0
Intergovernmental Receivable	232,781	283,068	122,474	0	0
Interfund Receivable	309,037	0	0	0	0
Prepaid Items	24,461	3,112	5,662	0	0
Income Taxes Receivable	1,386,158	0	0	0	178,884
Property Taxes Receivable	371,950	0	1,742,892	0	0
Special Assessments Receivable	0	0	0	2,160,284	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	8,329	0	0	0	0
<i>Total Assets</i>	<u>\$5,813,165</u>	<u>\$1,132,979</u>	<u>\$3,681,830</u>	<u>\$2,291,076</u>	<u>\$1,943,158</u>
Liabilities					
Accounts Payable	\$34,074	\$17,167	\$12,955	\$0	\$0
Accrued Wages	59,905	12,924	34,526	0	0
Intergovernmental Payable	149,191	15,076	38,747	0	0
Contracts Payable	15,195	0	0	0	25,349
Interfund Payable	17,300	3,037	0	270,000	0
Notes Payable	267,739	0	0	0	0
<i>Total Liabilities</i>	<u>543,404</u>	<u>48,204</u>	<u>86,228</u>	<u>270,000</u>	<u>25,349</u>
Deferred Inflows of Resources					
Property Taxes	336,705	0	1,576,264	0	0
Unavailable Revenue	1,014,431	186,734	608,022	2,160,284	105,499
<i>Total Deferred Inflows of Resources</i>	<u>1,351,136</u>	<u>186,734</u>	<u>2,184,286</u>	<u>2,160,284</u>	<u>105,499</u>
Fund Balances					
Nonspendable	26,969	236,498	5,662	0	0
Restricted	0	661,543	1,405,654	0	0
Committed	139,396	0	0	0	1,812,310
Assigned	1,319,338	0	0	0	0
Unassigned (Deficit)	2,432,922	0	0	(139,208)	0
<i>Total Fund Balances (Deficit)</i>	<u>3,918,625</u>	<u>898,041</u>	<u>1,411,316</u>	<u>(139,208)</u>	<u>1,812,310</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,813,165</u>	<u>\$1,132,979</u>	<u>\$3,681,830</u>	<u>\$2,291,076</u>	<u>\$1,943,158</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio

Reconciliation of Total Governmental Fund Balances to

Net Position of Governmental Activities

December 31, 2015

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$10,721,510
		<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
\$2,878,090	\$10,310,985	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	25,126,797
0	235,894		
79,021	443,284		
0	64		
31,677	670,000	Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
17,300	326,337	Delinquent Property Taxes	208,482
1,000	34,235	Municipal Income Tax	923,005
0	1,565,042	Charges for Services	318,920
69,848	2,184,690	Special Assessments	2,160,284
0	2,160,284	Intergovernmental	<u>490,810</u>
0	8,329		
<u>\$3,076,936</u>	<u>\$17,939,144</u>	Total	4,101,501
		In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(12,447)
\$235	\$64,431		
0	107,355		
0	203,014	Long-term liabilities, including notes, bonds, capital leases payable, and compensated absences are not due and payable in the current period and therefore are not reported in the funds:	
128,244	168,788	General Obligation Bonds	(3,662,025)
36,000	326,337	Special Assessment Bonds	(2,137,650)
2,261	270,000	Capital Lease	(211,162)
		Compensated Absences	<u>(669,851)</u>
<u>166,740</u>	<u>1,139,925</u>	Total	(6,680,688)
63,239	1,976,208	Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.	55,147
26,531	4,101,501		
<u>89,770</u>	<u>6,077,709</u>	The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
1,000	270,129	Deferred Outflows - Pension	556,250
2,545,184	4,612,381	Net Pension Liability	(3,865,036)
20,057	1,971,763	Deferred Inflows - Pension	<u>(23,005)</u>
254,185	1,573,523		
0	2,293,714	Total	(3,331,791)
<u>2,820,426</u>	<u>10,721,510</u>		
<u>\$3,076,936</u>	<u>\$17,939,144</u>	<i>Net Position of Governmental Activities</i>	<u>\$29,980,029</u>

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General	Street Construction, Maintenance and Repair	Fire/EMS	Special Assessment Bond Retirement	Water and Sewer Improvements
Revenues					
Property Taxes	\$341,003	\$0	\$1,596,307	\$0	\$0
Municipal Income Tax	5,189,675	0	0	0	635,915
Charges for Services	164,362	20,008	298,437	0	0
Special Assessments	0	0	0	203,517	0
Licenses, Permits and Fees	54,898	0	0	0	0
Fines and Forfeitures	28,235	0	0	0	0
Intergovernmental	490,552	647,799	602,658	0	0
Interest	4,176	172	0	0	0
Other	57,733	32,124	34,497	0	0
<i>Total Revenues</i>	<u>6,330,634</u>	<u>700,103</u>	<u>2,531,899</u>	<u>203,517</u>	<u>635,915</u>
Expenditures					
Current:					
General Government	2,193,128	0	0	3,553	0
Security of Persons and Property	1,961,187	0	2,210,490	0	0
Transportation	672,665	1,117,200	0	0	0
Community Environment	83,273	0	0	0	0
Public Health Services	0	0	0	0	0
Leisure Time Activities	307,243	0	0	0	0
Capital Outlay	0	0	0	0	340,908
Debt Service:					
Principal Retirement	0	65,121	0	132,250	76,962
Interest and Fiscal Charges	1,759	8,293	1,229	77,519	22,277
<i>Total Expenditures</i>	<u>5,219,255</u>	<u>1,190,614</u>	<u>2,211,719</u>	<u>213,322</u>	<u>440,147</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,111,379</u>	<u>(490,511)</u>	<u>320,180</u>	<u>(9,805)</u>	<u>195,768</u>
Other Financing Sources (Uses)					
Transfers In	225,990	552,292	0	26,100	0
Transfers Out	(1,096,392)	0	(70,090)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(870,402)</u>	<u>552,292</u>	<u>(70,090)</u>	<u>26,100</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	240,977	61,781	250,090	16,295	195,768
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>3,677,648</u>	<u>836,260</u>	<u>1,161,226</u>	<u>(155,503)</u>	<u>1,616,542</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$3,918,625</u>	<u>\$898,041</u>	<u>\$1,411,316</u>	<u>(\$139,208)</u>	<u>\$1,812,310</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, 2015*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$1,105,059
		Amounts reported for governmental activities in the statement of activities are different because:	
		Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
\$63,938	\$2,001,248	Capital Asset Additions	1,554,510
6,950	5,832,540	Current Year Depreciation	<u>(734,652)</u>
465,609	948,416		
0	203,517		
3,944	58,842		
7,089	35,324		
448,503	2,189,512		
7	4,355		
2,316	126,670		
<u>998,356</u>	<u>11,400,424</u>		
		Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(31,771)
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
56,259	2,252,940	Delinquent Property Taxes	(21,952)
6,020	4,177,697	Municipal Income Taxes	53,198
46,000	1,835,865	Charges for Services	137,259
0	83,273	Special Assessments	(125,331)
7,532	7,532	Intergovernmental	<u>(71,276)</u>
0	307,243		
568,706	909,614		
215,788	490,121		
120,003	231,080		
<u>1,020,308</u>	<u>10,295,365</u>		
(21,952)	1,105,059	Repayment of bond and capital lease principal is an expenditure or other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	490,121
		Some expenses reported in the statement of activities do not require the use expenditures in the governmental funds:	
605,100	1,409,482	Accrued Interest on Bonds	258
(243,000)	(1,409,482)	Amortization of Premium on Bonds	18,724
		Amortization of Deferred Charge on Refunding	<u>(6,894)</u>
362,100	0		
340,148	1,105,059		
<u>2,480,278</u>	<u>9,616,451</u>	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	376,238
<u>\$2,820,426</u>	<u>\$10,721,510</u>		
		Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	<u>(391,716)</u>
		Change in Net Position of Governmental Activities	<u>\$2,326,355</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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$398,566	\$388,260	\$341,003	(\$47,257)
Municipal Income Tax	3,334,674	3,334,674	5,048,137	1,713,463
Charges for Services	570,017	570,017	164,466	(405,551)
Licenses, Permits and Fees	190,269	190,269	54,898	(135,371)
Fines and Forfeitures	119,697	119,697	34,536	(85,161)
Intergovernmental	304,237	304,237	411,010	106,773
Interest	14,255	14,255	4,113	(10,142)
Other	176,312	176,312	50,871	(125,441)
<i>Total Revenues</i>	<u>5,108,027</u>	<u>5,097,721</u>	<u>6,109,034</u>	<u>1,011,313</u>
Expenditures				
Current:				
General Government	2,287,733	2,287,733	2,171,643	116,090
Security of Persons and Property	2,863,879	2,863,879	2,040,516	823,363
Community Environment	189,593	189,593	98,683	90,910
Leisure Time Activities	248,088	248,088	209,907	38,181
<i>Total Expenditures</i>	<u>5,589,293</u>	<u>5,589,293</u>	<u>4,520,749</u>	<u>1,068,544</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(481,266)</u>	<u>(491,572)</u>	<u>1,588,285</u>	<u>2,079,857</u>
Other Financing Sources (Uses)				
Proceeds of Notes	0	0	267,739	267,739
Advances Out	(445,686)	(445,686)	(36,000)	409,686
Transfers Out	(1,082,337)	(1,182,337)	(1,491,392)	(309,055)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,528,023)</u>	<u>(1,628,023)</u>	<u>(1,259,653)</u>	<u>368,370</u>
<i>Net Change in Fund Balance</i>	(2,009,289)	(2,119,595)	328,632	2,448,227
<i>Fund Balance Beginning of Year</i>	2,527,110	2,527,110	2,527,110	0
Prior Year Encumbrances Appropriated	416,662	416,662	416,662	0
<i>Fund Balance End of Year</i>	<u>\$934,483</u>	<u>\$824,177</u>	<u>\$3,272,404</u>	<u>\$2,448,227</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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$31,741	\$31,741	\$20,008	(\$11,733)
Intergovernmental	1,036,654	1,036,654	653,458	(383,196)
Interest	273	273	172	(101)
Other	50,962	50,962	32,125	(18,837)
<i>Total Revenues</i>	1,119,630	1,119,630	705,763	(413,867)
Expenditures				
Current:				
Transportation	1,338,571	1,338,571	1,275,157	63,414
<i>Excess of Revenues Under Expenditures</i>	(218,941)	(218,941)	(569,394)	(350,453)
Other Financing Sources				
Transfers In	504,000	504,000	552,292	48,292
<i>Net Change in Fund Balance</i>	285,059	285,059	(17,102)	(302,161)
<i>Fund Balance Beginning of Year</i>	569,419	569,419	569,419	0
Prior Year Encumbrances Appropriated	31,160	31,160	31,160	0
<i>Fund Balance End of Year</i>	<u>\$885,638</u>	<u>\$885,638</u>	<u>\$583,477</u>	<u>(\$302,161)</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$1,893,188	\$1,821,176	\$1,596,307	(\$224,869)
Charges for Services	169,880	169,880	311,683	141,803
Intergovernmental	248,010	248,010	602,658	354,648
Other	12,536	12,536	34,498	21,962
<i>Total Revenues</i>	<u>2,323,614</u>	<u>2,251,602</u>	<u>2,545,146</u>	<u>293,544</u>
Expenditures				
Current:				
Security of Persons and Property	2,060,960	2,060,960	2,265,100	(204,140)
Debt Service:				
Principal Retirement	225,000	225,000	225,000	0
Interest and Fiscal Charges	2,813	2,813	2,813	0
<i>Total Expenditures</i>	<u>2,288,773</u>	<u>2,288,773</u>	<u>2,492,913</u>	<u>(204,140)</u>
<i>Net Change in Fund Balance</i>	34,841	(37,171)	52,233	89,404
<i>Fund Balance Beginning of Year</i>	1,252,023	1,252,023	1,252,023	0
Prior Year Encumbrances Appropriated	<u>101,523</u>	<u>101,523</u>	<u>101,523</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,388,387</u></u>	<u><u>\$1,316,375</u></u>	<u><u>\$1,405,779</u></u>	<u><u>\$89,404</u></u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2015

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$94,126</u></u>
Liabilities	
Undistributed Assets	<u><u>\$94,126</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, 2015

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

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

The City participates in one joint venture, the Southwest Summit Council of Governments. This organization is described in Note 20 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

Fund Accounting

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Fire/EMS Special Revenue Fund The fire/EMS fund accounts for and reports restricted property taxes for operations and capital purchases of the fire/EMS department. A portion of revenues generated by the levies have been allocated for capital purchases.

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

Water and Sewer Improvements Capital Projects Fund The water and sewer improvements fund accounts for and reports committed income tax revenues generated from a reduction in the credit for income tax paid to other municipalities.

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

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

Measurement Focus

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

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

Basis of Accounting

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include pension and a deferred charge on refunding reported in the government-wide statement of net position. The deferred outflows of resources related to pension are explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include pension, property taxes, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, charges for services, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 14.)

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 personal service and other expenditures within each fund level of control. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control. Authority to further allocate Council appropriations within departments has been given to the Director of Finance.

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

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

Cash, Cash Equivalents and Investments

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

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

During 2015, investments were limited to a repurchase agreement, which is reported 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 2015 amounted to \$4,176, of which \$2,718 was assigned from other City funds.

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

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

Restricted Assets

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

Capital Assets

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

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

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

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

The City's infrastructure consists of water lines, sanitary sewer lines and roads and includes infrastructure acquired after 2003.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 activities column of the statement of net position.

Compensated Absences

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

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

Pensions

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and net pension liability 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, capital leases, and long-term notes are recognized as a liability on the governmental fund financial statements when due.

Fund Balances

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2016 appropriated budget. City Council also assigned fund balance for recycling, street maintenance, the community center, Greenwich Road property, scrap tire, city administration, buildings, police, parks, and storm sewers.

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Bond Premiums

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

Internal Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. 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.

Net Position

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

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

Estimates

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

Deferred Charge on Refunding

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 3 – Change in Accounting Principle and Restatement of Net Position

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure.

Also, for 2015, the City determined that its capital assets were understated due to the City not capitalizing the on-behalf payments that were made by the Ohio Department of Transportation, leading to a restatement.

The implementation of this pronouncement and the capital assets understatement had the following effect on net position as reported December 31, 2015:

	<u>Governmental</u>
Net position December 31, 2014	\$30,479,358
Adjustments:	
Net Pension Liability	(3,682,483)
Deferred Outflow - Payments Subsequent to Measurement Date	366,170
Capital Asset Restatement	490,629
Restated Net Position December 31, 2014	\$27,653,674

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 – Accountability and Compliance

Accountability

The deficit in the special assessment bond retirement fund of \$139,208 was caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for the deficits in these funds and provides transfers when cash is required, not when accruals occur.

