

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2010

Varney, Fink & Associates, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the City of Norton, Summit County, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 5, 2012

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**CITY OF NORTON
SUMMIT COUNTY, OHIO**

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2010

TABLE OF CONTENTS

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
Schedule of Prior Audit Findings	3

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

City of Norton
4060 Columbia Woods Drive
Norton, Ohio 44203

To Members of Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated November 29, 2011.

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

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

November 29, 2011

**CITY OF NORTON
SUMMIT COUNTY, OHIO**

SCHEDULE OF PRIOR AUDIT FINDINGS

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	<u>Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No Longer Valid; Explain</u>
2009-01	Financial Statements Adjustments	Yes	Corrected
2009-02	ORC Section 5705.38(c) Legal level of budgetary control.	Yes	Corrected
2009-03	ORC Section 5705.10 Negative fund balances.	Yes	Corrected

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City of Norton, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31

2010

City of Norton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

Issued by:

City of Norton
Department of Finance

John P. Moss
Finance Director

INTRODUCTORY SECTION

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City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010
Table of Contents

	<u>Page</u>
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	v
GFOA Certificate of Achievement	x
Principal Officials	xi
Organizational Chart	xii
II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	18
Street Construction, Maintenance and Repair Fund	19
Fire/EMS Levy Fund	20
Statement of Fund Net Assets – Internal Service Fund	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Fund	22
Statement of Cash Flows – Internal Service Fund.....	23
Statement of Fiduciary Assets and Liabilities – Agency Funds	24
Notes to the Basic Financial Statements	25

Combining and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions – Nonmajor Governmental Funds.....	56
Combining Balance Sheet – Nonmajor Governmental Funds.....	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	59
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	64
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	71

Combining Statements – Agency Funds:

Fund Descriptions – Fiduciary Funds.....	74
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	75

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

Major Funds:

General Fund.....	77
Street Construction, Maintenance and Repair Fund.....	82
Fire/EMS Levy Fund.....	83
Special Assessment Bond Retirement Fund.....	84
Cleveland Massillon Road Waterline Fund.....	85

Nonmajor Funds:

State Highway Improvement Fund.....	86
Fire Fund.....	87
Emergency Medical Services Fund.....	88
DARE Program Fund.....	89
Drug Law Enforcement Fund.....	90
Law Enforcement Fund.....	91
Law Enforcement Assistance Fund.....	92
DWI Enforcement and Education Fund.....	93
Cemetery Fund.....	94
Police and Fire Disability and Pension Fund.....	95
Mayor’s Court Fund.....	96
Water System Fund.....	97
Sanitary Sewer Fund.....	98
Assistance to Firefighters Fund.....	99
Highway Planning and Construction Fund.....	100
General Obligation Bond Retirement Fund.....	101
The Meadows at Johnson Fund.....	102
Land and Land Improvements Fund.....	103

Buildings Fund.....	104
Equipment Fund.....	105
Streets, Highways and Bridges Fund.....	106
Storm Sewers Fund.....	107
Sanitary Sewers Fund	108
Connect Road Fund	109
Gardner Phase I Fund	110
Gardner Phase II Fund	111
Gardner Phase III Fund.....	112
Wadsworth Berry McGowan Fund.....	113
Water and Sewer Improvements Fund.....	114
Self Insurance Fund	115

III. Statistical Section

Statistical Section Descriptions.....	S1
Net Assets By Component – Last Seven Years	S2
Change in Net Assets – Last Seven Years	S4
Fund Balances, Governmental Funds – Last Two Years	S8
Fund Balances, Governmental Funds – Last Eight Years.....	S10
Changes in Fund Balances, Governmental Funds – Last Ten Years	S12
Assessed Valuation and Estimated Actual Values Taxable Property – Last Ten Years	S14
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S16
Property Tax Levies and Collections – Last Ten Years.....	S18
Income Tax Revenue Base and Collections – Last Ten Years.....	S20
Principal Real Estate Property Taxpayers – 2010 and 2003	S22
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita – Last Ten Years.....	S23
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S24
Legal Debt Margin – Last Ten Years.....	S26
Computation of Direct and Overlapping Governmental Activities Debt.....	S28
Principal Employers – 2010 and 2002	S29
Demographic and Economic Statistics – Last Ten Years	S30

Operating Indicators by Function/Program – Last Nine Years.....	S32
Capital Assets Statistics by Function/Program – Last Ten Years.....	S36
Full-Time Equivalent City Government Employees by Function/Program – Last Nine Years.....	S38



City of Norton

4060 Columbia Woods Drive
Norton, Ohio 44203

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

Mayor David L. Koontz

November 29, 2011

Members of City Council and
Citizens of Norton

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

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Varney, Fink and Associates rendered an opinion on the City's financial statements as of December 31, 2010, and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. 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 20.54 square miles in size. The City of Norton is approximately 40 miles south of Cleveland, and five miles southwest of Akron. The Highway system includes State Route 21, U.S. 224 and Interstate 76 with access to Interstate 77. The Ohio Turnpike and Interstate 71 are approximately 15 minutes away. The Akron-Canton Airport, 20 miles south, and Cleveland-Hopkins Airport, 35 miles north, both offer commercial, passenger and freight service. Wheeling and Lake Erie provide rail service to the community.

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

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

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

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

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

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

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

LOCAL ECONOMY

The City experienced little to no growth in 2010, both in the areas of commercial and residential development. Construction activity was low, permits and inspections were historically low

Some positives did occur. Fred Martin Motors completed a renovation and expansion project in 2009, investing around \$5,000,000 and providing an impressive new look to their already prime location just off Interstate 76 at Barber Road. Since that expansion, Fred Martin Motors has experienced increased sales at the facility and is planning further expansion. In 2010, JR Wheel brought back employees and is expected to return to the top ten principal employers list in 2011 and years to come.

Some significant projects were completed. This includes the waterlines on Wadsworth, Berry, McGowan, and Connect roads. Also, a new water main serving Cleveland-Massillon Road was in use as of year-end. The new water main on Cleveland-Massillon Road completes a loop serving a stretch of anticipated commercial development and extends water service north to a mixed area of residential and commercial.

CITY PROJECTS

The City continues capital investments in Columbia Woods Park (a main park adjacent to the City Offices and the Community Center) with additions to the lights in the parks. Shorter term debt service associated with the construction of two baseball fields in the park have been retired and the debt service dollars are now directed to other projects.