Compliance

Contrary to Ohio Revised Code Section 5705.10 (H), the community center fund had a negative cash fund balance of \$45,000 as of December 31, 2015, due to a grant award that had not yet been received by the City.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Contrary to Ohio Revised Code Section 5705.39, the following funds had final appropriations in excess of certified available resources as of December 31, 2015:

Special Revenue Funds:

DARE	(\$116)
Drug Law Enforcement	(4,388)
Law Enforcement	(3,841)
Special Permissive License Plate Tax	(336,637)
Community Center	(24,234)

Capital Projects Funds:

Wadsworth/Summit Road Sanitary Sewers	(953,026)
Nash Heights East	(475,000)
Cleveland-Massillon Widening	(638,000)
Greenwich Pump Station	(350,000)

Contrary to Ohio Revised Code Section 5705.41(B), the following funds had expenditures plus encumbrances in excess of final appropriations as of December 31, 2015:

	Final	Actual	Variance
General Fund			
General Government			
Income Tax:			
Purchased Services	\$385,172	\$436,113	(\$50,941)
Other Financing Uses			
Transfers Out	1,182,337	1,491,392	(309,055)
<i>Special Revenue Funds:</i>			
SCMR			
Transportation:			
Purchased Services	41,285	53,616	(12,331)
Materials and Supplies	404,689	525,849	(121,160)
Capital Outlay	65,576	81,621	(16,045)
Fire/EMS			
Security of Persons and Property:			
Purchased Services	125,007	196,577	(71,570)
Materials and Supplies	31,770	45,752	(13,982)
Capital Outlay	386,701	637,529	(250,828)
<i>Capital Projects Funds:</i>			
Storm Sewers			
Capital Outlay:			
Capital Outlay	0	35,000	(35,000)

Although the budgetary violations were not corrected by year end, management has indicated that these will be closely monitored to ensure no future violations.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 5 – Fund Balances

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

Fund Balances (continued)	General	Street Construction, Maintenance and Repair	Fire/EMS	Special Assessment Bond Retirement	Water and Sewer Improvements	Other Governmental Funds	Total
<u>Restricted for:</u>							
Police Department	\$0	\$0	\$0	\$0	\$0	\$127,649	\$127,649
Fire/EMS Department	0	0	1,405,654	0	0	66,893	1,472,547
Debt Service Retirement	0	0	0	0	0	95	95
Street Maintenance	0	661,543	0	0	0	33,287	694,830
Mayors Court	0	0	0	0	0	64,363	64,363
Public Utilities	0	0	0	0	0	1,979,557	1,979,557
Capital Improvement	0	0	0	0	0	273,340	273,340
<i>Total Restricted</i>	<u>0</u>	<u>661,543</u>	<u>1,405,654</u>	<u>0</u>	<u>0</u>	<u>2,545,184</u>	<u>4,612,381</u>
<u>Committed to:</u>							
Cemetery	0	0	0	0	0	15,148	15,148
Public Utility Improvement	0	0	0	0	1,812,310	0	1,812,310
City Administration	24,902	0	0	0	0	0	24,902
Police	40,441	0	0	0	0	0	40,441
Engineering	14,143	0	0	0	0	0	14,143
Water Line Maintenance	59,910	0	0	0	0	0	59,910
Special Events	0	0	0	0	0	4,909	4,909
<i>Total Committed</i>	<u>139,396</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,812,310</u>	<u>20,057</u>	<u>1,971,763</u>
<u>Assigned to:</u>							
2016 Appropriations	1,272,664	0	0	0	0	0	1,272,664
Recycling	17,698	0	0	0	0	0	17,698
Street Maintenance	53,195	0	0	0	0	0	53,195
Community Center	(45,000)	0	0	0	0	0	(45,000)
Greenwich Road Property	2,440	0	0	0	0	0	2,440
Scrap Tire	643	0	0	0	0	0	643
City Administration	4,344	0	0	0	0	0	4,344
Police	3,273	0	0	0	0	0	3,273
Building	2,379	0	0	0	0	0	2,379
Parks	798	0	0	0	0	0	798
Storm Sewer	6,904	0	0	0	0	0	6,904
Capital Improvements	0	0	0	0	0	254,185	254,185
<i>Total Assigned</i>	<u>1,319,338</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>254,185</u>	<u>1,573,523</u>
Unassigned (Deficit)	<u>2,432,922</u>	<u>0</u>	<u>0</u>	<u>(139,208)</u>	<u>0</u>	<u>0</u>	<u>2,293,714</u>
Total Fund Balances (Deficit)	<u><u>\$3,918,625</u></u>	<u><u>\$898,041</u></u>	<u><u>\$1,411,316</u></u>	<u><u>(\$139,208)</u></u>	<u><u>\$1,812,310</u></u>	<u><u>\$2,820,426</u></u>	<u><u>\$10,721,510</u></u>

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 State statute and classify monies held by the City into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the City treasury. Active 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, 2015

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. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. 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 if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations and 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest 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.

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 \$3,865,838. Of the bank balance, \$750,000 was covered by Federal Depository Insurance (FDIC) and \$3,115,838 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2015, the City had an investment in a repurchase agreement with a fair value of \$7,000,000. The underlying securities of the repurchase agreement are federal home loan mortgage corporation bonds, which carry a rating of AA+ by Standard and Poor's and have a maturity of less than thirty days.

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 repurchase agreement is exposed to custodial credit risk in that it is uninsured, unregistered, and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute which states that the securities must be delivered into the custody of the Director of Finance or the Director of Finance's agent.

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

Note 7 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balance/net position on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget (non-GAAP basis) and actual presented for the general and major special revenue funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
3. 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.
4. Investments are reported at cost (budget) rather than fair value (GAAP).
5. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
6. Budgetary revenues and expenditures of the special permissive license plate tax, community center, Greenwich road, and recycling, funds are reclassified to the general fund for GAAP reporting.
7. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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
GAAP Basis	\$240,977	\$61,781	\$250,090
Net Adjustment for Revenue Accruals	301,735	5,660	13,247
Beginning Unrecorded Cash	2,550	0	0
Ending Unrecorded Cash	(2,500)	0	0
Net Adjustment for Expenditure Accruals	(334,715)	(54,607)	(170,544)
Advances Out	(36,000)	0	0
Perspective Differences:			
Special Permissive License Plate Tax Fund	210,802	0	0
Community Center Fund	82,857	0	0
Greenwich Road Fund	1,380	0	0
Recycling Fund	(6,177)	0	0
Encumbrances	(132,277)	(29,936)	(40,560)
Budget Basis	<u>\$328,632</u>	<u>(\$17,102)</u>	<u>\$52,233</u>

Note 8 – Receivables

Receivables at December 31, 2015, 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 \$136,360, with the remaining \$2,023,924 expected to be collected in more than one year. At December 31, 2015, the amount of delinquent special assessments was \$101,978.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

	Assessed Values
Real Estate	
Residential/Agricultural	\$195,729,110
Other Real Estate	38,123,000
Tangible Personal Property	
Public Utility	8,810,290
Total	\$242,662,400

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Tax

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Intergovernmental Receivables

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

	Amounts
Local Government	\$172,022
Homestead and Rollback	153,033
Gasoline Tax	152,671
Cents Per Gallon	79,327
Motor Vehicle License Registration	59,297
Permissive Motor Vehicle License Tax	49,706
Miscellaneous	3,944
Total	\$670,000

Note 9 – Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

	Restated Balance 12/31/14	Additions	Reductions	Balance 12/31/15
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,397,908	\$0	\$0	\$1,397,908
Construction in Progress	1,748,707	705,910	(12,960)	2,441,657
<i>Total Capital Assets, not being depreciated</i>	3,146,615	705,910	(12,960)	3,839,565
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,261,462	9,800	0	1,271,262
Buildings and Improvements	4,945,997	15,998	0	4,961,995
Equipment, Furniture and Fixtures	1,399,620	9,997	(286,278)	1,123,339
Vehicles	3,064,728	436,203	(238,997)	3,261,934
Infrastructure:				
Water Lines	6,642,978	0	0	6,642,978
Sanitary Sewer Lines	5,476,479	12,960	0	5,489,439
Roads	5,118,584	376,602	0	5,495,186
<i>Total Capital Assets, being depreciated</i>	\$27,909,848	\$861,560	(\$525,275)	\$28,246,133

(continued)

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	Restated Balance 12/31/14	Additions	Reductions	Balance 12/31/15
Governmental Activities (continued)				
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(\$350,686)	(\$52,055)	\$0	(\$402,741)
Buildings and Improvements	(746,938)	(69,994)	0	(816,932)
Equipment, Furniture and Fixtures	(982,617)	(54,968)	259,394	(778,191)
Vehicles	(1,924,452)	(195,425)	234,110	(1,885,767)
Infrastructure:				
Water Lines	(768,343)	(66,430)	0	(834,773)
Sanitary Sewer Lines	(628,140)	(54,830)	0	(682,970)
Roads	(1,316,577)	(240,950)	0	(1,557,527)
<i>Total Accumulated Depreciation</i>	<u>(6,717,753)</u>	<u>(734,652) *</u>	<u>493,504</u>	<u>(6,958,901)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>21,192,095</u>	<u>126,908</u>	<u>(31,771)</u>	<u>21,287,232</u>
Governmental Activities Capital Assets, Net	<u>\$24,338,710</u>	<u>\$832,818</u>	<u>(\$44,731)</u>	<u>\$25,126,797</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$17,425
Security of Persons and Property	175,840
Transportation	367,250
Community Environment	682
Public Health Services	121,260
Leisure Time Activities	52,195
Total Depreciation Expense	<u>\$734,652</u>

Note 10 – Short-Term Obligations

A summary of note transactions for the year ended December 31, 2015 follows:

	Balance 12/31/14	Additions	Reductions	Balance 12/31/15
Governmental Activities				
2014 Various Purpose Note	\$465,000	\$0	(\$465,000)	\$0
2015 Series BAN	0	270,000	0	270,000
<i>Total Short-Term Obligations</i>	<u>\$465,000</u>	<u>\$270,000</u>	<u>(\$465,000)</u>	<u>\$270,000</u>

On December 18, 2015, the City issued \$270,000 in bond anticipation notes to purchase Motorola P-25 emergency radios for the Fire, Police, and Service Departments at an interest rate of 1.35 percent. The notes will mature on December 16, 2016.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 11 – Long-Term Obligations

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

	Year of Issuance	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:				
2010 Various Purpose Bonds - Series A:				
Fire Station	2010	2 - 5	\$2,600,000	December 1, 2035
2012 Refunding Bonds:				
Street Improvement	2012	2 - 3	220,000	December 1, 2018
Police Radio System	2012	2 - 3	158,000	December 1, 2018
Road Program	2012	2 - 3	200,000	December 1, 2018
Ballfields	2012	2 - 3	157,000	December 1, 2023
Gardner Engineering	2012	2 - 3	115,000	December 1, 2023
Barber Road Sanitary Sewer	2012	2 - 3	871,182	December 1, 2023
Special Assessment Bonds				
<i>with Governmental Commitment:</i>				
1996 Special Assessments Bonds	1996	6.6	122,000	December 1, 2016
2010 Various Purpose Bonds - Series B:				December 1, 2030
Wadsworth, Berry, McGowan Waterlines	2010	2 - 5	294,399	
Cleveland-Massillon Waterline	2010	2 - 5	522,896	
Gardner Phase II	2010	2 - 5	224,042	
Hazelwood Connect	2010	2 - 5	102,019	
Johnson Meadows	2010	2 - 5	146,644	
2012 Various Purpose Bonds:				December 1, 2032
Greenwich Street Sewer	2012	2 - 4	232,000	
Gardner Street Waterline	2012	2 - 4	195,000	
Oak Street Sewer	2012	2 - 4	230,000	
2012 Refunding Bonds:				
Barber Road	2012	2 - 3	516,818	December 1, 2023

A schedule of changes in bonds and other long-term obligations of the City during 2015 follows:

	Amounts Outstanding 12/31/14	Additions	Reductions	Amounts Outstanding 12/31/15	Amounts Due in One Year
General Obligation Bonds:					
2010 Various Purpose Bonds - Series A:					
Fire Station - Serial	\$470,000	\$0	(\$75,000)	\$395,000	\$75,000
Fire Station - Term	1,845,000	0	0	1,845,000	0
Premium	71,382	0	(4,462)	66,920	0
2012 Refunding Bonds:					
Street Improvement	177,000	0	(41,000)	136,000	46,000
Police Radio System	127,000	0	(31,000)	96,000	31,000
Road Program	162,000	0	(41,000)	121,000	41,000
Ballfields	141,000	0	(16,000)	125,000	15,000
Gardner Engineering	105,000	0	(10,000)	95,000	10,000
Barber Road Sanitary Sewer	792,444	0	(78,750)	713,694	80,640
Premium	76,963	0	(8,552)	68,411	0
Total General Obligation Bonds	\$3,967,789	\$0	(\$305,764)	\$3,662,025	\$298,640

(continued)

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	Amounts Outstanding 12/31/14	Additions	Reductions	Amounts Outstanding 12/31/15	Amounts Due in One Year
(continued)					
Special Assessment Bonds					
<i>with Governmental Commitment:</i>					
1996 Special Assessment Bonds	\$20,000	\$0	(\$10,000)	\$10,000	\$10,000
2010 Various Purpose Bonds - Series B:					
Wadsworth, Berry, McGowan Waterlines - Serial	75,310	0	(11,411)	63,899	12,552
Cleveland-Massillon Waterline - Serial	133,766	0	(20,267)	113,499	22,294
Gardner Phase II - Serial	57,312	0	(8,684)	48,628	9,552
Hazelwood Connect - Serial	26,099	0	(3,954)	22,145	4,350
Johnson Meadows - Serial	37,513	0	(5,684)	31,829	6,252
Wadsworth, Berry, McGowan Waterlines - Term	173,444	0	0	173,444	0
Cleveland-Massillon Waterline - Term	308,063	0	0	308,063	0
Gardner Phase II - Term	131,994	0	0	131,994	0
Hazelwood Connect - Term	60,104	0	0	60,104	0
Johnson Meadows - Term	86,395	0	0	86,395	0
Premium	37,734	0	(1,797)	35,937	0
2012 Various Purpose Bonds:					
Greenwich Street Sewer - Serial	92,000	0	(9,000)	83,000	9,000
Gardner Street Waterline - Serial	77,000	0	(8,000)	69,000	8,000
Oak Street Sewer - Serial	91,000	0	(9,000)	82,000	7,000
Greenwich Street Sewer - Term	124,000	0	0	124,000	0
Gardner Street Waterline - Term	104,000	0	0	104,000	0
Oak Street Sewer - Term	122,000	0	0	122,000	0
Premium	24,210	0	(1,345)	22,865	0
2012 Refunding Bonds:					
Barber Road - Serial	470,556	0	(46,250)	424,306	47,360
Premium	23,110	0	(2,568)	20,542	0
Total Special Assessment Bonds with Governmental Commitment	2,275,610	0	(137,960)	2,137,650	136,360
Other Long-Term Liabilities:					
Capital Leases	276,283	0	(65,121)	211,162	67,092
Compensated Absences	644,431	425,699	(400,279)	669,851	340,665
Total Other Long-Term Liabilities	920,714	425,699	(465,400)	881,013	407,757
Net Pension Liability:					
OPERS	1,279,899	29,577	0	1,309,476	0
OPF	2,402,584	152,976	0	2,555,560	0
Total Net Pension Liability	3,682,483	182,553	0	3,865,036	0
Total Long-Term Liabilities	\$10,846,596	\$608,252	(\$909,124)	\$10,545,724	\$842,757

General Obligation Bonds

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

Various Purpose General Obligation Bond

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

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

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

Special Assessment Bonds

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

Various Purpose Special Assessment Bonds

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

The 2012 various purpose special assessment term bonds maturing on December 1, 2027 and 2032 are subject to mandatory redemption and are to be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed, plus interest accrued to the redemption date on December 1 in each of the years and in the principal amounts set forth as follows:

Year	Issue	
	\$140,000	\$210,000
2024	\$35,000	\$0
2025	35,000	0
2026	35,000	0
2028	0	40,000
2029	0	40,000
2030	0	40,000
2031	0	45,000
Total	\$105,000	\$165,000
<i>Stated Maturity</i>	<i>12/1/2027</i>	<i>12/1/2032</i>

The remaining principal amount of the term bonds (\$35,000 and \$45,000) will mature at the stated maturity.

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

The bonds were sold at a premium of \$122,311. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the various purpose refunding bonds. As a result, \$2,205,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. On December 31, 2015, \$1,705,000 of the defeased bonds are still outstanding.

The capital leases will be paid from the street construction, maintenance and repair fund.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Compensated absences will be paid from the general fund and the street construction, maintenance and repair, and fire/EMS special revenue funds, which are funds from which the employees' salaries are paid. The City pays obligations related to employee compensation from the fund benefitting from their service.

The City's overall debt margin was \$21,682,953 and the unvoted legal debt margin was \$9,549,833 at December 31, 2015.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015, are as follows:

	General Obligation Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$298,640	\$135,559	\$0	\$0	\$298,640	\$135,559
2017	298,160	129,399	0	0	298,160	129,399
2018	310,680	120,829	0	0	310,680	120,829
2019	191,940	111,749	0	0	191,940	111,749
2020	201,980	105,991	0	0	201,980	105,991
2021-2025	380,294	23,294	475,000	397,125	855,294	420,419
2026-2030	0	0	605,000	265,875	605,000	265,875
2031-2035	0	0	765,000	106,200	765,000	106,200
Totals	<u>\$1,681,694</u>	<u>\$626,821</u>	<u>\$1,845,000</u>	<u>\$769,200</u>	<u>\$3,526,694</u>	<u>\$1,396,021</u>

	Special Assessment Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$136,360	\$74,289	\$0	\$0	\$136,360	\$74,289
2017	131,840	70,966	0	0	131,840	70,966
2018	134,320	67,285	0	0	134,320	67,285
2019	133,060	63,421	0	0	133,060	63,421
2020	143,020	59,429	0	0	143,020	59,429
2021-2025	269,706	52,641	405,000	166,084	674,706	218,725
2026-2030	0	0	615,000	87,788	615,000	87,788
2031-2032	0	0	90,000	4,218	90,000	4,218
Totals	<u>\$948,306</u>	<u>\$388,031</u>	<u>\$1,110,000</u>	<u>\$258,090</u>	<u>\$2,058,306</u>	<u>\$646,121</u>

Note 12 – Capital Leases

In 2013, the City entered into a lease agreement for an excavator. In 2014, the City entered into leases for a dump truck and loader. The leases meet the criteria for capital leases and have been recorded on the government-wide statements. The assets acquired through the capital leases were capitalized at the present value of the minimum lease payments, plus the value of equipment trade-ins, at the time the leases were entered into.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Equipment	\$355,280
Less: Accumulated Depreciation	(40,471)
Total	\$314,809

The leases provide for minimum, annual lease payments as follows:

	Governmental Activities
2016	\$73,414
2017	73,414
2018	39,124
2019	39,124
Total Minimum Lease Payments	225,076
Less: Amount Representing Interest	(13,914)
Present Value of Minimum Lease Payments	\$211,162

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
Ohio Casualty Insurance Company	Bond - Mayor	\$0	\$50,000
	Bond - Finance Director	0	100,000
	Bond - Administrator	0	50,000
Wichert Insurance Agency	Public Officials Liability	10,000	1,000,000
	Law Enforcement Liability	10,000	1,000,000
	Commercial Property	1,000	7,831,751
	Personal Property	1,000	10,695,856
	Inland Marine	1,000	1,834,319
	General Liability	0	100,000 - 2,000,000
	Commercial Crime - Employee Theft Per Loss	0 - 5,000	250,000 - 1,000,000
	Cyberrisk	0	1,000,000
	Automobile Liability	0	1,000,000
	Automobile Uninsured Motorists	0	50,000
Automobile Underinsured Motorists	0	50,000	
	Umbrella Liability	0	10,000,000

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

Note 14 – Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$137,568 for 2015. Of this amount, \$18,873 is reported as an intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	Police	Firefighters
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50	11.50
July 2, 2015 through December 31, 2015	12.25	12.25
 2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
 Total Employer	 19.50 %	 24.00 %
 Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$238,670 for 2015. Of this amount \$46,166 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	OPERS	OPF	Total
Proportionate Share of the Net Pension Liability	\$1,309,476	\$2,555,560	\$3,865,036
Proportion of the Net Pension Liability	0.01085700%	0.04933120%	
Pension Expense	\$142,433	\$249,283	\$391,716

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OPF	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$69,870	\$110,142	\$180,012
City contributions subsequent to the measurement date	137,568	238,670	376,238
Total Deferred Outflows of Resources	<u>\$207,438</u>	<u>\$348,812</u>	<u>\$556,250</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$23,005</u>	<u>\$0</u>	<u>\$23,005</u>

The \$376,238 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OPF	Total
Year Ending December 31:			
2016	\$6,853	\$27,535	\$34,388
2017	6,853	27,535	34,388
2018	15,692	27,536	43,228
2019	17,467	27,536	45,003
Total	<u>\$46,865</u>	<u>\$110,142</u>	<u>\$157,007</u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$2,409,060	\$1,309,476	\$383,361

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented as follows:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$3,534,729	\$2,555,560	\$1,726,505

Social Security System

As of December 31, 2015, 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

Ohio Public Employees Retirement System

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

OPERS maintains two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 443215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$28,884, \$30,364, and \$15,501, respectively. For 2015, 89.11 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

Police and Firemen's Disability and Pension Fund

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

OPF 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 administered 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 OPF 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. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2015 through December 31, 2015. 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 OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OPF which were allocated to fund post-employment health care benefits for police and firefighters were \$5,264 and \$1,805 for the year ended December 31, 2015, \$5,004 and \$826 for the year ended December 31, 2014, and \$35,702 and \$5,407 for the year ended December 31, 2013. For 2015, 86.18 percent has been contributed for police and 78.17 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

Note 16 – 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, 2015.

Litigation

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Environmental Remediation

The City has been notified by the Ohio Environmental Protection Agency (EPA) that a number of discharging and/or failing septic systems in the community have contributed to elevated bacteria in the City's Municipal Separate Storm Sewer System (MS4) and the Wolf Creek Watershed. The City is currently working with the Ohio EPA and the Summit County General Health District in order to resolve this issue. On January 21, 2013, the City submitted a plan and schedule to the Ohio EPA to address the alleged illicit discharges from failing septic systems into the MS4 and the Wolf Creek Watershed. On November 14, 2013, the Ohio EPA issued its Final Findings and Orders ordering the City to construct certain sewerage improvements in the Nash Heights subdivision of the City pursuant to a schedule that ends on May 30, 2017. If the City fails to comply with the Findings and Orders the City could be subject to further enforcement. The sewerage improvements are to be constructed by the City in order to prevent future discharges into the MS4 and Wolf Creek Watershed. As of November 2014 the City is working on a memorandum of understanding with the City of Barberton to become the City's sewer provider. Construction is expected to begin later in 2016.

Note 17 – Other Employee Benefits

Compensated Absences

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

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

Employee Health Insurance

The City provides health insurance through the COSE Health Insurance Program provided by Medical Mutual.

Note 18 – Interfund Transfers and Balances

Balances

At December 31, 2015, the general fund had an interfund receivable of \$309,037. \$270,000 was made to the special assessment bond retirement debt service fund pending the receipt of special assessments that will be used to repay the loans, \$36,000 was made for road salt purchases, and \$3,037 was made to support the projects in street construction, maintenance and repair fund. The \$3,037 and \$36,000 balances are expected to be paid back before the end of the first quarter of 2016, while the \$270,000 is expected to be converted to a transfer in 2016. The state highway fund had an interfund receivable of \$17,300 at December 31, 2015 that was made in 2013 to the general fund.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Transfers

Interfund transfers for the year ended December 31, 2015, consisted of the following:

Transfer To	Transfer From			Total
	General	Fire/EMS	Governmental Funds	
General	\$0	\$70,090	\$155,900	\$225,990
Street Construction, Maintenance and Repair	552,292	0	0	552,292
Special Assessment Bond Retirement	26,100	0	0	26,100
Other Governmental Funds	518,000	0	87,100	605,100
Total	\$1,096,392	\$70,090	\$243,000	\$1,409,482

Transfers from the general fund were used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, to provide additional resources for current operations, to pay debt, and to segregate money for anticipated capital projects. The fire/EMS fund transferred \$70,090 to general fund for debt service obligations.

Note 19 – Joint Economic Development Zones

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

Note 20 – Joint Venture

The City participates in the Southwest Summit Council of Governments (the Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between the City of Norton, the City of Barberton, and Copley Township. The Council is controlled by an executive board which is composed of a President, Vice/President/Secretary, and Fiscal Officer who serve without compensation. Each member's control over the operation of the Council is limited to its representation on the board. Currently, the Mayor of the City of Norton serves as the President of the Council. The Council was formed to share services, promote cooperative arrangements, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. Continued existence of the Council is dependent on the City's continued participation; however, the City does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2015, the City contributed \$450,297 to the Council. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 21 – Encumbrances

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

General	\$132,277
Street Construction, Maintenance and Repair	29,936
Fire/EMS	40,560
Water and Sewer Improvements	214,230
Other Governmental Funds	<u>263,533</u>
Total	<u><u>\$680,536</u></u>

Note 22 – Subsequent Event

On April 29, 2016, the City entered into a capital lease for a new 2014 John Deere 410k backhoe from Murphy Tractor & Equipment Company. The City will make annual lease payments of \$21,300 starting on April 29, 2016. The lease will mature on May 29, 2020.

On May 9, 2016, the City entered into a capital lease for a new ambulance with First Merit Equipment Finance, Incorporated. The City will make annual payments in the amount of \$35,145 starting on May 1, 2016. This lease has an interest rate of 2.77 percent and will mature on May 1, 2020.

On May 15, 2016, the City renewed the 2012 fire levy of \$4.6 million for an additional five years. The City has projected to yield \$1.1 million per year. It will cost property owners \$140 per year for each \$100,000 of assessed property valuation.

Required Supplementary Information

City of Norton, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.01085700%	0.01085700%
City's Proportionate Share of the Net Pension Liability	\$1,309,476	\$1,279,899
City's Covered-Employee Payroll	\$1,331,017	\$1,550,131
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	82.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date, which is the prior year end.

City of Norton, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.04933120%	0.04933120%
City's Proportionate Share of the Net Pension Liability	\$2,555,560	\$2,402,584
City's Covered-Employee Payroll	\$1,051,452	\$1,136,466
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	243.05%	211.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date, which is the prior year end.

City of Norton, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Three Years (1)

	2015	2014	2013
Contractually Required Contribution	\$137,568	\$159,722	\$201,517
Contributions in Relation to the Contractually Required Contribution	(137,568)	(159,722)	(201,517)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$1,146,400	\$1,331,017	\$1,550,131
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

City of Norton, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	2015	2014	2013	2012
Contractually Required Contribution	\$238,670	\$206,448	\$187,229	\$113,745
Contributions in Relation to the Contractually Required Contribution	<u>(238,670)</u>	<u>(206,448)</u>	<u>(187,229)</u>	<u>(113,745)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$1,187,377	\$1,051,452	\$1,136,466	\$855,682
Contributions as a Percentage of Covered-Employee Payroll:	20.10%	19.63%	16.47%	13.29%

2011	2010	2009	2008	2007	2006
\$132,626	\$155,561	\$155,546	\$159,301	\$178,132	\$157,429
(132,626)	(155,561)	(155,546)	(159,301)	(178,132)	(157,429)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,011,500	\$1,167,270	\$1,171,179	\$1,198,608	\$1,316,524	\$1,248,297
13.11%	13.33%	13.28%	13.29%	13.53%	12.61%

**Combining and Individual Fund
Statements and Schedules**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

Special Events Fund To account for and report various revenues to be committed to pay the cost of presenting fireworks at the annual cider festival.

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

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

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

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

Police Equipment Fund To account for and report towing administrative and storage fee revenues restricted for the purchase of equipment and vehicles for the police department.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

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

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

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

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

Scrap Tire Fund To account for and report various assigned revenues to provide for a scrap tire management and recovery program. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. The fund did not have any budgetary activity in 2015; therefore, budgetary information is not provided.

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

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

Buildings Fund To account for and report various revenues and expenditures assigned for constructing new operations and storage areas. The fund did not have any budgetary activity in 2015; therefore, budgetary information is not provided.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

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

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

Sanitary Sewers Fund To account for and report charges for services revenues and expenditures assigned for the construction and acquisition of capital sanitary sewer projects. The fund did not have any budgetary activity in 2015; therefore, budgetary information is not provided.

Nash Heights East Fund To account for and report grants and loan proceeds restricted for the construction of sanitary sewer lines located in the area.

Cleveland-Massillon Widening Fund To account for and report grants and loan proceeds restricted for the widening of this road.

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,251,014	\$95	\$626,981	\$2,878,090
Accounts Receivable	47,972	0	31,049	79,021
Intergovernmental Receivable	31,677	0	0	31,677
Interfund Receivable	17,300	0	0	17,300
Prepaid Items	1,000	0	0	1,000
Property Taxes Receivable	69,848	0	0	69,848
<i>Total Assets</i>	<u>\$2,418,811</u>	<u>\$95</u>	<u>\$658,030</u>	<u>\$3,076,936</u>
Liabilities				
Accounts Payable	\$235	\$0	\$0	\$235
Contracts Payable	0	0	128,244	128,244
Interfund Payable	36,000	0	0	36,000
Notes Payable	0	0	2,261	2,261
<i>Total Liabilities</i>	<u>36,235</u>	<u>0</u>	<u>130,505</u>	<u>166,740</u>
Deferred Inflows of Resources				
Property Taxes	63,239	0	0	63,239
Unavailable Revenue	26,531	0	0	26,531
<i>Total Deferred Inflows of Resources</i>	<u>89,770</u>	<u>0</u>	<u>0</u>	<u>89,770</u>
Fund Balances				
Nonspendable	1,000	0	0	1,000
Restricted	2,271,749	95	273,340	2,545,184
Committed	20,057	0	0	20,057
Assigned	0	0	254,185	254,185
<i>Total Fund Balances</i>	<u>2,292,806</u>	<u>95</u>	<u>527,525</u>	<u>2,820,426</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,418,811</u>	<u>\$95</u>	<u>\$658,030</u>	<u>\$3,076,936</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$63,938	\$0	\$0	\$63,938
Municipal Income Tax	0	0	6,950	6,950
Charges for Services	340,076	0	125,533	465,609
Licenses, Permits and Fees	3,944	0	0	3,944
Fines and Forfeitures	7,089	0	0	7,089
Intergovernmental	59,911	0	388,592	448,503
Interest	7	0	0	7
Other	100	2,216	0	2,316
<i>Total Revenues</i>	<u>475,065</u>	<u>2,216</u>	<u>521,075</u>	<u>998,356</u>
Expenditures				
Current:				
General Government	56,228	31	0	56,259
Security of Persons and Property	6,020	0	0	6,020
Transportation	46,000	0	0	46,000
Public Health Services	7,532	0	0	7,532
Capital Outlay	0	0	568,706	568,706
Debt Service:				
Principal Retirement	1,788	198,000	16,000	215,788
Interest and Fiscal Charges	678	115,405	3,920	120,003
<i>Total Expenditures</i>	<u>118,246</u>	<u>313,436</u>	<u>588,626</u>	<u>1,020,308</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>356,819</u>	<u>(311,220)</u>	<u>(67,551)</u>	<u>(21,952)</u>
Other Financing Sources (Uses)				
Transfers In	87,100	403,000	115,000	605,100
Transfers Out	0	(243,000)	0	(243,000)
<i>Total Other Financing Sources (Uses)</i>	<u>87,100</u>	<u>160,000</u>	<u>115,000</u>	<u>362,100</u>
<i>Net Change in Fund Balances</i>	443,919	(151,220)	47,449	340,148
<i>Fund Balances Beginning of Year</i>	<u>1,848,887</u>	<u>151,315</u>	<u>480,076</u>	<u>2,480,278</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,292,806</u></u>	<u><u>\$95</u></u>	<u><u>\$527,525</u></u>	<u><u>\$2,820,426</u></u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	State Highway Improvement	DARE Program	Drug Law Enforcement	Law Enforcement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$44,176	\$1,084	\$2,777	\$2,377
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	22,954	0	0	0
Interfund Receivable	17,300	0	0	0
Prepaid Items	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$84,430</u>	<u>\$1,084</u>	<u>\$2,777</u>	<u>\$2,377</u>
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Interfund Payable	36,000	0	0	0
<i>Total Liabilities</i>	<u>36,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	15,143	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>15,143</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	33,287	1,084	2,777	2,377
Committed	0	0	0	0
<i>Total Fund Balances</i>	<u>33,287</u>	<u>1,084</u>	<u>2,777</u>	<u>2,377</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$84,430</u>	<u>\$1,084</u>	<u>\$2,777</u>	<u>\$2,377</u>

<u>Law Enforcement Assistance</u>	<u>DWI Enforcement and Education</u>	<u>Cemetery</u>	<u>Special Events</u>	<u>Police and Fire Disability and Pension</u>	<u>Mayor's Court</u>
\$4,780	\$25,575	\$15,148	\$4,909	\$133,786	\$64,363
0	0	0	0	0	0
0	3,944	0	0	4,779	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	69,848	0
<u>\$4,780</u>	<u>\$29,519</u>	<u>\$15,148</u>	<u>\$4,909</u>	<u>\$208,413</u>	<u>\$64,363</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	63,239	0
0	0	0	0	11,388	0
0	0	0	0	74,627	0
0	0	0	0	0	0
4,780	29,519	0	0	133,786	64,363
0	0	15,148	4,909	0	0
<u>4,780</u>	<u>29,519</u>	<u>15,148</u>	<u>4,909</u>	<u>133,786</u>	<u>64,363</u>
<u>\$4,780</u>	<u>\$29,519</u>	<u>\$15,148</u>	<u>\$4,909</u>	<u>\$208,413</u>	<u>\$64,363</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2015

	Water System	Sanitary Sewer	Police Equipment	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$767,810	\$1,164,010	\$20,219	\$2,251,014
Accounts Receivable	28,621	19,351	0	47,972
Intergovernmental Receivable	0	0	0	31,677
Interfund Receivable	0	0	0	17,300
Prepaid Items	1,000	0	0	1,000
Property Taxes Receivable	0	0	0	69,848
<i>Total Assets</i>	<u>\$797,431</u>	<u>\$1,183,361</u>	<u>\$20,219</u>	<u>\$2,418,811</u>
Liabilities				
Accounts Payable	\$235	\$0	\$0	\$235
Interfund Payable	0	0	0	36,000
<i>Total Liabilities</i>	<u>235</u>	<u>0</u>	<u>0</u>	<u>36,235</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	63,239
Unavailable Revenue	0	0	0	26,531
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>89,770</u>
Fund Balances				
Nonspendable	1,000	0	0	1,000
Restricted	796,196	1,183,361	20,219	2,271,749
Committed	0	0	0	20,057
<i>Total Fund Balances</i>	<u>797,196</u>	<u>1,183,361</u>	<u>20,219</u>	<u>2,292,806</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$797,431</u>	<u>\$1,183,361</u>	<u>\$20,219</u>	<u>\$2,418,811</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, 2015