The City of Norton completed the design of its new fire station in 2009 and construction began in early 2010 and the project was not completed as of year-end. The station is sized to handle all of our current needs and anticipated expansion due to anticipated development. The capital cost is funded by a Levy passed by voters in 2007.

Waterline replacement in the Connect Road and Hazelwood Avenue area of the City was completed with grant funding from the Ohio Public Works Commission (OPWC).

Additionally, the re-paving of Greenwich Road (old State Route 224) from the western boarder to nearly the eastern boarder of the City was completed. The third and final phase of the Gardner waterline project, an OPWC grant project, was constructed in 2010.

New sanitary sewer lines were installed on a portion of Long and Greenwich Roads. Both provide much needed service to residential areas, and Greenwich allows the extension of sanitary sewer into some of the Nash Heights residential area.

Partial grant funding was awarded for the fully engineered reconstruction of New Park Drive, an important industrial park, and the City is working to find funding for the balance of the project.

MAJOR INITIATIVES

New projects on the horizon include a \$16 million expansion of Cleveland-Massillon Road, a main thoroughfare. Grant funding of 90 percent of the project and engineering continued and remains on track. Discussions have begun on the engineering of a large sanitary sewer project to serve the Nash Heights area. Nash Heights is predominantly residential and there is a high need to sewer service given the general age of the septic systems now serving the area. Additionally, the Nash Heights project would set the stage for economic development in the area.

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

FINANCIAL PLANNING AND POLICIES

Unassigned fund balances for funds with annual operating expenses need a healthy carryover to avoid cash management issues and to cover budget increases when necessary. For planning and budgetary purposes for operating funds, Norton has targeted 15 to 33 percent carryover balances as a percent of appropriations. This large carryover is needed to cover accrued obligations and unexpected expenses. Further, the healthy balances are intended to be attractive to financing sources when we issue debt. Due to the economic downturn and despite budget reductions, the general fund has not been able to sustain the targeted carryover. As of December 31, 2010 the general fund carryover was up to around 11.96 percent of 2010 expenses. Both expenses and the carryover were reduced in 2010 with the carryover suffering a little more in proportion. It is notable that the City of Norton carried a large reimbursement grant receivable from the federal government of about \$190,000. This amount is over 30 percent of the actual carryover balance.

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 were down about 9 percent in 2009 due to a slowdown in the economy. Income tax revenue results for 2010 were about \$76,369 lower than 2009 on a cash basis.

In 2009, the Norton City Council passed a change to the tax credit from a full credit up to 1 1/2 percent credit. As a result all residents pay at least a half percent income tax to the City of Norton. The proceeds from this change are intended for new sewer and water lines. Revenues began in 2009 and generated \$300,000.

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, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

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

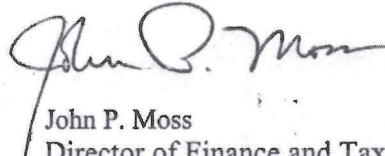
The Director of Finance strongly supports full disclosure of the City's finances. We would like to thank the Members of Council, whose leadership made the preparation of this report possible. The employees of the City of Norton are dedicated to serve its citizens. The preparation of a report of this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

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

Respectfully submitted,



David L. Koontz
Mayor



John P. Moss
Director of Finance and Tax Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

City of Norton, Ohio

Principal Officials

December 31, 2010

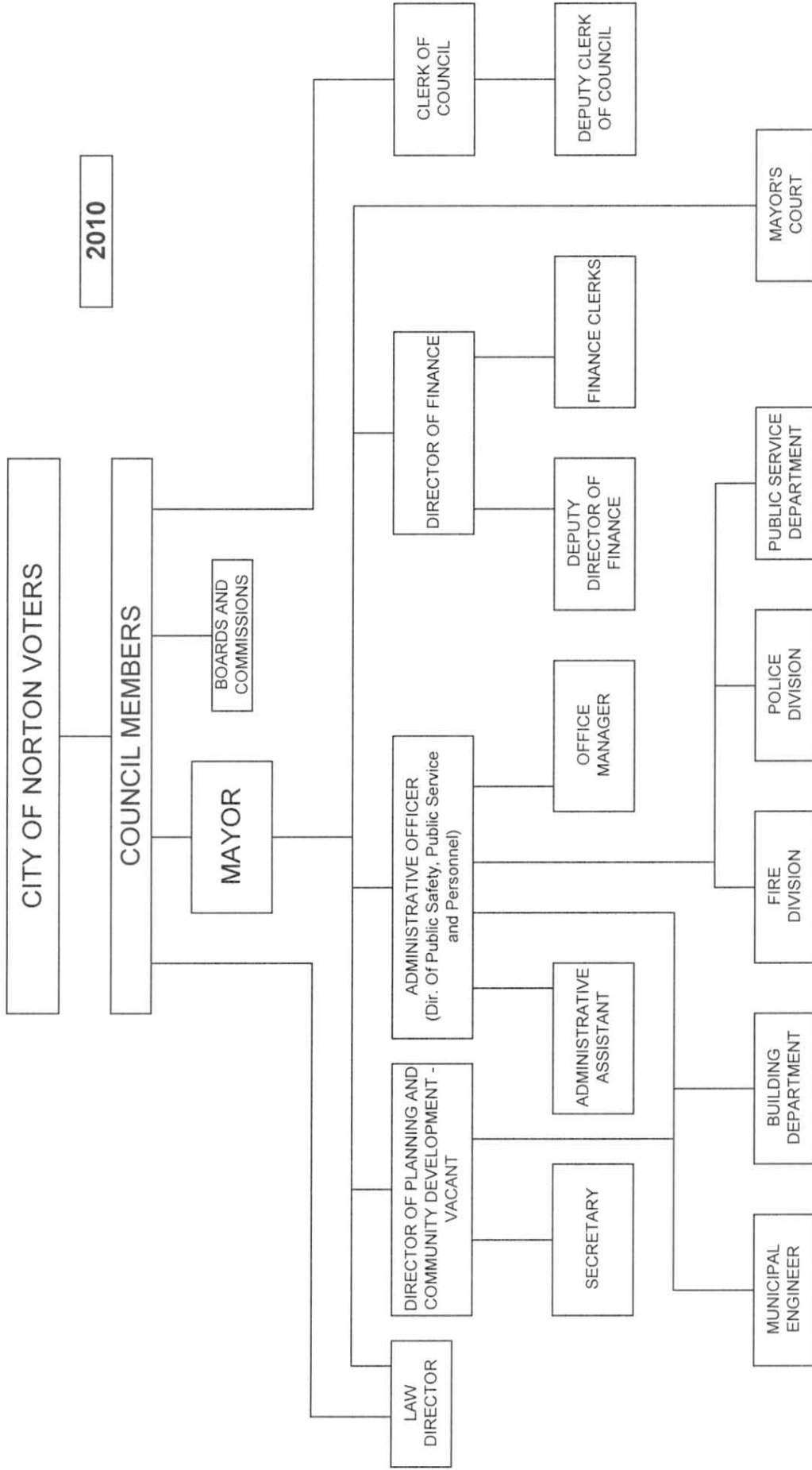
Elected Officials

David L. Koontz..... Mayor
Tom Bergstrom..... City Council, Ward 1
Don Nicolard..... City Council, Ward 2
William Mowery..... City Council, Ward 3
Ken Braman..... City Council, Ward 4
Brenda Hlas..... City Council, At-Large
Mike Zita..... City Council, Vice President, At-Large
Scott Pelot..... City Council, President, At-Large

Administrators

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

City of Norton Organizational Chart



FINANCIAL SECTION

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INDEPENDENT ACCOUNTANTS' REPORT

City of Norton
4060 Columbia Woods Drive
Norton, Ohio 44203

To Members of Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, Street Construction, Maintenance and Repair Fund and the Fire/EMS Levy Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the financial statements, the City adopted the provisions of GASB Statement No. 51, "Accounting and Reporting for Intangible Assets" and Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

INDEPENDENT ACCOUNTANTS' REPORT (continued)

Accounting principles generally accepted in the United States of America require this presentation to include Management's Discussion and Analysis as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United State of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise 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 provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, according, we express no opinion or any other assurance on them.

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

November 29, 2011

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

The discussion and analysis for the City of Norton's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2010. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding regarding the City's financial performance, one should also review the transmittal letter, the basic financial statements and notes to the basic financial statements.

Financial Highlights

Norton is still impacted by the downturn of the national economy. Small increase in income tax revenue from the prior year provided room to sustain services. Expenditures remain high due to various projects conducted in 2010, which are discussed below.

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

- Construction of a new fire station.
- Construction work on the following waterline projects: Connect Road, Cleveland-Massillon Road, Wadsworth-Berry-McGowan Roads, and Gardner Phase III.
- Engineering and/or construction work on the following road projects: State Route 261 resurfacing project with the Ohio Department of Transportation, Greenwich/Norton road resurfacing and Cleveland-Massillon widening.

Using this Annual Financial Report

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

The Statement of Net Assets and Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2010 and how they affected the City of Norton's operations. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City of Norton as a Whole

Statement of Net Assets and the Statement of Activities

This financial view of the City as a whole considers all transactions and answers the question of how the City of Norton performed financially during 2010. The Statement of Net Assets and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity, as well as the overall evaluation of the City's financial status.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

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

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

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

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

Reporting the City of Norton's Most Significant Funds

Fund Financial Statements

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

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

Proprietary Fund – The City's only proprietary fund is an internal service fund, which accounts for a self-insurance program for employee medical claims. Activity in this fund is dramatically reduced due to a switch to a fully insured product.

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

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

The City of Norton as a Whole

The Statement of Net Assets provides an overall view of the City. Table 1 shows a summary of the City's net assets for 2010 as they compare to 2009.

Table 1
Net Assets

	Governmental Activities		
	2010	2009	Change
<i>Assets</i>			
Current and Other Assets	\$10,781,772	\$11,064,418	(\$282,646)
Capital Assets, Net	22,916,983	18,550,174	4,366,809
Total Assets	33,698,755	29,614,592	4,084,163
<i>Liabilities</i>			
Current and Other Liabilities	2,277,663	5,871,121	(3,593,458)
Long-term Liabilities			
Due Within One Year	579,206	472,173	107,033
Due in More than One Year	9,056,901	3,442,598	5,614,303
Total Liabilities	11,913,770	9,785,892	2,127,878
<i>Net Assets</i>			
Invested in Capital Assets			
Net of Related Debt	14,229,214	12,983,587	1,245,627
Restricted:			
Capital Projects	949,705	966,739	(17,034)
Debt Service	383,156	682,976	(299,820)
Police	71,472	33,363	38,109
Fire and EMS	1,632,559	922,576	709,983
Transportation	624,946	992,559	(367,613)
Sewerline/Waterline Maintenance	802,703	1,304,656	(501,953)
Other Purposes	113,047	160,556	(47,509)
Unrestricted	2,978,183	1,781,688	1,196,495
Total Net Assets	\$21,784,985	\$19,828,700	\$1,956,285

The increase in total assets was primarily the result of an increase in capital assets as many projects were in progress around the City.

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

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Total net assets increased over 2009. Some factors partly responsible for this increase included the increases in capital assets, which was only partially offset by increases in current liabilities.

Table 2 shows the changes in net assets for the year ended December 31, 2010.

Table 2
Changes in Net Assets

	Governmental Activities		
	2010	2009	Change
<i>Revenues</i>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$1,300,955	\$927,275	\$373,680
Operating Grants and Contributions	1,472,638	1,189,503	283,135
Capital Grants and Contributions	381,047	2,001,865	(1,620,818)
Total Program Revenues	3,154,640	4,118,643	(964,003)
<i>General Revenues:</i>			
Property Taxes	1,753,207	1,730,293	22,914
Income Tax	4,169,603	3,597,410	572,193
Grants and Entitlements	908,884	811,264	97,620
Interest	9,242	75,019	(65,777)
Other	262,136	176,628	85,508
Total General Revenues	7,103,072	6,390,614	712,458
Total Revenues	10,257,712	10,509,257	(251,545)
<i>Program Expenses:</i>			
General Government	2,162,226	2,125,361	(36,865)
Security of Persons and Property	4,596,289	3,663,609	(932,680)
Transportation	942,026	1,350,060	408,034
Community Environment	207,963	215,613	7,650
Public Health Services	0	149,466	149,466
Leisure Time Activities	151,742	130,210	(21,532)
Interest and Fiscal Charges	241,181	219,038	(22,143)
Total Expenses	8,301,427	7,853,357	(448,070)
Increase in Net Assets	1,956,285	2,655,900	(699,615)
Net Assets Beginning of Year	19,828,700	17,172,800	2,655,900
Net Assets End of Year	\$21,784,985	\$19,828,700	\$1,956,285