	<u>State Highway Improvement</u>	<u>DARE Program</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Fines and Forfeitures	0	0	400	1,918
Intergovernmental	49,267	0	0	0
Interest	7	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>49,274</u>	<u>0</u>	<u>400</u>	<u>1,918</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	46,000	0	0	0
Public Health Services	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>46,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,274	0	400	1,918
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	3,274	0	400	1,918
<i>Fund Balances Beginning of Year</i>	<u>30,013</u>	<u>1,084</u>	<u>2,377</u>	<u>459</u>
<i>Fund Balances End of Year</i>	<u><u>\$33,287</u></u>	<u><u>\$1,084</u></u>	<u><u>\$2,777</u></u>	<u><u>\$2,377</u></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, 2015

	Law Enforcement Assistance	DWI Enforcement and Education	Cemetery	Special Events
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	3,944	0	0
Fines and Forfeitures	0	2,139	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Other	0	0	0	100
<i>Total Revenues</i>	<u>0</u>	<u>6,083</u>	<u>0</u>	<u>100</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	6,020	0	0
Transportation	0	0	0	0
Public Health Services	0	0	5	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>6,020</u>	<u>5</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	63	(5)	100
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	0	63	(5)	100
<i>Fund Balances Beginning of Year</i>	<u>4,780</u>	<u>29,456</u>	<u>15,153</u>	<u>4,809</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,780</u></u>	<u><u>\$29,519</u></u>	<u><u>\$15,148</u></u>	<u><u>\$4,909</u></u>

Police and Fire Disability and Pension	Mayor's Court	Water System	Sanitary Sewer	Police Equipment	Total Nonmajor Special Revenue Funds
\$63,938	\$0	\$0	\$0	\$0	\$63,938
0	0	194,199	132,632	13,245	340,076
0	0	0	0	0	3,944
0	2,632	0	0	0	7,089
10,644	0	0	0	0	59,911
0	0	0	0	0	7
0	0	0	0	0	100
<u>74,582</u>	<u>2,632</u>	<u>194,199</u>	<u>132,632</u>	<u>13,245</u>	<u>475,065</u>
54,662	1,566	0	0	0	56,228
0	0	0	0	0	6,020
0	0	0	0	0	46,000
0	0	5,846	1,681	0	7,532
0	0	0	1,788	0	1,788
0	0	678	0	0	678
<u>54,662</u>	<u>1,566</u>	<u>6,524</u>	<u>3,469</u>	<u>0</u>	<u>118,246</u>
19,920	1,066	187,675	129,163	13,245	356,819
0	0	87,100	0	0	87,100
19,920	1,066	274,775	129,163	13,245	443,919
113,866	63,297	522,421	1,054,198	6,974	1,848,887
<u>\$133,786</u>	<u>\$64,363</u>	<u>\$797,196</u>	<u>\$1,183,361</u>	<u>\$20,219</u>	<u>\$2,292,806</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Streets, Highways and Bridges</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$197,469	\$14,964	\$194,124
Accounts Receivable	31,049	0	0
<i>Total Assets</i>	<u>\$228,518</u>	<u>\$14,964</u>	<u>\$194,124</u>
Liabilities			
Contracts Payable	\$0	\$0	\$4,028
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>4,028</u>
Fund Balances			
Restricted	0	0	190,096
Assigned	228,518	14,964	0
<i>Total Fund Balances</i>	<u>228,518</u>	<u>14,964</u>	<u>190,096</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$228,518</u>	<u>\$14,964</u>	<u>\$194,124</u>

<u>Storm Sewers</u>	<u>Sanitary Sewers</u>	<u>Cleveland - Massillon Widening</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$21,198 0	\$10,703 0	\$188,523 0	\$626,981 31,049
<u>\$21,198</u>	<u>\$10,703</u>	<u>\$188,523</u>	<u>\$658,030</u>
\$1,434 0	\$0 0	\$122,782 2,261	\$128,244 2,261
<u>1,434</u>	<u>0</u>	<u>125,043</u>	<u>130,505</u>
19,764 0	0 10,703	63,480 0	273,340 254,185
<u>19,764</u>	<u>10,703</u>	<u>63,480</u>	<u>527,525</u>
<u>\$21,198</u>	<u>\$10,703</u>	<u>\$188,523</u>	<u>\$658,030</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, 2015

	Land and Land Improvements	Buildings	Streets, Highways and Bridges
Revenues			
Municipal Income Tax	\$0	\$0	\$0
Charges for Services	125,533	0	0
Intergovernmental	0	0	75,429
<i>Total Revenues</i>	<u>125,533</u>	<u>0</u>	<u>75,429</u>
Expenditures			
Capital Outlay	92,487	0	131,300
Debt Service:			
Principal Retirement	16,000	0	0
Interest and Fiscal Charges	3,920	0	0
<i>Total Expenditures</i>	<u>112,407</u>	<u>0</u>	<u>131,300</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	13,126	0	(55,871)
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	13,126	0	(55,871)
<i>Fund Balances Beginning of Year</i>	<u>215,392</u>	<u>14,964</u>	<u>245,967</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$228,518</u></u>	<u><u>\$14,964</u></u>	<u><u>\$190,096</u></u>

<u>Storm Sewers</u>	<u>Sanitary Sewers</u>	<u>Nash Heights East</u>	<u>Cleveland - Massillon Widening</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$0	\$6,950	\$0	\$6,950
0	0	0	0	125,533
0	0	0	313,163	388,592
0	0	6,950	313,163	521,075
15,236	0	0	329,683	568,706
0	0	0	0	16,000
0	0	0	0	3,920
15,236	0	0	329,683	588,626
(15,236)	0	6,950	(16,520)	(67,551)
35,000	0	0	80,000	115,000
19,764	0	6,950	63,480	47,449
0	10,703	(6,950)	0	480,076
<u>\$19,764</u>	<u>\$10,703</u>	<u>\$0</u>	<u>\$63,480</u>	<u>\$527,525</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 ensure 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, 2015

	Beginning Balance 12/31/14	Additions	Deductions	Ending Balance 12/31/15
General Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$108,519	\$68,895	\$83,475	\$93,939
Liabilities				
Undistributed Assets	\$108,519	\$68,895	\$83,475	\$93,939
Building Standards				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$179	\$330	\$322	\$187
Liabilities				
Undistributed Assets	\$179	\$330	\$322	\$187
Total Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$108,698	\$69,225	\$83,797	\$94,126
Liabilities				
Undistributed Assets	\$108,698	\$69,225	\$83,797	\$94,126

**Individual Fund Schedules of Revenues,
Expenditures and Changes in Fund Balances -
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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$398,566	\$388,260	\$341,003	(\$47,257)
Municipal Income Tax	3,334,674	3,334,674	5,048,137	1,713,463
Charges for Services	570,017	570,017	164,466	(405,551)
Licenses, Permits and Fees	190,269	190,269	54,898	(135,371)
Fines and Forfeitures	119,697	119,697	34,536	(85,161)
Intergovernmental	304,237	304,237	411,010	106,773
Interest	14,255	14,255	4,113	(10,142)
Other	176,312	176,312	50,871	(125,441)
<i>Total Revenues</i>	5,108,027	5,097,721	6,109,034	1,011,313
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	35,135	35,135	31,695	3,440
Fringe Benefits	16,256	16,256	16,256	0
Purchased Services	2,066	2,066	2,066	0
Total Mayor	53,457	53,457	50,017	3,440
City Council:				
Salaries and Wages	122,386	122,386	99,066	23,320
Fringe Benefits	36,189	36,189	36,189	0
Purchased Services	13,596	13,596	13,596	0
Materials and Supplies	47	47	47	0
Capital Outlay	832	832	832	0
Total City Council	173,050	173,050	149,730	23,320
Mayor's Court:				
Salaries and Wages	68,986	68,986	55,461	13,525
Fringe Benefits	11,569	11,569	11,569	0
Purchased Services	1,063	1,063	1,063	0
Other	178	178	178	0
Total Mayor's Court	\$81,796	\$81,796	\$68,271	\$13,525

(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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance Office:				
Salaries and Wages	\$242,987	\$242,987	\$157,035	\$85,952
Fringe Benefits	63,082	63,082	63,082	0
Purchased Services	18,525	18,525	18,525	0
Materials and Supplies	417	417	417	0
Capital Outlay	2,000	2,000	2,000	0
Other	880	880	880	0
Total Finance Office	327,891	327,891	241,939	85,952
Income Tax:				
Salaries and Wages	6,903	6,903	4,790	2,113
Fringe Benefits	3,057	3,057	2,127	930
Purchased Services	385,172	385,172	436,113	(50,941)
Capital Outlay	100	100	100	0
Total Income Tax	395,232	395,232	443,130	(47,898)
Law Director:				
Salaries and Wages	12,706	12,706	10,712	1,994
Fringe Benefits	3,309	3,309	2,011	1,298
Purchased Services	69,255	69,255	69,255	0
Total Law Director	85,270	85,270	81,978	3,292
Engineer:				
Purchased Services	69,389	69,389	69,389	0
Capital Outlay	769	769	769	0
Other	31	31	31	0
Total Engineer	70,189	70,189	70,189	0
Administrative Officer:				
Salaries and Wages	100,195	100,195	91,338	8,857
Fringe Benefits	49,428	49,428	49,428	0
Purchased Services	751	751	751	0
Other	172	172	172	0
Total Administrative Officer	\$150,546	\$150,546	\$141,689	\$8,857

(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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Planning Commission:				
Purchased Services	\$630	\$630	\$630	\$0
Other	14	14	14	0
Total Planning Commission	644	644	644	0
Records Commission:				
Purchased Services	238	238	238	\$0
Capital Outlay	191	191	191	0
Total Records Commission	429	429	429	0
Other General Government:				
Salaries and Wages	44,412	44,412	18,810	25,602
Fringe Benefits	32,622	32,622	32,622	0
Purchased Services	775,089	775,089	775,089	0
Materials and Supplies	5,086	5,086	5,086	0
Total Other General Government	857,209	857,209	831,607	25,602
Parks and Recreation Board:				
Purchased Services	5,714	5,714	5,714	0
Other	37	37	37	0
Total Parks and Recreation Board	5,751	5,751	5,751	0
Building and Zoning Board:				
Purchased Services	16,560	16,560	16,560	0
Other	15	15	15	0
Total Building and Zoning Board	16,575	16,575	16,575	0
Civil Service Commission:				
Purchased Services	9,887	9,887	9,887	0
Storm Sewer:				
Purchased Services	59,807	59,807	59,807	0
Total General Government	\$2,287,733	\$2,287,733	\$2,171,643	\$116,090

(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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Police:				
Salaries and Wages	\$1,816,762	\$1,816,762	\$1,100,455	\$716,307
Fringe Benefits	581,217	581,217	474,161	107,056
Purchased Services	108,913	108,913	108,913	0
Materials and Supplies	80,812	80,812	80,812	0
Capital Outlay	275,842	275,842	275,842	0
Other	333	333	333	0
Total Security of Persons and Property	<u>2,863,879</u>	<u>2,863,879</u>	<u>2,040,516</u>	<u>823,363</u>
Community Environment:				
Community Development:				
Purchased Services	44,000	44,000	44,000	0
Building:				
Salaries and Wages	117,837	117,837	28,426	89,411
Fringe Benefits	10,017	10,017	8,518	1,499
Purchased Services	13,728	13,728	13,728	0
Materials and Supplies	2,677	2,677	2,677	0
Capital Outlay	1,000	1,000	1,000	0
Other	334	334	334	0
Total Building	<u>145,593</u>	<u>145,593</u>	<u>54,683</u>	<u>90,910</u>
Total Community Environment	<u>189,593</u>	<u>189,593</u>	<u>98,683</u>	<u>90,910</u>
Leisure Time Activities:				
Recreation Center:				
Salaries and Wages	191,788	191,788	153,607	38,181
Fringe Benefits	20,309	20,309	20,309	0
Purchased Services	33,612	33,612	33,612	0
Materials and Supplies	2,379	2,379	2,379	0
Total Leisure Time Activities	<u>248,088</u>	<u>248,088</u>	<u>209,907</u>	<u>38,181</u>
<i>Total Expenditures</i>	<u>5,589,293</u>	<u>5,589,293</u>	<u>4,520,749</u>	<u>1,068,544</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$481,266)</u>	<u>(\$491,572)</u>	<u>\$1,588,285</u>	<u>\$2,079,857</u>

(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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Proceeds of Notes	\$0	\$0	\$267,739	\$267,739
Advances Out	(445,686)	(445,686)	(36,000)	409,686
Transfers Out	(1,082,337)	(1,182,337)	(1,491,392)	(309,055)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,528,023)</u>	<u>(1,628,023)</u>	<u>(1,259,653)</u>	<u>368,370</u>
<i>Net Change in Fund Balance</i>	(2,009,289)	(2,119,595)	328,632	2,448,227
<i>Fund Balance Beginning of Year</i>	2,527,110	2,527,110	2,527,110	0
Prior Year Encumbrances Appropriated	<u>416,662</u>	<u>416,662</u>	<u>416,662</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$934,483</u>	<u>\$824,177</u>	<u>\$3,272,404</u>	<u>\$2,448,227</u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$31,741	\$31,741	\$20,008	(\$11,733)
Intergovernmental	1,036,654	1,036,654	653,458	(383,196)
Interest	273	273	172	(101)
Other	50,962	50,962	32,125	(18,837)
<i>Total Revenues</i>	<u>1,119,630</u>	<u>1,119,630</u>	<u>705,763</u>	<u>(413,867)</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	591,190	591,190	378,240	212,950
Fringe Benefits	235,831	235,831	235,831	0
Purchased Services	41,285	41,285	53,616	(12,331)
Materials and Supplies	404,689	404,689	525,849	(121,160)
Capital Outlay	65,576	65,576	81,621	(16,045)
<i>Total Expenditures</i>	<u>1,338,571</u>	<u>1,338,571</u>	<u>1,275,157</u>	<u>63,414</u>
<i>Excess of Revenues Under Expenditures</i>	(218,941)	(218,941)	(569,394)	(350,453)
Other Financing Sources				
Transfers In	504,000	504,000	552,292	48,292
<i>Net Change in Fund Balance</i>	285,059	285,059	(17,102)	(302,161)
<i>Fund Balance Beginning of Year</i>	569,419	569,419	569,419	0
Prior Year Encumbrances Appropriated	31,160	31,160	31,160	0
<i>Fund Balance End of Year</i>	<u>\$885,638</u>	<u>\$885,638</u>	<u>\$583,477</u>	<u>(\$302,161)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Property Taxes	\$1,893,188	\$1,821,176	\$1,596,307	(\$224,869)
Charges for Services	169,880	169,880	311,683	141,803
Intergovernmental	248,010	248,010	602,658	354,648
Other	12,536	12,536	34,498	21,962
<i>Total Revenues</i>	<u>2,323,614</u>	<u>2,251,602</u>	<u>2,545,146</u>	<u>293,544</u>
Expenditures				
Current:				
Security of Persons and Property:				
Salaries and Wages	1,134,197	1,134,197	1,001,957	132,240
Fringe Benefits	383,285	383,285	383,285	0
Purchased Services	125,007	125,007	196,577	(71,570)
Materials and Supplies	31,770	31,770	45,752	(13,982)
Capital Outlay	386,701	386,701	637,529	(250,828)
Total Security of Persons and Property	<u>2,060,960</u>	<u>2,060,960</u>	<u>2,265,100</u>	<u>(204,140)</u>
Debt Service:				
Principal Retirement	225,000	225,000	225,000	0
Interest and Fiscal Charges	2,813	2,813	2,813	0
Total Debt Service	<u>227,813</u>	<u>227,813</u>	<u>227,813</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,288,773</u>	<u>2,288,773</u>	<u>2,492,913</u>	<u>(204,140)</u>
<i>Net Change in Fund Balance</i>	34,841	(37,171)	52,233	89,404
<i>Fund Balance Beginning of Year</i>	1,252,023	1,252,023	1,252,023	0
Prior Year Encumbrances Appropriated	<u>101,523</u>	<u>101,523</u>	<u>101,523</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,388,387</u></u>	<u><u>\$1,316,375</u></u>	<u><u>\$1,405,779</u></u>	<u><u>\$89,404</u></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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Special Assessments	\$386,182	\$386,182	\$203,517	(\$182,665)
Expenditures				
Current:				
General Government:				
Purchase Services	276,971	276,971	3,554	273,417
Debt Service:				
Principal Retirement:				
1996 Special Assessment Bonds	10,000	10,000	10,000	0
2010 Various Purpose Bonds - Series B	50,000	50,000	50,000	0
2012 Various Purpose Bonds	26,000	26,000	26,000	0
2012 Barber Road Refunding Bonds	46,250	46,250	46,250	0
Total Principal Retirement	132,250	132,250	132,250	0
Interest and Fiscal Charges:				
1996 Special Assessment Bonds	1,320	1,320	1,320	0
2010 Various Purpose Bonds - Series B	43,654	43,654	43,654	0
2012 Various Purpose Bonds	19,462	19,462	19,462	0
2012 Barber Road Refunding Bonds	13,083	13,083	13,083	0
Total Interest and Fiscal Charges	77,519	77,519	77,519	0
Total Debt Service	209,769	209,769	209,769	0
<i>Total Expenditures</i>	486,740	486,740	213,323	273,417
<i>Excess of Revenues Under Expenditures</i>	(100,558)	(100,558)	(9,806)	90,752
Other Financing Sources				
Transfers In	8,096	8,096	26,100	18,004
<i>Net Change in Fund Balance</i>	(92,462)	(92,462)	16,294	108,756
<i>Fund Balance Beginning of Year</i>	114,498	114,498	114,498	0
<i>Fund Balance End of Year</i>	\$22,036	\$22,036	\$130,792	\$108,756