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Governmental Activities

Several revenue sources fund governmental activities with the City of Norton's municipal income tax being the largest contributor. The income tax rate of 1 percent was created by City Charter adopted November 6, 1962 and re-adopted in its entirety by the voters at a general election held on November 5, 1992. The City allowed a 100 percent credit of taxes paid to other municipalities, up to 1 percent of income. The 1 percent tax created by the Charter remained in effect until July 1, 1974, when Norton's electorate increased the income tax rate to 1.5 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, four full time sergeants, eleven full time patrol officers, five part time patrol officers and one full time secretary and one full time records clerk. The police operations also include dispatch for police, fire and EMS, with five full time dispatchers, and two part time dispatchers. Currently, dispatch is run as a joint project with Copley, Ohio as the City explores a long term joint project.

The fire/paramedic division is a full-time, 24-hour per day, 365-days per year operation utilizing two fire stations. The staff consists of a full time chief, three full time fire/paramedics, 30 part time fire/EMT/paramedics, six of which are Lieutenants and three are Captains, and one full time secretary.

Security of persons and property expense increased over 2009 due to costs associated with the temporary relocation of the fire department while a new station was constructed.

The City's Funds

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

Revenues exceeded expenses overall by \$3,198,029, causing increases to the carryover balances. The overall carryover balances were up to \$5,384,594. Significant increases to the carryover balance occurred in the Cleveland-Massillon Road Waterline fund, primarily due to the issuance of debt.

Revenues were up in 2010. General fund revenue of \$5,425,457 was higher than 2009 by \$189,098 (3.61 percent of 2009 revenue), including higher intergovernmental revenue by \$145,062 and higher property and income tax revenues by \$187,999 combined. For the total governmental funds, 2010 revenue of \$10,253,268 was higher than 2009 by \$1,066,601.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Expenditures increased over 2009 in security of persons and property by \$2,925,871 (78.72 percent). General government expenditures were down \$340,351 (13.2 percent). Overall expenses of \$13,065,680 were up by \$2,032,231 (18.42 percent). The fire/EMS levy fund expenditures increased by \$2,720,177 due to the construction of a new fire station, which represented the majority of the change in expenditures from the prior year.

General Fund Budgeting Highlights

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

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

For the general fund, original budgeted revenues were \$5,294,269 and final budgeted revenues were \$5,508,631. This \$214,362 difference is mainly due to increased budgeted revenues for property taxes of \$19,498 and municipal income tax of \$193,153. Original budgeted expenditures were \$6,343,550 and final budgeted expenditures were \$6,672,147 for an increase of \$328,597. The increase is primarily the result of supplemental appropriations for the police department for costs in relation to salaries and wages, materials and supplies, and capital outlay.

Actual revenue collections for general fund were \$5,323,968, \$184,663 lower than final budgeted revenues, which is attributed to less actual intergovernmental revenues than anticipated. Actual expenditures were \$6,293,781. This reduction of \$378,366 from the final budget was due to efforts to control actual expenditures in anticipation of lower revenue.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		
	2010	2009	Change
Land	\$1,176,978	\$1,160,308	\$16,670
Construction in Progress	5,318,157	3,748,182	1,569,975
Land Improvements	1,017,367	826,460	190,907
Building and Improvements	1,347,819	1,223,151	124,668
Equipment, Furniture and Fixtures	675,279	751,205	(75,926)
Vehicles	1,332,517	1,528,554	(196,037)
Infrastructure			
Water Lines	5,431,652	2,810,700	2,620,952
Sanitary Sewer Lines	4,026,225	4,056,402	(30,177)
Roads	2,590,989	2,445,212	145,777
<i>Totals</i>	\$22,916,983	\$18,550,174	\$4,366,809

Capital assets increased over 2009, primarily due to increases in construction in progress. This is made up of many projects, most notably the State Route 261 project the City is doing with the Ohio Department of Transportation and the Cleveland-Massillon Road waterline project. For more information about the City's capital assets, see Note 9 in the basic financial statements.

Debt

As of December 31, 2010, the City of Norton had the following in outstanding general obligation and special assessment bonds:

Table 4
Outstanding Bonds at Year End

	Governmental Activities		
	2010	2009	Change
General Obligation Bonds	\$6,307,365	\$2,464,119	\$3,843,246
Special Assessment Bonds	671,784	715,881	(44,097)
Long-term Notes	1,979,422	0	1,979,422
<i>Totals</i>	\$8,958,571	\$3,180,000	\$5,778,571

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

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

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

For more information about the City's debt, see Note 12 in the basic financial statements.

Current Financial Related Issues

Effective January 1, 2005 the electorate of Norton approved a 0.5 percent City income tax increase. This increase was to provide funds for general municipal operations, new equipment, debt service, purchase of a City service garage, and the overall commitment of municipal services. As a result of the rate change income tax revenue increased by about 50 percent over 2005 on a cash basis. The City has received further increases based on normal economic growth. Additionally, in 2009, City Council reduced the tax credit from up to 2 percent to up to 1.5 percent, resulting in an effective minimum tax of 0.5 percent. The new revenue from this change is committed to the cost of water and sewer improvements.

As the City of Norton continues to grow, meeting the financial challenges to provide services and infrastructure needs in the community is a primary goal, and expanding utilities (such as water and sewer lines) is secondary. Through the Administration's strong fiscal management and City Council's strict budget supervision, the City has been able to adjust to lower revenues while sustaining City services at past levels. Emergency medical services have been a strain on the existing levy revenue and cannot be sustained much longer without new revenue. Equipment purchases as well as facility improvements, acquisitions and other necessary major purchases have been paid for in cash where possible to facilitate the pay-down of debt, capital construction to be paid by grants, assessments or other outside revenue are supported by short term debt. Attention to healthy carryover balances and the pay-down of debt will continue in the future. However, the economic downturn has hurt the General Fund carryover. The City has kept the work force size at a financially manageable level and still has met the needs of City residents, but has not replaced most personnel that retired or left employment. In 2010, there was one position left unfilled following a retirement and three positions laid off. As of January 1, 2010, the City is no longer self-insured for employee medical benefits, in an attempt to reduce benefit costs.

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

Contacting the City of Norton's Finance Department

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

Basic Financial Statements

City of Norton, Ohio
Statement of Net Assets
December 31, 2010

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,756,227
Cash and Cash Equivalents In Segregated Accounts	20,913
Cash and Cash Equivalents With Fiscal Agents	280,014
Materials and Supplies Inventory	244,396
Accounts Receivable	281,811
Accrued Interest Receivable	646
Intergovernmental Receivable	1,511,041
Prepaid Items	30,764
Income Taxes Receivable	1,045,515
Property Taxes Receivable	1,768,387
Special Assessments Receivable	717,827
Deferred Charges	124,231
Nondepreciable Capital Assets	6,495,135
Depreciable Capital Assets, Net	16,421,848
<i>Total Assets</i>	33,698,755
Liabilities	
Accounts Payable	77,739
Accrued Wages	201,486
Intergovernmental Payable	278,906
Contracts Payable	134,806
Claims Payable	25,182
Deferred Revenue	1,526,155
Accrued Interest Payable	33,389
Long-Term Liabilities:	
Due Within One Year	579,206
Due in More Than One Year	9,056,901
<i>Total Liabilities</i>	11,913,770
Net Assets	
Invested in Capital Assets, Net of Related Debt	14,229,214
Restricted for:	
Capital Projects	949,705
Debt Service	383,156
Police	71,472
Fire and EMS	1,632,559
Transportation	624,946
Sewerline/Waterline Maintenance	802,703
Other Purposes	113,047
Unrestricted	2,978,183
<i>Total Net Assets</i>	\$21,784,985

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$2,162,226	\$276,251	\$0	\$0	(\$1,885,975)
Security of Persons and Property	4,596,289	297,053	431,812	0	(3,867,424)
Transportation	942,026	19,669	1,040,826	3,971	122,440
Community Environment	207,963	11,201	0	0	(196,762)
Public Health Services	0	583,767	0	377,076	960,843
Leisure Time Activities	151,742	113,014	0	0	(38,728)
Interest and Fiscal Charges	241,181	0	0	0	(241,181)
<i>Totals</i>	<u>\$8,301,427</u>	<u>\$1,300,955</u>	<u>\$1,472,638</u>	<u>\$381,047</u>	<u>(5,146,787)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	379,153
Fire	320,570
EMS	266,321
Police and Fire Disability and Pension	88,107
Fire/EMS Levy	699,056
Income Taxes Levied for	
General Purposes	3,745,475
Debt Service	113,273
Water and Sewer Improvements	310,855
Grants and Entitlements not Restricted to Specific Programs	908,884
Interest	9,242
Other	262,136
<i>Total General Revenues</i>	<u>7,103,072</u>
Change in Net Assets	1,956,285
<i>Net Assets Beginning of Year</i>	<u>19,828,700</u>
<i>Net Assets End of Year</i>	<u>\$21,784,985</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio

Balance Sheet

Governmental Funds

December 31, 2010

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	Special Assessment Bond Retirement	Cleveland - Massillon Road Waterline
Assets					
Equity in Pooled Cash and Cash Equivalents	\$951,400	\$266,363	\$1,232,418	\$15,892	\$53,550
Cash and Cash Equivalents:					
In Segregated Accounts	20,913	0	0	0	0
With Fiscal Agents	70,541	0	0	0	0
Materials and Supplies Inventory	2,988	241,408	0	0	0
Accounts Receivable	56,081	0	0	0	0
Accrued Interest Receivable	646	0	0	0	0
Intergovernmental Receivable	666,010	297,999	45,930	0	1,073
Interfund Receivable	200,000	0	0	0	0
Prepaid Items	24,933	1,830	0	0	0
Income Taxes Receivable	899,143	0	0	0	0
Property Taxes Receivable	381,252	0	686,517	0	0
Special Assessments Receivable	0	0	0	717,827	0
<i>Total Assets</i>	<u>\$3,273,907</u>	<u>\$807,600</u>	<u>\$1,964,865</u>	<u>\$733,719</u>	<u>\$54,623</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$41,097	\$11,549	\$16,670	\$0	\$0
Accrued Wages	109,018	28,315	25,711	0	0
Intergovernmental Payable	177,738	31,727	24,414	0	0
Contracts Payable	14,818	0	98,769	0	0
Interfund Payable	0	0	0	200,000	0
Deferred Revenue	1,447,567	195,671	732,447	717,827	1,073
<i>Total Liabilities</i>	<u>1,790,238</u>	<u>267,262</u>	<u>898,011</u>	<u>917,827</u>	<u>1,073</u>
Fund Balances					
Nonspendable	27,921	243,238	0	0	0
Restricted	10,736	297,100	1,066,854	0	53,550
Committed	217,314	0	0	0	0
Assigned	97,352	0	0	0	0
Unassigned (Deficit)	1,130,346	0	0	(184,108)	0
<i>Total Fund Balances (Deficit)</i>	<u>1,483,669</u>	<u>540,338</u>	<u>1,066,854</u>	<u>(184,108)</u>	<u>53,550</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,273,907</u>	<u>\$807,600</u>	<u>\$1,964,865</u>	<u>\$733,719</u>	<u>\$54,623</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2010*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$5,384,594
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$2,060,612	\$4,580,235	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,916,983
0	20,913	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
209,473	280,014	Delinquent Property Taxes	242,232
0	244,396	Income Tax	588,614
225,730	281,811	Special Assessments	717,827
0	646	Grants	1,271,885
500,029	1,511,041	Charges for Services	<u>57,305</u>
0	200,000		
4,001	30,764		
146,372	1,045,515	Total	2,877,863
700,618	1,768,387	In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(33,389)
0	717,827		
<u>\$3,846,835</u>	<u>\$10,681,549</u>	An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of activities.	150,810
\$8,423	\$77,739	In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	124,231
38,442	201,486		
45,027	278,906	Long-term liabilities, including notes and bonds payable are not due and payable in the current period and therefore are not reported in the funds:	
21,219	134,806	General Obligation Bonds	(2,283,216)
0	200,000	Various Purpose Bonds	(4,024,149)
1,309,433	4,404,018	Special Assessment Bonds	(671,784)
		Various Purpose Notes	(1,979,422)
<u>1,422,544</u>	<u>5,296,955</u>	Compensated Absences	<u>(677,536)</u>
4,001	275,160		
1,836,758	3,264,998	Total	<u>(9,636,107)</u>
372,084	589,398		
211,448	308,800	<i>Net Assets of Governmental Activities</i>	<u>\$21,784,985</u>
0	946,238		
<u>2,424,291</u>	<u>5,384,594</u>		
<u>\$3,846,835</u>	<u>\$10,681,549</u>		