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water and Sewer Improvements Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Municipal Income Tax	\$565,232	\$565,232	\$617,649	\$52,417
Expenditures				
Capital Outlay:				
Purchased Services	154,027	790,735	553,155	237,580
Capital Outlay	9,129	26,389	2,238	24,151
Total Capital Outlay	163,156	817,124	555,393	261,731
Debt Service:				
Principal Retirement	76,962	76,962	76,962	0
Interest and Fiscal Charges	22,277	22,277	22,277	0
Total Debt Service	99,239	99,239	99,239	0
<i>Total Expenditures</i>	262,395	916,363	654,632	261,731
<i>Net Change in Fund Balance</i>	302,837	(351,131)	(36,983)	314,148
<i>Fund Balance Beginning of Year</i>	1,407,371	1,407,371	1,407,371	0
Prior Year Encumbrances Appropriated	179,656	179,656	179,656	0
<i>Fund Balance End of Year</i>	<u>\$1,889,864</u>	<u>\$1,235,896</u>	<u>\$1,550,044</u>	<u>\$314,148</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$47,713	\$49,726	\$2,013
Interest	7	7	0
<i>Total Revenues</i>	47,720	49,733	2,013
Expenditures			
Current:			
Transportation:			
State Highway:			
Materials and Supplies	82,000	46,000	36,000
<i>Excess of Revenues Over (Under) Expenditures</i>	(34,280)	3,733	38,013
Other Financing Sources			
Advances In	36,000	36,000	0
<i>Net Change in Fund Balance</i>	1,720	39,733	38,013
<i>Fund Balance Beginning of Year</i>	4,443	4,443	0
<i>Fund Balance End of Year</i>	\$6,163	\$44,176	\$38,013

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$21,231	\$0	(\$21,231)
Expenditures			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Salaries and Wages	22,431	0	22,431
<i>Net Change in Fund Balance</i>	(1,200)	0	1,200
<i>Fund Balance Beginning of Year</i>	1,084	1,084	0
<i>Fund Balance (Deficit) End of Year</i>	(\$116)	\$1,084	\$1,200

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$35	\$400	\$365
Expenditures			
Current:			
Security of Persons and Property:			
Drug Law Enforcement:			
Capital Outlay	6,800	0	6,800
<i>Net Change in Fund Balance</i>	(6,765)	400	7,165
<i>Fund Balance Beginning of Year</i>	2,377	2,377	0
<i>Fund Balance (Deficit) End of Year</i>	(\$4,388)	\$2,777	\$7,165

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$0	\$1,918	\$1,918
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Capital Outlay	4,300	0	4,300
<i>Net Change in Fund Balance</i>	(4,300)	1,918	6,218
<i>Fund Balance Beginning of Year</i>	459	459	0
<i>Fund Balance (Deficit) End of Year</i>	(\$3,841)	\$2,377	\$6,218

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(2,000)	0	2,000
<i>Fund Balance Beginning of Year</i>	4,780	4,780	0
<i>Fund Balance End of Year</i>	\$2,780	\$4,780	\$2,000

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$8,150	\$2,464	(\$5,686)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	21,020	6,020	15,000
<i>Net Change in Fund Balance</i>	(12,870)	(3,556)	9,314
<i>Fund Balance Beginning of Year</i>	20,710	20,710	0
Prior Year Encumbrances Appropriated	8,421	8,421	0
<i>Fund Balance End of Year</i>	<u>\$16,261</u>	<u>\$25,575</u>	<u>\$9,314</u>

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$500	\$0	(\$500)
Expenditures			
Current:			
Public Health Services:			
Cemetery:			
Other	1,500	0	1,500
<i>Net Change in Fund Balance</i>	(1,000)	0	1,000
<i>Fund Balance Beginning of Year</i>	15,148	15,148	0
<i>Fund Balance End of Year</i>	\$14,148	\$15,148	\$1,000

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Events Fund
For the Year Ended December 31, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$7,000	\$260	(\$6,740)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	7,000	260	(6,740)
Other Financing Sources			
Transfers In	<u>3,000</u>	<u>0</u>	<u>(3,000)</u>
<i>Net Change in Fund Balance</i>	10,000	260	(9,740)
<i>Fund Balance Beginning of Year</i>	<u>4,649</u>	<u>4,649</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,649</u></u>	<u><u>\$4,909</u></u>	<u><u>(\$9,740)</u></u>

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$72,799	\$63,938	(\$8,861)
Intergovernmental	2,051	10,644	8,593
<i>Total Revenues</i>	<u>74,850</u>	<u>74,582</u>	<u>(268)</u>
Expenditures			
Current:			
General Government:			
Police and Fire Disability and Pension:			
Fringe Benefits	81,066	53,528	27,538
Purchase Services	1,134	1,134	0
<i>Total Expenditures</i>	<u>82,200</u>	<u>54,662</u>	<u>27,538</u>
<i>Net Change in Fund Balance</i>	(7,350)	19,920	27,270
<i>Fund Balance Beginning of Year</i>	<u>113,866</u>	<u>113,866</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$106,516</u></u>	<u><u>\$133,786</u></u>	<u><u>\$27,270</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$5,700	\$2,632	(\$3,068)
Expenditures			
Current:			
General Government:			
Mayor's Court:			
Purchased Services	5,250	0	5,250
<i>Net Change in Fund Balance</i>	450	2,632	2,182
<i>Fund Balance Beginning of Year</i>	61,431	61,431	0
Prior Year Encumbrances Appropriated	300	300	0
<i>Fund Balance End of Year</i>	\$62,181	\$64,363	\$2,182

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$135,000	\$185,906	\$50,906
Expenditures			
Current:			
Public Health Services:			
Waterline Improvement:			
Purchased Services	277,850	7,237	270,613
<i>Net Change in Fund Balance</i>	(142,850)	178,669	321,519
<i>Fund Balance Beginning of Year</i>	584,956	584,956	0
Prior Year Encumbrances Appropriated	3,760	3,760	0
<i>Fund Balance End of Year</i>	<u>\$445,866</u>	<u>\$767,385</u>	<u>\$321,519</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$85,000	\$125,950	\$40,950
Expenditures			
Current:			
Public Health Services:			
Sewerline Improvement:			
Purchased Services	281,451	3,707	277,744
Debt Service:			
Principal Retirement	1,788	1,788	0
<i>Total Expenditures</i>	283,239	5,495	277,744
<i>Net Change in Fund Balance</i>	(198,239)	120,455	318,694
<i>Fund Balance Beginning of Year</i>	1,039,506	1,039,506	0
Prior Year Encumbrances Appropriated	2,039	2,039	0
<i>Fund Balance End of Year</i>	\$843,306	\$1,162,000	\$318,694

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Equipment Fund
For the Year Ended December 31, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$0	\$13,245	\$13,245
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	13,245	13,245
<i>Fund Balance Beginning of Year</i>	<u>6,974</u>	<u>6,974</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,974</u></u>	<u><u>\$20,219</u></u>	<u><u>\$13,245</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$40,271	\$69,819	\$29,548
Interest	38	67	29
<i>Total Revenues</i>	<u>40,309</u>	<u>69,886</u>	<u>29,577</u>
Expenditures			
Current:			
Transportation:			
Special Permissive License Plate Tax:			
Purchased Services	16,622	13,640	2,982
Materials and Supplies	116,142	89,935	26,207
Capital Outlay	<u>724,892</u>	<u>572,113</u>	<u>152,779</u>
<i>Total Expenditures</i>	<u>857,656</u>	<u>675,688</u>	<u>181,968</u>
<i>Excess of Revenues Under Expenditures</i>	(817,347)	(605,802)	211,545
Other Financing Sources			
Transfers In	<u>327,831</u>	<u>395,000</u>	<u>67,169</u>
<i>Net Change in Fund Balance</i>	(489,516)	(210,802)	278,714
<i>Fund Balance Beginning of Year</i>	214,600	214,600	0
Prior Year Encumbrances Appropriated	<u>38,279</u>	<u>38,279</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$236,637)</u></u>	<u><u>\$42,077</u></u>	<u><u>\$278,714</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$6,500	\$6,912	\$412
Expenditures			
Current:			
Leisure Time Activities:			
Community Recreation:			
Salaries and Wages	3,009	1,946	1,063
Fringe Benefits	267	259	8
Purchased Services	90,315	87,564	2,751
<i>Total Expenditures</i>	93,591	89,769	3,822
<i>Excess of Revenues Under Expenditures</i>	(87,091)	(82,857)	4,234
Other Financing Sources			
Transfers In	25,000	0	(25,000)
<i>Net Change in Fund Balance</i>	(62,091)	(82,857)	(20,766)
<i>Fund Balance Beginning of Year</i>	37,292	37,292	0
Prior Year Encumbrances Appropriated	565	565	0
<i>Fund Deficit End of Year</i>	(\$24,234)	(\$45,000)	(\$20,766)

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$1	\$0	(\$1)
Expenditures			
Current:			
Leisure Time Activities:			
Historical Greenwich Road:			
Purchased Services	2,600	1,380	1,220
<i>Excess of Revenues Under Expenditures</i>	(2,599)	(1,380)	1,219
Other Financing Sources			
Transfers In	2,600	0	(2,600)
<i>Net Change in Fund Balance</i>	1	(1,380)	(1,381)
<i>Fund Balance Beginning of Year</i>	3,820	3,820	0
<i>Fund Balance End of Year</i>	<u>\$3,821</u>	<u>\$2,440</u>	<u>(\$1,381)</u>

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$3,343	\$9,838	6,495
Expenditures			
Current:			
General Government:			
Recycling:			
Purchased Services	10,500	3,661	6,839
<i>Net Change in Fund Balance</i>	(7,157)	6,177	13,334
<i>Fund Balance Beginning of Year</i>	11,890	11,890	0
<i>Fund Balance End of Year</i>	\$4,733	\$18,067	\$13,334

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Public Health Services:			
Brentwood Waterlines:			
Purchased Services	1,500	0	1,500
<i>Net Change in Fund Balance</i>	(1,500)	0	1,500
<i>Fund Balance Beginning of Year</i>	59,622	59,622	0
Prior Year Encumbrances Appropriated	288	288	0
<i>Fund Balance End of Year</i>	\$58,410	\$59,910	\$1,500

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$581,765	\$2,216	(\$579,549)
Expenditures			
Current:			
General Government:			
Purchased Services	25,224	30	25,194
Debt Service:			
Principal Retirement:			
Land Acquisition	160,000	160,000	0
Lindeman Land	80,000	80,000	0
2010 Various Purpose Bonds - Series A	75,000	75,000	0
2012 General Obligation Refunding Bonds	123,000	123,000	0
Total Principal Retirement	438,000	438,000	0
Interest and Fiscal Charges:			
Land Acquisition	2,000	2,000	0
Lindeman Land	1,000	1,000	0
2010 Various Purpose Bonds - Series A	100,785	100,785	0
2012 General Obligation Refunding Bonds	14,620	14,620	0
Total Interest and Fiscal Charges	118,405	118,405	0
Total Debt Service	556,405	556,405	0
<i>Total Expenditures</i>	581,629	556,435	25,194
<i>Excess of Revenues Over (Under) Expenditures</i>	136	(554,219)	(554,355)
Other Financing Sources			
Transfers In	814,805	403,000	(411,805)
<i>Net Change in Fund Balance</i>	814,941	(151,219)	(966,160)
<i>Fund Balance Beginning of Year</i>	151,315	151,315	0
<i>Fund Balance End of Year</i>	\$966,256	\$96	(\$966,160)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$131,000	\$125,041	(\$5,959)
Expenditures			
Capital Outlay:			
Purchased Services	110,200	100,362	9,838
Debt Service:			
Principal Retirement	16,000	16,000	0
Interest and Fiscal Charges	3,920	3,920	0
Total Debt Service	19,920	19,920	0
<i>Total Expenditures</i>	130,120	120,282	9,838
<i>Net Change in Fund Balance</i>	880	4,759	3,879
<i>Fund Balance Beginning of Year</i>	184,834	184,834	0
<i>Fund Balance End of Year</i>	\$185,714	\$189,593	\$3,879

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$3,854,996	\$83,752	(\$3,771,244)
Expenditures			
Capital Outlay:			
Capital Outlay	203,933	192,882	11,051
<i>Net Change in Fund Balance</i>	3,651,063	(109,130)	(3,760,193)
<i>Fund Balance Beginning of Year</i>	83,485	83,485	0
Prior Year Encumbrances Appropriated	183,933	183,933	0
<i>Fund Balance End of Year</i>	<u>\$3,918,481</u>	<u>\$158,288</u>	<u>(\$3,760,193)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Sewers Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	0	35,000	(35,000)
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(35,000)	(35,000)
Other Financing Sources			
Transfers In	0	35,000	35,000
<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
Wadsworth/Summit Road Sanitary Sewers Fund
For the Year Ended December 31, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	396,525	0	(396,525)
Expenditures			
Capital Outlay:			
Capital Outlay	1,349,551	0	1,349,551
<i>Net Change in Fund Balance</i>	(953,026)	0	953,026
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$953,026)	\$0	\$953,026

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Nash Heights East Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Tax	\$0	\$6,950	\$6,950
Intergovernmental	2,500,000	0	(2,500,000)
<i>Total Revenues</i>	2,500,000	6,950	(2,493,050)
Expenditures			
Capital Outlay:			
Capital Outlay	2,975,000	6,950	2,968,050
<i>Net Change in Fund Balance</i>	(475,000)	0	475,000
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$475,000)	\$0	\$475,000

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland-Massillon Widening Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$313,163	\$313,163
Expenditures			
Capital Outlay:			
Capital Outlay	638,000	393,782	244,218
<i>Excess of Revenues Under Expenditures</i>	(638,000)	(80,619)	557,381
Other Financing Sources			
Proceeds of Notes	0	2,261	(2,261)
Transfers In	0	80,000	(80,000)
<i>Total Other Financing Sources</i>	0	82,261	(82,261)
<i>Net Change in Fund Balance</i>	(638,000)	1,642	475,120
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$638,000)	\$1,642	\$475,120

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Greenwich Pump Station Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	350,000	0	350,000
<i>Net Change in Fund Balance</i>	(350,000)	0	350,000
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$350,000)	\$0	\$350,000

(This Page Intentionally Left Blank)

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Statistical

Section



2015

(This Page Intentionally Left Blank)

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>
<u>Financial Trends</u>	<u>S2-S11</u>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	<u>S12-S20</u>
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.	
<u>Debt Capacity</u>	<u>S21-S25</u>
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.	
<u>Economic and Demographic Information</u>	<u>S26-S28</u>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<u>Operating Information</u>	<u>S30-S37</u>
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.

City of Norton, Ohio
Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)

	<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities				
Net Investment in Capital Assets	\$19,026,829	\$17,549,395	\$15,997,153	\$15,103,220
Restricted:				
Capital Projects	255,837	298,792	319,094	454,614
Debt Service	1,883,002	2,135,396	2,206,606	2,269,790
Police	133,343	108,101	87,313	62,123
Fire/EMS	1,919,138	1,714,333	1,600,748	1,338,729
Transportation	972,141	960,450	1,035,559	780,096
Sewerline/Waterline Maintenance	1,980,557	1,662,644	1,621,036	1,497,061
Other Purposes	64,363	63,297	60,950	57,990
Unclaimed Monies	8,329	8,329	7,033	6,633
Unrestricted	<u>3,736,490</u>	<u>3,152,937</u>	<u>6,049,719</u>	<u>5,446,624</u>
<i>Total Governmental Activities Net Position</i>	<u><u>\$29,980,029</u></u>	<u><u>\$27,653,674</u></u>	<u><u>\$28,985,211</u></u>	<u><u>\$27,016,880</u></u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2015.