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	Special Assessment Bond Retirement	Cleveland - Massillon Road Waterline
Revenues					
Property Taxes	\$373,765	\$0	\$700,007	\$0	\$0
Municipal Income Tax	3,869,447	0	0	0	0
Charges for Services	48,262	14,536	815	0	0
Special Assessments	0	0	0	78,078	81,776
Licenses, Permits and Fees	73,657	0	0	0	0
Fines and Forfeitures	116,576	0	0	0	0
Intergovernmental	918,555	642,142	112,327	0	439,288
Interest	9,132	90	0	0	2
Other	16,063	7,783	207,459	693	18,573
<i>Total Revenues</i>	<u>5,425,457</u>	<u>664,551</u>	<u>1,020,608</u>	<u>78,771</u>	<u>539,639</u>
Expenditures					
Current:					
General Government	2,126,633	0	0	2,864	0
Security of Persons and Property	2,094,245	0	3,437,199	0	0
Transportation	503,375	1,164,076	0	0	0
Community Environment	209,513	0	0	0	0
Public Health Services	1,530	0	0	0	0
Leisure Time Activities	133,830	0	0	0	0
Capital Outlay	0	0	0	0	69,192
Debt Service:					
Principal Retirement	0	0	0	110,000	0
Interest and Fiscal Charges	8,996	0	20,010	75,900	17,306
Bond Issuance Costs	0	0	90,569	0	14,430
<i>Total Expenditures</i>	<u>5,078,122</u>	<u>1,164,076</u>	<u>3,547,778</u>	<u>188,764</u>	<u>100,928</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>347,335</u>	<u>(499,525)</u>	<u>(2,527,170)</u>	<u>(109,993)</u>	<u>438,711</u>
Other Financing Sources (Uses)					
General Obligation Bonds Issued	0	0	2,600,000	0	522,897
General Obligation Bonds Premium	0	0	90,569	0	14,430
General Obligation Notes Issued	570,000	0	900,000	0	0
General Obligation Notes Premium	1,256	0	5,949	0	0
Transfers In	0	475,200	0	0	0
Transfers Out	(628,473)	0	(26,621)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(57,217)</u>	<u>475,200</u>	<u>3,569,897</u>	<u>0</u>	<u>537,327</u>
<i>Net Change in Fund Balances</i>	290,118	(24,325)	1,042,727	(109,993)	976,038
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>1,193,551</u>	<u>564,663</u>	<u>24,127</u>	<u>(74,115)</u>	<u>(922,488)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,483,669</u>	<u>\$540,338</u>	<u>\$1,066,854</u>	<u>(\$184,108)</u>	<u>\$53,550</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, 2010*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances -Total Governmental Funds	\$3,198,029
		Amounts reported for governmental activities in the statement of activities are different because:	
\$656,867	\$1,730,639	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.	
312,597	4,182,044	Capital Asset Additions	5,050,159
855,999	919,612	Current Year Depreciation	<u>(608,688)</u>
110,263	270,117	Total	4,441,471
0	73,657		
28,681	145,257		
548,252	2,660,564		
18	9,242		
11,565	262,136		
<u>2,524,242</u>	<u>10,253,268</u>		
		Government funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(74,662)
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
107,754	2,237,251	Delinquent Property Taxes	22,568
1,111,124	6,642,568	Income Tax	(12,441)
47,980	1,715,431	Special Assessments	(41,659)
0	209,513	Grants	102,005
1,035,620	1,037,150	Charges for Services	<u>(66,029)</u>
0	133,830	Total	4,444
447,704	516,896		
		Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	225,000
115,000	225,000		
99,631	221,843		
21,199	126,198		
<u>2,986,012</u>	<u>13,065,680</u>		
(461,770)	(2,812,412)	In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	126,198
		Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
767,103	3,890,000	Accrued Interest on Bonds	(24,241)
31,236	136,235	Amortization of Issuance Cost	(1,967)
497,000	1,967,000	Amortization of Premium on Bonds	2,086
10,001	17,206	Amortization of Premium on Notes	<u>4,784</u>
179,894	655,094	Total	(19,338)
0	(655,094)		
<u>1,485,234</u>	<u>6,010,441</u>		
1,023,464	3,198,029	Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	57,235
		The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the entity- wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.	8,349
1,400,827	2,186,565		
<u>\$2,424,291</u>	<u>\$5,384,594</u>		
		Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.	
		General Obligation Bonds Issued	(3,890,000)
		General Obligation Notes Issued	(1,967,000)
		Premium on Bonds Issued	(136,235)
		Premium on Notes Issued	<u>(17,206)</u>
		Total	<u>(6,010,441)</u>
		<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$1,956,285</u></u>