2011	2010	2009	2008	2007	2006
\$15,529,859	\$14,229,214	\$12,983,587	\$10,673,140	\$9,834,555	\$7,828,844
325,017	949,705	966,739	768,494	423,673	979,920
399,345	383,156	682,976	820,130	918,452	955,831
83,564	66,161	33,363	45,893	36,217	34,637
1,186,143	1,632,559	922,576	735,962	186,546	315,989
647,652	504,317	992,559	1,012,433	1,063,984	1,593,221
851,439	717,047	1,304,656	1,146,715	881,202	655,415
52,709	113,047	160,556	393,029	180,234	48,876
5,320	5,320	0	0	0	0
4,212,600	2,972,863	1,570,092	1,365,408	2,070,283	2,185,965
<u>\$23,293,648</u>	<u>\$21,573,389</u>	<u>\$19,617,104</u>	<u>\$16,961,204</u>	<u>\$15,595,146</u>	<u>\$14,598,698</u>

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

	2015 (1)	2014	2013	2012
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$320,652	\$301,110	\$361,645	\$2,264,295
Security of Persons and Property	390,310	457,479	452,148	410,342
Transportation	20,008	80,220	45,147	5,346
Community Environment	4,381	14,538	11,415	13,861
Public Health Services	326,831	283,247	269,186	335,691
Leisure Time Activities	11,498	6,418	4,862	3,977
Subtotal - Charges for Services	<u>1,073,680</u>	<u>1,143,012</u>	<u>1,144,403</u>	<u>3,033,512</u>
Operating Grants and Contributions:				
General Government	20,362	21,670	15,076	0
Security of Persons and Property	600,938	244,608	285,302	236,940
Transportation	730,329	754,921	776,227	759,919
Community Environment	0	0	0	0
Leisure Time Activities	8,314	2,912	0	0
Subtotal - Operating Grants and Contributions	<u>1,359,943</u>	<u>1,024,111</u>	<u>1,076,605</u>	<u>996,859</u>
Capital Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	335,767	554,695	214,930	145,167
Public Health Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>335,767</u>	<u>554,695</u>	<u>214,930</u>	<u>145,167</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,769,390</u>	<u>2,721,818</u>	<u>2,435,938</u>	<u>4,175,538</u>
Expenses				
Governmental Activities:				
General Government	2,215,323	1,897,592	1,936,401	2,024,702
Security of Persons and Property	4,279,816	4,054,819	4,046,180	3,404,024
Transportation	1,861,856	2,219,620	1,585,557	1,369,735
Community Environment	83,176	182,717	176,888	205,175
Public Health Services	26,810	279,427	88,571	90,538
Leisure Time Activities	359,994	115,566	153,148	132,009
Interest and Fiscal Charges	218,992	218,845	250,152	355,527
<i>Total Governmental Activities Expenses</i>	<u>9,045,967</u>	<u>8,968,586</u>	<u>8,236,897</u>	<u>7,581,710</u>
Net (Expense)/Revenue	<u>(\$6,276,577)</u>	<u>(\$6,246,768)</u>	<u>(\$5,800,959)</u>	<u>(\$3,406,172)</u>

2011	2010	2009	2008	2007	2006
\$302,108	\$276,251	\$300,905	\$301,207	\$227,855	\$252,100
598,990	297,053	360,415	396,414	408,448	460,447
97,791	19,669	17,867	44,801	15,047	12,295
9,913	11,201	9,121	14,141	19,018	32,387
98,585	583,767	229,682	313,884	321,192	214,416
8,123	113,014	9,285	7,983	9,893	1,349
<u>1,115,510</u>	<u>1,300,955</u>	<u>927,275</u>	<u>1,078,430</u>	<u>1,001,453</u>	<u>972,994</u>
0	0	33,741	1,520	9,030	48,886
245,158	431,812	293,797	190,692	57,822	89,332
776,542	1,040,826	861,965	835,367	751,886	908,733
0	0	0	0	4,293	0
0	0	0	0	0	7,353
<u>1,021,700</u>	<u>1,472,638</u>	<u>1,189,503</u>	<u>1,027,579</u>	<u>823,031</u>	<u>1,054,304</u>
0	0	0	27,549	47,346	0
0	0	0	0	125,852	0
257,935	3,971	1,156,369	12,282	0	512,808
8,388	377,076	597,946	53,216	0	503,239
0	0	247,550	0	146,993	0
<u>266,323</u>	<u>381,047</u>	<u>2,001,865</u>	<u>93,047</u>	<u>320,191</u>	<u>1,016,047</u>
<u>2,403,533</u>	<u>3,154,640</u>	<u>4,118,643</u>	<u>2,199,056</u>	<u>2,144,675</u>	<u>3,043,345</u>
1,867,424	2,162,226	2,125,361	1,960,544	1,797,290	2,258,088
3,894,241	4,596,289	3,663,609	3,635,906	3,486,686	3,697,437
1,361,018	942,026	1,350,060	1,890,748	1,305,616	1,105,515
136,519	207,963	215,613	264,377	266,813	310,737
336,423	0	149,466	134,428	167,598	101,908
173,648	151,742	130,210	187,932	172,172	230,960
280,450	241,181	219,038	130,774	174,121	169,150
<u>8,049,723</u>	<u>8,301,427</u>	<u>7,853,357</u>	<u>8,204,709</u>	<u>7,370,296</u>	<u>7,873,795</u>
<u>(\$5,646,190)</u>	<u>(\$5,146,787)</u>	<u>(\$3,734,714)</u>	<u>(\$6,005,653)</u>	<u>(\$5,225,621)</u>	<u>(\$4,830,450)</u>

(continued)

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

	2015 (1)	2014	2013	2012
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$337,438	\$344,483	\$334,169	\$382,368
Police and Fire Disability and Pension	63,270	64,597	62,650	63,078
Fire/EMS	1,762,935	1,636,440	1,651,119	1,215,093
Municipal Income Taxes levied for				
General Purposes	5,236,793	4,523,622	4,391,800	4,316,218
Debt Service	0	0	0	0
Capital Projects	0	0	0	0
Street Repair and Maintenance	0	0	0	0
Water and Sewer Improvements	648,945	624,802	694,590	549,706
Grants and Entitlements not Restricted to Specific Programs	422,526	430,244	455,722	409,661
Interest	4,355	4,331	6,920	6,069
Other	126,670	112,396	172,320	187,211
<i>Total Governmental Activities</i>	<u>8,602,932</u>	<u>7,740,915</u>	<u>7,769,290</u>	<u>7,129,404</u>
Change in Net Position	<u>\$2,326,355</u>	<u>\$1,494,147</u>	<u>\$1,968,331</u>	<u>\$3,723,232</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2011	2010	2009	2008	2007	2006
\$337,450	\$379,153	\$378,213	\$357,431	\$430,607	\$420,666
71,888	88,107	70,915	67,018	81,662	77,621
1,303,819	1,285,947	1,281,165	1,326,211	742,025	675,222
4,227,715	3,745,475	3,461,568	3,903,789	2,759,385	3,383,613
80,000	113,273	0	0	252,565	337,550
0	0	0	0	157,456	79,365
0	0	0	0	542,585	784,923
406,234	310,855	135,842	0	0	0
753,015	908,884	811,264	1,577,087	953,675	857,119
6,412	9,242	75,019	101,997	282,650	276,651
179,916	262,136	176,628	38,178	19,459	65,968
7,366,449	7,103,072	6,390,614	7,371,711	6,222,069	6,958,698
\$1,720,259	\$1,956,285	\$2,655,900	\$1,366,058	\$996,448	\$2,128,248

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

	2015	2014	2013	2012
General Fund				
Nonspendable	\$26,969	\$37,610	\$98,982	\$44,748
Committed	139,396	288,342	288,560	119,975
Assigned	1,319,338	2,294,197	897,613	424,568
Unassigned	2,432,922	1,057,499	2,661,398	3,154,498
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	<u>3,918,625</u>	<u>3,677,648</u>	<u>3,946,553</u>	<u>3,743,789</u>
All Other Governmental Funds				
Nonspendable	243,160	189,003	383,514	329,246
Restricted	4,612,381	4,035,695	3,984,514	3,613,285
Committed	1,832,367	1,635,499	1,472,771	1,176,524
Assigned	254,185	241,059	237,206	151,091
Unassigned (Deficit)	(139,208)	(162,453)	(184,773)	(253,907)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds (Deficit)	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	<u>6,802,885</u>	<u>5,938,803</u>	<u>5,893,232</u>	<u>5,016,239</u>
Total Governmental Funds	<u><u>\$10,721,510</u></u>	<u><u>\$9,616,451</u></u>	<u><u>\$9,839,785</u></u>	<u><u>\$8,760,028</u></u>

Note: Due to the implementation of GASB Statement No. 54, in 2009-2015 the special permissive license plate tax, community center, Greenwich Road, recycling, scrap tire and Brentwood water funds are included with general fund on a GAAP basis. In 2008 and prior years, these fund balances were included in all other governmental funds.

2011	2010	2009	2008	2007	2006
\$32,783	\$27,921	\$27,037	N/A	N/A	N/A
253,670	217,314	218,844	N/A	N/A	N/A
96,525	108,088	563,189	N/A	N/A	N/A
2,403,847	1,130,346	384,481	N/A	N/A	N/A
N/A	N/A	N/A	\$152,340	\$29,733	\$153,661
N/A	N/A	N/A	1,534,583	1,871,927	1,795,049
2,786,825	1,483,669	1,193,551	1,686,923	1,901,660	1,948,710
260,680	247,239	273,409	N/A	N/A	N/A
2,476,805	3,254,262	2,208,636	N/A	N/A	N/A
767,541	372,084	62,195	N/A	N/A	N/A
91,777	211,448	208,707	N/A	N/A	N/A
(236,462)	(184,108)	(1,759,933)	N/A	N/A	N/A
N/A	N/A	N/A	342,587	219,485	269,137
N/A	N/A	N/A	2,122,723	1,830,304	2,041,482
N/A	N/A	N/A	63,349	61,381	40,203
N/A	N/A	N/A	(182,235)	38,243	333,382
3,360,341	3,900,925	993,014	2,346,424	2,149,413	2,684,204
\$6,147,166	\$5,384,594	\$2,186,565	\$4,033,347	\$4,051,073	\$4,632,914

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

	2015	2014	2013	2012
Revenues				
Property Taxes	\$2,001,248	\$2,026,631	\$2,082,476	\$1,686,380
Municipal Income Taxes	5,832,540	4,963,954	5,086,439	4,837,150
Charges for Services	948,416	850,157	845,918	889,126
Special Assessments	203,517	216,399	220,208	189,719
Licenses, Permits and Fees	58,842	157,191	45,683	47,727
Fines and Forfeitures	35,324	74,276	87,202	90,768
Intergovernmental	2,189,512	1,998,353	1,693,928	1,659,832
Interest	4,355	4,331	6,920	6,069
Other	126,670	112,396	172,320	187,211
<i>Total Revenues</i>	<u>11,400,424</u>	<u>10,403,688</u>	<u>10,241,094</u>	<u>9,593,982</u>
Expenditures				
Current:				
General Government	2,252,940	1,859,765	1,963,390	1,798,467
Security of Persons and Property	4,177,697	3,992,931	3,818,902	3,222,091
Transportation	1,835,865	1,758,558	1,389,802	1,163,451
Community Environment	83,273	209,388	176,232	181,650
Public Health Services	7,532	138,189	91,729	112,933
Leisure Time Activities	307,243	63,375	78,496	92,904
Capital Outlay	909,614	1,160,198	712,306	392,174
Debt Service:				
Principal Retirement	490,121	1,459,298	1,720,000	1,675,000
Interest and Fiscal Charges	231,080	241,729	274,652	237,315
Bond Issuance Costs	0	0	0	183,519
<i>Total Expenditures</i>	<u>10,295,365</u>	<u>10,883,431</u>	<u>10,225,509</u>	<u>9,059,504</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,105,059</u>	<u>(479,743)</u>	<u>15,585</u>	<u>534,478</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Inception of Capital Lease	0	256,409	64,172	0
Refunding Bonds Issued	0	0	0	2,238,000
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	657,000
Premium on Bonds	0	0	0	149,211
Notes Issued	0	0	1,000,000	1,315,000
Premium on Notes	0	0	0	0
Current Refunding	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	(2,240,740)
Refunded Bonds Redeemed	0	0	0	(40,087)
Transfers In	1,409,482	844,785	1,061,733	928,519
Transfers Out	(1,409,482)	(844,785)	(1,061,733)	(928,519)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>256,409</u>	<u>1,064,172</u>	<u>2,078,384</u>
<i>Net Change in Fund Balances</i>	<u>\$1,105,059</u>	<u>(\$223,334)</u>	<u>\$1,079,757</u>	<u>\$2,612,862</u>
Debt Service as a Percentage of Noncapital Expenditures	8.3%	17.4%	21.7%	23.0%

2011	2010	2009	2008	2007	2006
\$1,683,465	\$1,730,639	\$1,690,813	\$1,758,595	\$1,164,082	\$1,172,254
4,645,951	4,182,044	3,738,028	3,995,958	3,880,264	3,949,257
665,220	919,612	706,886	819,646	720,637	497,209
160,343	270,117	75,171	76,111	71,790	40,373
33,694	73,657	74,823	102,918	102,217	99,401
170,662	145,257	115,799	109,155	170,967	228,170
2,256,857	2,660,564	2,533,500	2,543,424	1,925,630	2,378,753
6,412	9,242	75,019	101,997	282,650	276,651
179,916	262,136	176,628	38,178	19,459	65,968
9,802,520	10,253,268	9,186,667	9,545,982	8,337,696	8,708,036
2,039,058	2,237,251	2,577,602	2,004,444	1,819,921	1,828,117
3,763,267	6,642,568	3,716,697	4,056,371	3,198,169	2,959,561
1,382,450	1,715,431	1,708,913	1,758,624	2,155,630	1,003,741
136,317	209,513	221,965	258,713	256,666	310,102
69,907	1,037,150	230,224	54,164	92,725	42,742
140,871	133,830	251,167	171,382	159,719	51,096
365,560	516,896	1,878,003	975,903	802,520	1,006,410
2,312,000	225,000	229,364	232,931	262,917	260,033
296,328	221,843	219,514	131,176	171,270	175,213
0	126,198	0	0	0	0
10,505,758	13,065,680	11,033,449	9,643,708	8,919,537	7,637,015
(703,238)	(2,812,412)	(1,846,782)	(97,726)	(581,841)	1,071,021
0	0	0	80,000	0	0
0	0	0	0	0	16,000
0	0	0	0	0	0
0	3,890,000	0	0	0	0
0	0	0	0	0	0
0	136,235	0	0	0	0
1,315,000	1,967,000	0	0	0	0
0	17,206	0	0	0	0
0	0	0	0	0	(185,000)
0	0	0	0	0	0
0	0	0	0	0	0
1,010,988	655,094	1,043,419	1,627,890	613,230	682,724
(860,178)	(655,094)	(1,043,419)	(1,627,890)	(613,230)	(682,724)
1,465,810	6,010,441	0	80,000	0	(169,000)
\$762,572	\$3,198,029	(\$1,846,782)	(\$17,726)	(\$581,841)	\$902,021
27.5%	4.6%	5.0%	4.7%	6.2%	6.6%

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
2015	\$195,729,110	\$38,123,000	\$668,148,886	\$8,810,290	\$10,011,693
2014	202,787,640	38,090,060	688,222,000	8,226,100	9,347,841
2013	203,623,800	35,486,820	683,173,200	7,634,790	8,675,898
2012	203,018,390	36,257,850	683,646,400	6,104,960	6,937,455
2011	220,399,790	43,550,250	754,142,971	5,777,560	6,565,409
2010	220,322,280	43,993,900	755,189,086	5,582,820	6,344,114
2009	219,772,920	43,273,710	751,561,800	5,339,870	6,068,034
2008	218,888,440	41,757,830	744,703,629	5,144,670	5,846,216
2007	216,297,250	40,422,950	733,486,286	6,507,780	7,395,205
2006	212,333,270	40,000,130	720,952,571	6,507,780	7,395,205

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

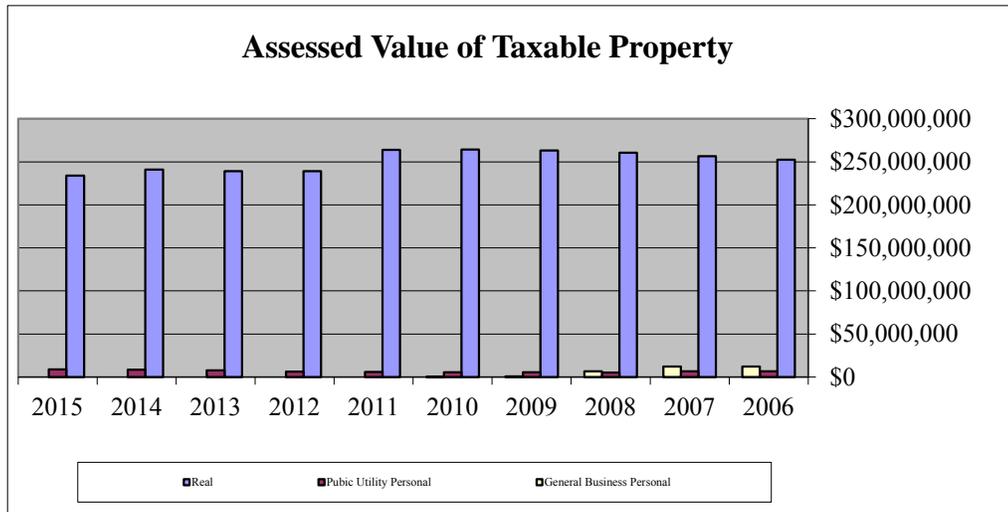
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Summit County, Fiscal Officer

Tangible Personal Property

General Business		Total			Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$0	\$0	\$242,662,400	\$678,160,579	35.78%	\$9.5000	\$9.4149
0	0	249,103,800	697,569,841	35.71	9.5000	9.4083
0	0	246,745,410	691,849,098	35.66	9.5000	9.5000
0	0	245,381,200	690,583,855	35.53	9.5000	9.5000
0	0	269,727,600	760,708,381	35.46	9.5000	7.5866
238,565	3,817,040	270,137,565	765,350,239	35.30	9.5000	7.3184
480,359	7,685,744	268,866,859	765,315,578	35.13	9.5000	7.3157
6,536,255	104,580,080	272,327,195	855,129,924	31.85	9.5000	7.3518
12,197,400	97,579,200	275,425,380	838,460,690	32.85	6.5000	4.4009
12,197,400	65,052,800	271,038,580	793,400,576	34.16	6.5000	4.4212



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

	2015	2014	2013	2012
Unvoted Millage				
Operating	\$1.6000	\$1.6000	\$1.6000	\$1.6000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>
Voted Millage by Levy				
1988 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1988 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1996 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1996 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
2007 Fire				
Residential/Agricultural Real	3.0000	3.0000	3.0000	3.0000
Commercial/Industrial and Public Utility Real	2.7862	2.7612	3.0000	3.0000
General Business and Public Utility Personal	3.0000	3.0000	3.0000	3.0000
2012 Fire				
Residential/Agricultural Real	4.6000	4.6000	4.6000	4.6000
Commercial/Industrial and Public Utility Real	4.2722	4.2339	4.6000	4.6000
General Business and Public Utility Personal	<u>4.6000</u>	<u>4.6000</u>	<u>4.6000</u>	<u>4.6000</u>
Total Voted Millage by type of property				
Residential/Agricultural Real	\$7.6000	\$7.6000	\$7.6000	\$7.6000
Commercial/Industrial and Public Utility Real	7.0584	6.9951	7.6000	7.6000
General Business and Public Utility Personal	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>
Total Millage by type of property				
Residential/Agricultural Real	\$9.5000	\$9.5000	\$9.5000	\$9.5000
Commercial/Industrial and Public Utility Real	8.9584	8.8951	9.5000	9.5000
General Business and Public Utility Personal	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>
Total Weighted Average Tax Rate	<u>\$9.4149</u>	<u>\$9.4083</u>	<u>\$9.5000</u>	<u>\$9.5000</u>
Overlapping Rates by Taxing District				
Norton City School District				
Residential/Agricultural Real	\$37.8793	\$37.8562	\$37.1794	\$33.2344
Commercial/Industrial and Public Utility Real	46.3062	45.8159	48.7633	44.8455
General Business and Public Utility Personal	65.6900	65.6900	65.6900	61.8000
Summit County				
Residential/Agricultural Real	12.6392	12.6389	12.6216	12.6205
Commercial/Industrial and Public Utility Real	12.4764	12.4472	12.6974	12.6935
General Business and Public Utility Personal	12.7000	12.7000	12.7000	12.7000
Akron/Summit Library				
Residential/Agricultural Real	2.6200	2.1000	2.1100	2.1400
Commercial/Industrial and Public Utility Real	2.5854	2.0610	2.1100	2.1400
General Business and Public Utility Personal	2.6200	2.1000	2.1100	2.1400
Summit Metropolitan Park District				
Residential/Agricultural Real	1.4600	1.4600	1.4600	1.4600
Commercial/Industrial and Public Utility Real	1.4317	1.4279	1.4600	1.4600
General Business and Public Utility Personal	1.4600	1.4600	1.4600	1.4600

Source: County Fiscal Officer

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

2011	2010	2009	2008	2007	2006
\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
0.4622	0.4233	0.4226	0.4219	0.4180	0.4203
0.6722	0.5599	0.5606	0.5572	0.5643	0.5741
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.7395	0.6772	0.6762	0.6751	0.6688	0.6724
1.0755	0.8958	0.8970	0.8915	0.9029	0.9186
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
0.6313	0.5781	0.5772	0.5763	0.5709	0.5740
0.9049	0.7537	0.7547	0.7501	0.7596	0.7728
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.6313	0.5781	0.5772	0.5763	0.5709	0.5740
0.9049	0.7537	0.7547	0.7501	0.7596	0.7728
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3.0000	3.0000	3.0000	3.0000	0.0000	0.0000
3.0000	2.9765	2.9805	2.9622	0.0000	0.0000
3.0000	3.0000	3.0000	3.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$5.4643	\$5.2567	\$5.2532	\$5.2496	\$2.2286	\$2.2407
6.5575	5.9396	5.9475	5.9111	2.9864	3.0383
7.6000	7.6000	7.6000	7.6000	4.6000	4.6000
\$7.3643	\$7.1567	\$7.1532	\$7.1496	\$4.1286	\$4.1407
8.4575	7.8396	7.8475	7.8111	4.8864	4.9383
9.5000	9.5000	9.5000	9.5000	6.5000	6.5000
\$7.5866	\$7.3184	\$7.3157	\$7.3518	\$4.4009	\$4.4212
\$31.3055	\$29.2630	\$29.2311	\$29.1958	\$28.8335	\$28.9406
42.5417	37.1239	37.1675	36.9567	37.2881	37.8347
59.9000	59.9000	59.9000	59.9000	59.9000	59.9000
12.6193	12.5601	12.5592	12.5574	10.5997	9.0633
12.6843	12.2165	12.2347	12.1034	11.4020	10.0247
12.7000	12.7000	12.7000	12.7000	13.1100	12.2200
2.1000	2.1000	2.0170	1.9921	1.9206	1.9333
2.1000	2.0972	2.0199	1.9799	1.9896	1.9907
2.1000	2.1000	2.1000	2.0800	2.0300	2.0400
1.4600	1.4600	1.4600	1.4600	1.4573	0.6959
1.4600	1.4075	1.4102	1.3914	1.4600	0.7470
1.4600	1.4600	1.4600	1.4600	1.4600	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
2015	\$2,282,245	\$2,206,432	96.68%	\$75,814	\$2,282,246
2014	2,348,806	2,252,337	95.89	79,338	2,331,675
2013	2,344,094	2,271,743	96.91	83,778	2,355,521
2012	1,859,759	1,779,092	95.66	125,306	1,904,398
2011	1,973,642	1,867,333	94.61	88,101	1,955,434
2010	1,974,665	1,873,101	94.86	71,363	1,944,464
2009	1,960,075	1,855,966	94.69	59,685	1,915,651
2008	1,940,960	1,859,423	95.80	33,625	1,893,048
2007	1,132,826	1,085,632	95.83	30,202	1,115,834
2006	1,119,491	1,071,160	95.68	33,666	1,104,826

Source: Summit County Fiscal Officer

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

Note: The County's current reporting system does not track delinquent tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

<u>Percentage of Total Tax Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
100.00%	\$144,401	6.33%
99.27	161,763	6.89
100.49	144,566	6.17
102.40	155,992	8.39
99.08	200,631	10.17
98.47	182,423	9.24
97.73	152,552	7.78
97.53	108,128	5.57
98.50	60,217	5.32
98.69	65,655	5.86

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>
2015	2.00 %	\$5,672,736	\$1,414,780	24.94 %	\$3,357,125	59.18 %
2014	2.00	5,039,544	1,424,441	28.27	3,146,456	62.44
2013	2.00	5,042,325	1,369,495	27.16	3,069,767	60.88
2012	2.00	4,848,364	1,398,753	28.85	2,988,047	61.63
2011	2.00	4,577,929	1,323,479	28.91	2,860,290	62.48
2010	2.00	4,094,388	782,847	19.12	3,057,280	74.67
2009	2.00	3,757,159	707,473	18.83	2,641,283	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	3,956,398	676,940	17.11	2,814,582	71.14

(1) Cash Basis

Taxes from Net Profits	Percentage of Taxes from Net Profits
\$900,831	15.88 %
577,023	11.45
603,062	11.96
461,564	9.52
394,160	8.61
254,261	6.21
408,403	10.87
399,796	9.96
479,164	12.04
464,877	11.75

City of Norton, Ohio
Principal Real Estate Property Taxpayers
 2015 and 2006

Taxpayer	2015	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments LLC	\$2,520,320	1.08 %
Albrecht, Incorporated	2,423,980	1.04
J R Engineering, Incorporated	1,576,170	0.67
World Real Estate Services, LTD	1,520,340	0.65
Seal Real Estate Holdings, LLC	1,143,580	0.49
Pittsburgh Plate Glass Company	1,106,420	0.47
Falkenstein, Albert J. Trustee	898,580	0.38
Barber Road Storage, LLC	843,820	0.36
Trinity Broadcasting Network, Incorporated	617,150	0.26
Strachan, Wyman ET AIL	605,050	0.27
Total	\$13,255,410	5.67 %
Total Real Assessed Valuation	\$233,852,110	

Taxpayer	2006	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,800,020	1.11 %
Albrecht, Incorporated	2,273,092	0.90
Seal Mack W.	2,221,660	0.88
B&C Corporation	2,197,210	0.87
Falkenstein, Albert J. Trustee	973,800	0.39
Pittsburg Plate Glass Company	940,450	0.37
Newpark Drive Limited Partnership	846,270	0.34
Brookside Land Company	760,550	0.30
Strachan, Wyman ET AIL	723,890	0.29
Grace Brethen Church of Norton, Incorporated	648,300	0.25
Total	\$14,385,242	5.70 %
Total Real Assessed Valuation	\$252,333,400	

Source: Summit County Fiscal Officer

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Bonded Debt (3)	Ratio of General Obligation Bonded Debt to Estimated Actual Value of Taxable Property	General Obligation Bonded Debt Per Capita
2015	12,085	\$678,160,579	\$3,662,025	0.54 %	\$303.02
2014	12,085	697,569,841	3,967,789	0.57	328.32
2013	12,085	691,849,098	4,267,401	0.62	353.12
2012	12,085	690,583,855	4,557,733	0.66	377.14
2011	12,085	760,708,381	4,717,669	0.62	390.37
2010	12,085	765,350,239	4,972,443	0.65	411.46
2009	11,523	765,315,578	2,464,119	0.32	213.84
2008	11,523	855,129,924	2,641,884	0.31	229.27
2007	11,523	838,460,690	2,829,649	0.34	245.57
2006	11,523	793,400,576	3,012,414	0.38	261.43

Sources:

(1) U. S. Bureau of Census, 2006-2009 - 2000 Census of Population; 2010-2015 - 2010 Census of Population.

(2) Summit County Fiscal Officer

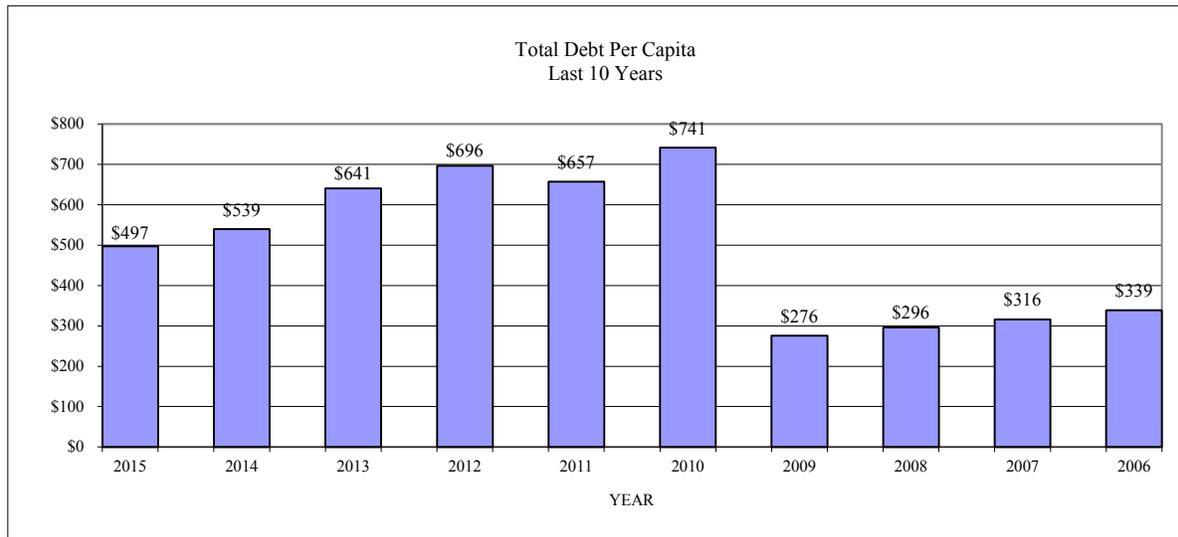
(3) Includes all general obligation bonded debt with the exception of special assessment debt.

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

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

Year	General Obligation Bonds	Long-Term Notes	Special Assessment Bonds	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
2015	\$3,662,025	\$0	\$2,137,650	\$211,162	\$6,010,837	1.91%	\$497
2014	3,967,789	0	2,275,610	276,283	6,519,682	2.07	539
2013	4,267,401	1,000,000	2,409,719	64,172	7,741,292	2.46	641
2012	4,557,733	1,315,000	2,543,111	0	8,415,844	2.67	696
2011	4,717,669	1,315,000	1,910,222	0	7,942,891	2.52	657
2010	4,972,443	1,979,422	2,006,706	0	8,958,571	2.84	741
2009	2,464,119	0	715,881	0	3,180,000	1.34	276
2008	2,641,884	0	758,116	9,364	3,409,364	1.43	296
2007	2,829,649	0	800,351	12,295	3,642,295	1.53	316
2006	3,012,414	35,000	842,586	15,212	3,905,212	1.64	339

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



City of Norton, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2015

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct:			
General Obligation Bonds	\$3,662,025	100.00%	\$3,662,025
Special Assessment Bonds	2,137,650	100.00	2,137,650
Capital Leases	211,162	100.00	211,162
<i>Total Direct Debt</i>	<u>6,010,837</u>		<u>6,010,837</u>
Overlapping:			
Norton City School District			
General Obligation Bonds	23,230,812	97.28	22,598,934
Akron-Summit County Library District			
General Obligation Bonds	23,590,000	3.09	728,931
Summit County			
General Obligation Bonds	63,502,772	2.15	1,365,310
Barberton City School District			
General Obligation Bonds	47,167,569	1.84	867,883
<i>Total Overlapping Debt</i>	<u>157,491,153</u>		<u>25,561,058</u>
Total	<u><u>\$163,501,990</u></u>		<u><u>\$31,571,895</u></u>

Source: County Fiscal Officer

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

City of Norton, Ohio

Legal Debt Margin

Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Assessed Property Value	<u>\$242,662,400</u>	<u>\$249,103,800</u>	<u>\$246,745,410</u>	<u>\$245,381,200</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$25,479,552</u>	<u>\$26,155,899</u>	<u>\$25,908,268</u>	<u>\$25,765,026</u>
Debt Outstanding:				
General Obligation Bonds	3,526,694	3,819,444	4,106,044	4,383,362
Special Assessment Bonds	2,058,306	2,190,556	2,318,956	2,446,638
Manuscript Notes	0	0	0	0
Notes	<u>270,000</u>	<u>465,000</u>	<u>1,000,000</u>	<u>1,315,000</u>
Total Gross Indebtedness	5,855,000	6,475,000	7,425,000	8,145,000
Less:				
Special Assessment Bonds	(2,058,306)	(2,190,556)	(2,318,956)	(2,446,638)
Amount Available in Debt Service	<u>(95)</u>	<u>(151,315)</u>	<u>(147,492)</u>	<u>(170,451)</u>
Total Net Debt Applicable to Debt Limit	<u>3,796,599</u>	<u>4,133,129</u>	<u>4,958,552</u>	<u>5,527,911</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$21,682,953</u>	<u>\$22,022,770</u>	<u>\$20,949,716</u>	<u>\$20,237,115</u>
Legal Debt Margin as a Percentage of the Debt Limit	85.10%	84.20%	80.86%	78.54%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$13,346,432</u>	<u>\$13,700,709</u>	<u>\$13,570,998</u>	<u>\$13,495,966</u>
Total Gross Indebtedness	5,855,000	6,475,000	7,425,000	8,145,000
Less:				
Special Assessment Bonds	(2,058,306)	(2,190,556)	(2,318,956)	(2,446,638)
Amount Available in Debt Service	<u>(95)</u>	<u>(151,315)</u>	<u>(147,492)</u>	<u>(170,451)</u>
Net Debt Within 5 ½ % Limitations	<u>3,796,599</u>	<u>4,133,129</u>	<u>4,958,552</u>	<u>5,527,911</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$9,549,833</u>	<u>\$9,567,580</u>	<u>\$8,612,446</u>	<u>\$7,968,055</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	71.55%	69.83%	63.46%	59.04%