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$348,941	\$368,439	\$373,765	\$5,326
Municipal Income Tax	3,456,626	3,649,779	3,794,063	144,284
Charges for Services	30,983	32,714	45,321	12,607
Licenses, Permits and Fees	54,272	57,304	57,677	373
Fines and Forfeitures	91,151	96,244	121,333	25,089
Intergovernmental	1,248,314	1,241,634	907,501	(334,133)
Interest	25,531	25,426	9,839	(15,587)
Other	38,451	37,091	14,469	(22,622)
<i>Total Revenues</i>	<u>5,294,269</u>	<u>5,508,631</u>	<u>5,323,968</u>	<u>(184,663)</u>
Expenditures				
Current:				
General Government	2,956,190	2,323,892	2,249,557	74,335
Security of Persons and Property	2,142,347	2,309,463	2,100,423	209,040
Transportation	763,734	942,346	918,321	24,025
Community Environment	202,875	202,112	200,952	1,160
Public Health Services	7,850	56,395	2,230	54,165
Leisure Time Activities	189,911	155,569	139,928	15,641
Debt Service:				
Principal Retirement	80,000	670,000	670,000	0
Interest and Fiscal Charges	643	12,370	12,370	0
<i>Total Expenditures</i>	<u>6,343,550</u>	<u>6,672,147</u>	<u>6,293,781</u>	<u>378,366</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,049,281)</u>	<u>(1,163,516)</u>	<u>(969,813)</u>	<u>193,703</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	570,000	1,140,000	840,000	(300,000)
General Obligation Notes Premium	0	0	2,420	2,420
Advances In	120,000	120,000	120,000	0
Advances Out	(200,000)	(200,000)	(200,000)	0
Transfers Out	(623,000)	(628,473)	(628,473)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(133,000)</u>	<u>431,527</u>	<u>133,947</u>	<u>(297,580)</u>
<i>Net Change in Fund Balance</i>	<u>(1,182,281)</u>	<u>(731,989)</u>	<u>(835,866)</u>	<u>(103,877)</u>
<i>Fund Balance Beginning of Year</i>	951,882	951,882	951,882	0
Prior Year Encumbrances Appropriated	<u>636,832</u>	<u>636,832</u>	<u>636,832</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$406,433</u></u>	<u><u>\$856,725</u></u>	<u><u>\$752,848</u></u>	<u><u>(\$103,877)</u></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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$33,502	\$30,000	\$16,262	(\$13,738)
Intergovernmental	698,930	625,873	636,517	10,644
Interest	3,350	3,000	90	(2,910)
Other	21,218	19,000	7,783	(11,217)
<i>Total Revenues</i>	757,000	677,873	660,652	(17,221)
Expenditures				
Current:				
Transportation	1,273,412	1,191,232	1,157,060	34,172
<i>Excess of Revenues Under Expenditures</i>	(516,412)	(513,359)	(496,408)	16,951
Other Financing Sources				
Transfers In	478,000	478,000	475,200	(2,800)
<i>Net Change in Fund Balance</i>	(38,412)	(35,359)	(21,208)	14,151
<i>Fund Balance Beginning of Year</i>	228,807	228,807	228,807	0
Prior Year Encumbrances Appropriated	25,226	25,226	25,226	0
<i>Fund Balance End of Year</i>	<u>\$215,621</u>	<u>\$218,674</u>	<u>\$232,825</u>	<u>\$14,151</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Levy Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Property Taxes	\$305,755	\$770,153	\$700,007	(\$70,146)
Charges for Services	318	802	815	13
Intergovernmental	776,040	1,954,734	115,327	(1,839,407)
Other	22,063	55,573	207,459	151,886
<i>Total Revenues</i>	<u>1,104,176</u>	<u>2,781,262</u>	<u>1,023,608</u>	<u>(1,757,654)</u>
Expenditures				
Current:				
Security of Persons and Property	4,007,730	3,878,215	3,627,875	250,340
Debt Service:				
Principal Retirement	0	3,790,000	3,790,000	0
Interest and Fiscal Charges	0	40,600	39,229	1,371
Issuance Costs	0	90,569	90,569	0
<i>Total Expenditures</i>	<u>4,007,730</u>	<u>7,799,384</u>	<u>7,547,673</u>	<u>251,711</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,903,554)</u>	<u>(5,018,122)</u>	<u>(6,524,065)</u>	<u>(1,505,943)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	800,000	2,600,000	1,800,000
General Obligation Bonds Premium	0	0	90,569	90,569
General Obligation Notes Issued	0	4,400,000	4,400,000	0
General Obligation Notes Premium	0	0	21,034	21,034
Transfers Out	0	(26,621)	(26,621)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>5,173,379</u>	<u>7,084,982</u>	<u>1,911,603</u>
<i>Net Change in Fund Balance</i>	(2,903,554)	155,257	560,917	405,660
<i>Fund Balance Beginning of Year</i>	345,565	345,565	345,565	0
Prior Year Encumbrances Appropriated	15,290	15,290	15,290	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$2,542,699)</u>	<u>\$516,112</u>	<u>\$921,772</u>	<u>\$405,660</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Fund Net Assets
Internal Service Fund
December 31, 2010

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$175,992
Liabilities	
Claims Payable	<u>25,182</u>
Net Assets	
Unrestricted	<u>\$150,810</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Year Ended December 31, 2010*

	<u>Insurance</u>
Operating Revenues	
Charges for Services	<u>\$16,212</u>
Operating Expenses	
Purchased Services	<u>7,863</u>
<i>Operating Income</i>	8,349
<i>Net Assets Beginning of Year</i>	<u>142,461</u>
<i>Net Assets End of Year</i>	<u><u>\$150,810</u></u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2010

	Insurance
<i>Decrease in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$16,212
Cash Payments for Goods and Services	(7,863)
Cash Payments for Claims	(74,854)
<i>Net Decrease in Cash and Cash Equivalents</i>	(66,505)
<i>Cash and Cash Equivalents Beginning of Year</i>	242,497
<i>Cash and Cash Equivalents End of Year</i>	\$175,992
 <i>Reconciliation of Operating Income to</i>	
<i>Net Cash Used in Operating Activities</i>	
<i>Operating Income</i>	\$8,349
 Adjustments	
Decrease in Claims Payable	(74,854)
<i>Net Cash Used in Operating Activities</i>	(\$66,505)
 See accompanying notes to the basic financial statements	

City of Norton, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2010

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$35,724</u></u>
Liabilities	
Undistributed Assets	<u><u>\$35,724</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, 2010

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

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

Fund Accounting

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

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

General Fund The general fund accounts and reports for 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 State gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the City as required by the Ohio Revised Code.

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Cleveland-Massillon Road Waterline Capital Projects Fund The Cleveland-Massillon road waterline fund accounts for debt proceeds and grant revenues restricted for expenditures for water line construction.

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

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

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

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

Measurement Focus

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 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 Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue.

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Budgetary Process

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

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

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

Cash and Cash Equivalents

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

During 2010, investments were limited to a repurchase agreement, which is presented at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund, and certain special revenue funds. Interest revenue credited to the general fund during 2010, amounted to \$9,132, which includes \$7,240 assigned from other City funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Inventory

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

Capital Assets

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

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

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

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

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

Interfund Balances

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

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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 a formal action (ordinance or resolution) 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, 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,

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

compliance with these constraints are 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. 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.