Source: City Financial Records

2011	2010	2009	2008	2007	2006
<u>\$269,727,600</u>	<u>\$270,137,565</u>	<u>\$268,866,859</u>	<u>\$272,327,195</u>	<u>\$275,425,380</u>	<u>\$271,038,580</u>
<u>\$28,321,398</u>	<u>\$28,364,444</u>	<u>\$28,231,020</u>	<u>\$28,594,355</u>	<u>\$28,919,665</u>	<u>\$28,459,051</u>
4,632,903	4,883,216	2,464,119	2,641,884	2,829,649	3,012,414
1,867,097	1,961,784	715,881	758,116	800,351	842,586
0	0	0	560,000	806,000	0
<u>1,445,000</u>	<u>1,979,422</u>	<u>3,139,099</u>	<u>563,000</u>	<u>0</u>	<u>220,000</u>
7,945,000	8,824,422	6,319,099	4,523,000	4,436,000	4,075,000
(1,867,097)	(1,961,784)	(715,881)	(758,116)	(800,351)	(842,586)
<u>(36,221)</u>	<u>(29,397)</u>	<u>(6,753)</u>	<u>0</u>	<u>(30,914)</u>	<u>(16,888)</u>
<u>6,041,682</u>	<u>6,833,241</u>	<u>5,596,465</u>	<u>3,764,884</u>	<u>3,604,735</u>	<u>3,215,526</u>
<u>\$22,279,716</u>	<u>\$21,531,203</u>	<u>\$22,634,555</u>	<u>\$24,829,471</u>	<u>\$25,314,930</u>	<u>\$25,243,525</u>
78.67%	75.91%	80.18%	86.83%	87.54%	88.70%
<u>\$14,835,018</u>	<u>\$14,857,566</u>	<u>\$14,787,677</u>	<u>\$14,977,996</u>	<u>\$15,148,396</u>	<u>\$14,907,122</u>
7,945,000	8,824,422	6,319,099	4,523,000	4,436,000	4,075,000
(1,867,097)	(1,961,784)	(715,881)	(758,116)	(800,351)	(842,586)
<u>(36,221)</u>	<u>(29,397)</u>	<u>(6,753)</u>	<u>0</u>	<u>(30,914)</u>	<u>(16,888)</u>
<u>6,041,682</u>	<u>6,833,241</u>	<u>5,596,465</u>	<u>3,764,884</u>	<u>3,604,735</u>	<u>3,215,526</u>
<u>\$8,793,336</u>	<u>\$8,024,325</u>	<u>\$9,191,212</u>	<u>\$11,213,112</u>	<u>\$11,543,661</u>	<u>\$11,691,596</u>
59.27%	54.01%	62.15%	74.86%	76.20%	78.43%

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)
2015	12,085	\$314,923,015	\$26,059	\$56,645	43.7
2014	12,085	314,923,015	26,059	56,645	43.7
2013	12,085	314,923,015	26,059	56,645	43.7
2012	12,085	314,923,015	26,059	56,645	43.7
2011	12,085	314,923,015	26,059	56,645	43.7
2010	12,085	314,923,015	26,059	56,645	43.7
2009	11,523	238,076,703	20,661	47,085	40.3
2008	11,523	238,076,703	20,661	47,085	40.3
2007	11,523	238,076,703	20,661	47,085	40.3
2006	11,523	238,076,703	20,661	47,085	40.3

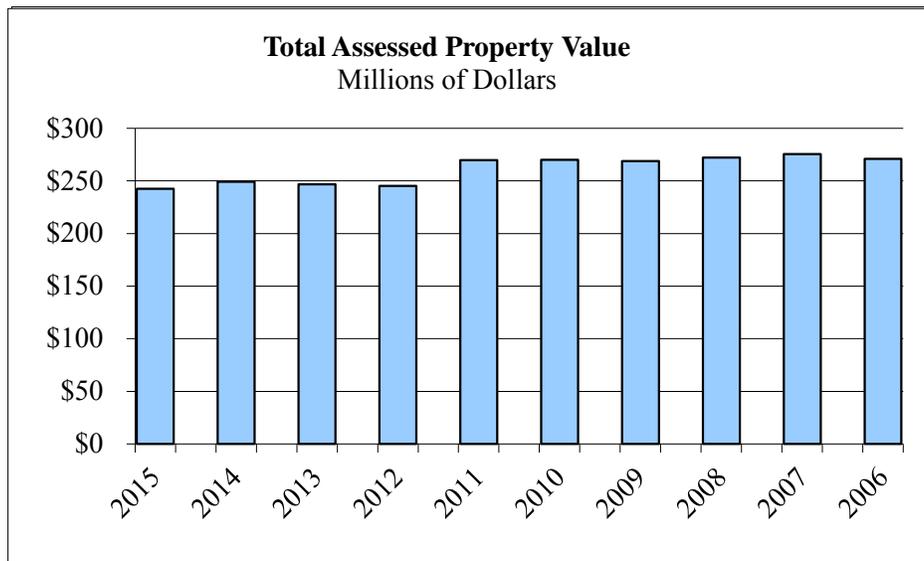
(1) Source: U. S. Census, 2006-2009 - 2000 Census of Population;
2010-2015 - 2010 Census of Population

(2) Source: Norton City School District Audited Financials

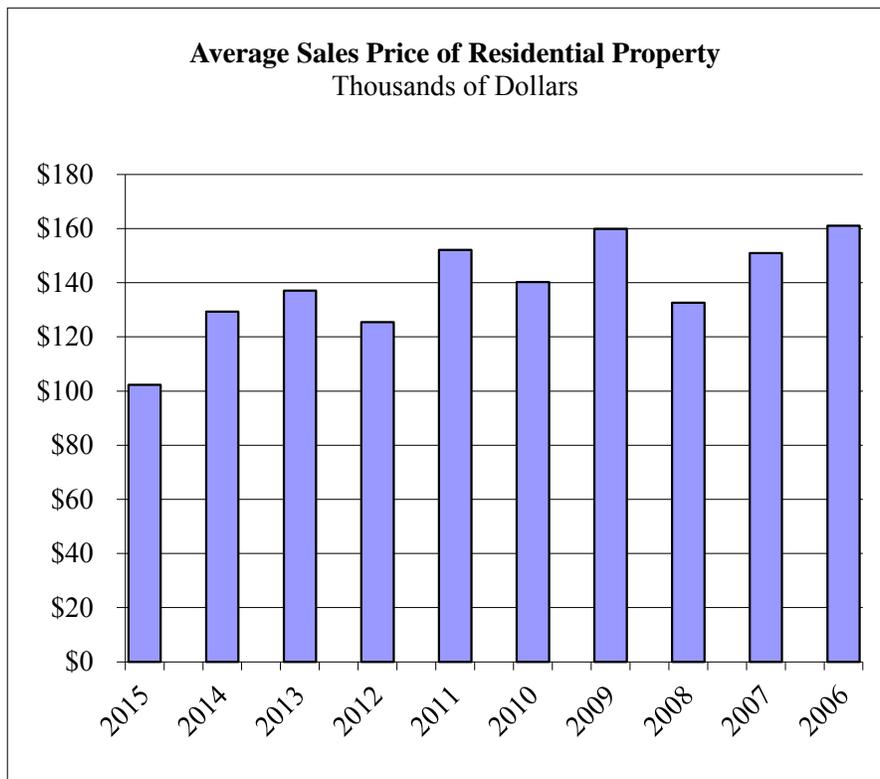
(3) Source: U.S. Bureau of Labor Statistics

(4) Source: Summit County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
18.90 %	2,510	4.70 %	\$102,250	\$242,662,400
18.90	2,581	5.50	129,306	249,103,800
18.90	2,587	7.20	137,112	246,745,410
18.90	2,593	6.80	125,430	245,381,200
18.90	2,680	8.50	152,129	269,727,600
18.90	2,562	10.00	140,246	270,137,565
17.10	2,483	9.80	159,827	268,866,859
17.10	2,505	6.10	132,566	272,327,195
17.10	2,417	5.40	150,956	275,425,380
17.10	2,383	5.20	161,104	271,038,580



City of Norton, Ohio

Principal Employers

2015 and 2006

2015 (1)	
Employers	
Minute Men, Incorporated	
Norton City School District	
Alberts Screeprint, Incorporated	
B&C Corporation	
Golden Alliance Norton, Incorporated	
Ganley Ford, Incorporated	
PPG Industries, Incorporated	
FOMO Products, Incorporated	
Blind and Sons, LLC	
E L Stone Company, Incorporated	
Total Employees of Top Ten Employers	<u>2,062</u>
Percentage of Total City Employment at Top Ten Employers	<u>37.13%</u>
Total Estimated Employment within the City	<u>5,553</u>
2006	
Employers	
B&C Corporation	
Norton City School District	
S.A. Comunale Company	
Fred Martin Motor Company	
Fred W. Albrecht Grocery Company	
Ganley Ford, Incorporated	
Albert Screenprint	
City of Norton	
PPG Industries	
Fomo Products, Incorporated	
Total Employees of Top Employers	<u>3,290</u>
Total Estimated 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.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

(This Page Intentionally Left Blank)

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

Function/Program	2015	2014	2013	2012
General Government				
<i>Council and Clerk</i>				
Number of Ordinances	57	71	72	68
Number of Resolutions	32	43	39	36
Number of Planning Commission docket items	3	18	37	49
Zoning Board of Appeals docket items	8	8	17	26
Park and Cemetery Board docket items	1	10	1	3
<i>Finance Department</i>				
Number of checks/ vouchers issued	1,815	1,648	1,680	1,545
General Fund Interest earnings for fiscal year (cash basis)	\$4,113	\$4,029	\$6,650	\$5,643
Agency Ratings - Fitch	A+	A+	A+	A+
Health Insurance Costs (cash basis in thousands)	\$728	\$566	\$607	\$571
Health Insurance Costs vs General Fund Expenditures %	12.1%	9.6%	9.0%	9.2%
General Fund Receipts (cash basis in thousands)	\$5,764	\$6,253	\$6,302	\$6,467
General Fund Expenditures (cash basis in thousands)	\$6,023	\$5,889	\$6,749	\$6,178
General Fund Cash Balances (in thousands)	\$3,002	\$2,527	\$1,869	\$2,103
<i>Municipal Court</i>				
Number of Misdemeanor Cases	268	27	61	51
Number of OVI cases	84	6	81	43
Number of Traffic cases	1,429	787	878	845
<i>Building Department Indicators</i>				
Residential/Commercial Permits Issued	26	166	106	119
Zoning Permits	17	52	56	64
Electric Permits	22	62	72	90
Heating Permits	25	68	55	77
Number of permits issued	90	348	289	350
Permit Revenue	\$28,235	\$41,079	\$22,808	\$27,987

2011	2010	2009	2008	2007	2006
58	101	77	79	72	74
39	18	38	31	19	29
45	16	71	47	27	21
13	11	25	35	25	23
9	1	38	16	35	N/A
1,700	2,172	2,397	1,841	1,797	1,927
\$6,111	\$9,494	\$57,073	\$116,367	\$272,512	\$228,507
A+	A+	A	A	A	A
\$564	\$538	\$694	\$666	\$700	\$571
9.7%	9.5%	10.8%	14.1%	9.9%	13.9%
\$6,738	\$6,173	\$6,603	\$5,827	\$5,892	\$5,328
\$5,788	\$5,689	\$6,425	\$4,728	\$7,090	\$4,122
\$1,655	\$545	\$719	\$767	\$156	\$1,584
98	108	83	99	124	175
71	63	14	22	25	52
1,766	1,195	1,401	1,280	1,473	2,935
119	144	203	356	189	241
49	65	64	65	66	84
76	110	107	150	162	206
53	68	61	77	58	74
297	387	435	648	475	605
\$20,631	\$32,477	\$29,216	\$53,652	\$48,397	\$61,643

(continued)

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

Function/Program	2015	2014	2013	2012
Security of Persons & Property				
<i>Police</i>				
Felony Arrests	79	100	69	100
Misdemeanor Arrests	301	284	220	287
Arson	0	0	0	2
Assault	25	16	13	19
Residential Burglary	54	78	37	21
Domestic Violence	128	49	46	54
Drug Offense	108	75	73	57
Homicide	2	0	0	0
Larceny	255	233	202	222
Vandalism/Criminal Damaging	90	72	66	69
Robbery	3	0	3	3
Sex Offense	8	8	5	13
Auto Theft/Stolen Plates	12	12	7	23
Traffic Crashes	326	335	315	294
Traffic Fatalities	1	0	0	4
Driving While Intoxicated	69	63	82	144
Traffic Citations Issued	1,819	1,139	1,376	1,533
Warrant Arrests	145	108	161	219
<i>Fire</i>				
EMS Calls	1,129	1,070	1,004	876
Ambulance Billing Collections (GROSS)	\$306,753	\$295,625	\$257,198	\$230,169
Revenue per run	272	276	256	263
Fire Calls	440	464	369	451
Public Health and Welfare				
Cemetery burials	0	1	2	1
Cemetery foundations	0	1	1	1
Cemetery (re)sale of lots	0	0	1	2
Cemetery receipts	\$0	\$2,694	\$2,200	\$512
Health Advisory Board docket items	1	1	1	1

N/A = Information is not available

Source: City Records

2011	2010	2009	2008	2007	2006
110	75	111	130	106	114
380	498	559	507	521	754
2	1	1	1	2	1
31	36	45	65	65	67
45	41	43	54	30	39
75	78	76	107	84	119
101	101	46	44	28	70
0	0	0	0	0	0
227	255	232	296	269	312
75	46	63	42	75	77
1	2	2	3	4	5
3	2	15	13	10	19
17	18	31	58	41	50
339	374	388	490	487	448
0	0	2	1	2	1
159	269	102	67	95	163
2,972	2,702	2,666	2,064	2,603	4,860
217	182	254	291	303	408
980	1,046	1,005	966	968	934
\$291,695	\$264,759	\$292,858	\$273,510	\$200,624	\$199,799
298	253	291	283	207	214
378	379	378	373	332	233
6	1	0	1	3	1
5	0	1	3	0	1
7	4	12	0	8	0
\$2,765	\$2,546	\$4,130	\$1,150	\$4,355	\$666
15	0	29	19	19	N/A

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

Function/Program	2015	2014	2013	2012
General Government				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	0	0	0	0
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	10	10	11
Fire				
Stations	1	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	5
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	16	15	13	15
City Cemeteries	2	2	2	2
Wastewater				
Sanitary Sewers (miles)	9.00	9.00	9.00	9.00
Water Department				
Water Lines (miles)	14.80	14.80	14.80	14.80

Source: City Records

2011	2010	2009	2008	2007	2006
4,080	4,080	4,080	4,080	4,080	4,080
0	0	0	1	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
12	9	10	8	10	10
2	2	2	2	2	2
7	7	7	7	7	7
4	4	4	4	4	4
5	5	5	5	5	3
3	3	3	3	3	3
1	1	1	1	1	1
6,800	6,800	6,800	6,800	6,800	6,800
260	260	260	260	260	260
15	15	15	13	12	12
2	2	2	2	2	2
9.00	8.40	8.40	8.40	8.40	8.40
14.80	14.50	12.50	12.50	12.50	12.50

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

Function/Program	2015	2014	2013	2012
General Government				
Mayor	1	2	2	2
Council	8	8	8	8
Finance	3	3	3	3
City Administrator	1	1	1	1
Law	2	2	2	2
Administration	2	2	2	2
Engineer	0	0	0	0
Planning	0	0	0	1
Civil Service	0	0	0	0
Court	2	2	2	2
Security of Persons and Property				
Police	19	21	28	28
Fire Full Time	10	3	3	3
Fire Part Time	22	30	25	29
Fire - Secretary - Other	1	1	1	1
Community Development				
Building	1	1	1	1
Transportation				
Service	11	8	8	8
Totals:	<u>83</u>	<u>84</u>	<u>86</u>	<u>91</u>

Source: City Payroll Department

Method: Using 1.0 for each employee at December 31

2011	2010	2009	2008	2007	2006
2	2	2	2	2	2
8	8	8	8	8	8
3	3	5	5	4	5
1	1	1	1	1	1
2	1	1	1	1	1
2	2	2	2	3	3
1	0	0	1	1	1
0	0	0	0	1	1
0	0	0	0	1	1
2	2	3	3	3	3
27	30	30	30	30	30
2	4	3	3	4	4
32	30	29	27	33	30
1	1	1	1	1	1
1	1	2	2	2	2
9	10	11	12	12	12
93	95	98	98	107	105

(This Page Intentionally Left Blank)



Dave Yost • Auditor of State

CITY OF NORTON

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 28, 2016**