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 balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

Operating Revenues and Expenses

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

Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements and in the City's enterprise funds. The straight-line method of amortization is not materially different from the effective-interest method.

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs, which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Bond Premiums

On the government-wide financial statements, bond premiums and discounts 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 receipted in the year the bonds are issued.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 and after non-operating revenues/expenses in the internal service fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Net Assets

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

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

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

Extraordinary and Special Items

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

Estimates

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

Note 3 – Changes in Accounting Principles and Restatement of Fund Balance

Change in Accounting Principles

For fiscal year 2010, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, “Accounting and Reporting for Intangible Assets” and Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”.

GASB Statement No. 51 establishes accounting and financial reporting of intangible assets to reduce inconsistencies, thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City’s financial statements.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification and restatement of the City's financial statements.

Restatement of Fund Balance

During 2010, it was determined that the implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	Special Assessment Bond Retirement
Fund Balance at December 31, 2009	\$785,315	\$564,663	\$24,127	(\$74,115)
Change in Fund Structure	408,236	0	0	0
Adjusted Fund Balance at December 31, 2009	<u>\$1,193,551</u>	<u>\$564,663</u>	<u>\$24,127</u>	<u>(\$74,115)</u>

	Cleveland - Massillon Road Waterline	Other Governmental Funds	Total Governmental Funds
Fund Balance at December 31, 2009	(\$922,488)	\$1,809,063	\$2,186,565
Change in Fund Structure	0	(408,236)	0
Adjusted Fund Balance at December 31, 2009	<u>(\$922,488)</u>	<u>\$1,400,827</u>	<u>\$2,186,565</u>

Note 4 – 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 below:

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Fund Balances	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	Special Assessment Bond Retirement	Cleveland- Massillon Road Waterline	Other Governmental Funds	Total
<u>Nonspendable:</u>							
Inventory	\$2,988	\$241,408	\$0	\$0	\$0	\$0	\$244,396
Prepays	24,933	1,830	0	0	0	4,001	30,764
<i>Total Nonspendable</i>	<u>27,921</u>	<u>243,238</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,001</u>	<u>275,160</u>
<u>Restricted for:</u>							
Unclaimed Funds	5,320	0	0	0	0	0	5,320
Police Department	0	0	0	0	0	28,782	28,782
Fire and EMS Department	0	0	1,066,854	0	0	349,512	1,416,366
Debt Service Retirement	0	0	0	0	0	29,397	29,397
Street Maintenance	0	297,100	0	0	0	16,530	313,630
Mayor's Court	0	0	0	0	0	31,670	31,670
Recycling	5,416	0	0	0	0	0	5,416
Public Utilities	0	0	0	0	0	767,412	767,412
Capital Improvements	0	0	0	0	53,550	543,123	596,673
Other Purposes	0	0	0	0	0	70,332	70,332
<i>Total Restricted</i>	<u>10,736</u>	<u>297,100</u>	<u>1,066,854</u>	<u>0</u>	<u>53,550</u>	<u>1,836,758</u>	<u>3,264,998</u>
<u>Committed to:</u>							
Cemetery	0	0	0	0	0	7,793	7,793
Public Utility Improvement	0	0	0	0	0	364,291	364,291
Other Purposes	217,314	0	0	0	0	0	217,314
<i>Total Committed</i>	<u>217,314</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>372,084</u>	<u>589,398</u>
<u>Assigned to:</u>							
Other Purposes	97,352	0	0	0	0	0	97,352
Capital Improvements	0	0	0	0	0	211,448	211,448
<i>Total Assigned</i>	<u>97,352</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>211,448</u>	<u>308,800</u>
Unassigned (Deficit)	<u>1,130,346</u>	<u>0</u>	<u>0</u>	<u>(184,108)</u>	<u>0</u>	<u>0</u>	<u>946,238</u>
Total Fund Balances	<u><u>\$1,483,669</u></u>	<u><u>\$540,338</u></u>	<u><u>\$1,066,854</u></u>	<u><u>(\$184,108)</u></u>	<u><u>\$53,550</u></u>	<u><u>\$2,424,291</u></u>	<u><u>\$5,384,594</u></u>

Note 5 – Accountability and Compliance

Accountability

The deficit in the special assessment bond retirement fund of \$184,108 was caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for the deficit in this fund and provides transfers when cash is required, not when accruals occur.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Compliance

Contrary to Ohio Revised Code Section 5705.39, the following funds had original appropriations in excess of certified available resources:

Fund	Original Estimated Resources Plus Beginning Cash	Original Appropriations Plus Encumbrances	Excess
Major Funds:			
Fire/EMS Levy	\$1,465,031	\$4,007,730	(\$2,542,699)
Cleveland-Massillon Road Waterline	495,237	1,473,131	(977,894)

This budgetary violation was corrected by year end and management has indicated that appropriations will be closely monitored to prevent future violations.

Note 6 – Budgetary Basis of Accounting

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

	Net Change in Fund Balances		
	General	Street Construction, Maintenance and Repair	Fire/EMS Levy
GAAP Basis	\$290,118	(\$24,325)	\$1,042,727
Net Adjustment for Revenue Accruals	171,593	(3,899)	3,518,085
Advances In	120,000	0	0
Ending Unrecorded Cash	(1,918)	0	0
Net Adjustment for			
Expenditure Accruals	(1,019,025)	40,554	(3,689,249)
Advances Out	(200,000)	0	0
Encumbrances	(196,634)	(33,538)	(310,646)
Budget Basis	<u>(\$835,866)</u>	<u>(\$21,208)</u>	<u>\$560,917</u>

Note 7 – Deposits and Investments

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the bank balance was \$3,527,921. Of the bank balance \$1,467,775 was covered by Federal Depository Insurance (FDIC) and \$2,060,146 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

Investments

As of December 31, 2010, the City had an investment in a repurchase agreement with a fair value of \$1,355,000. The underlying securities of the repurchase agreement are Federal Home Loan Mortgage Bonds and have a maturity of less than thirty days.

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

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

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

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

Note 8 – Receivables

Receivables at December 31, 2010, consisted primarily of municipal income taxes, property taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest and accounts receivable.

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

Special assessments expected to be collected in one year amount to \$44,687, with the remaining \$673,140 expected to be collected in more than one year. At December 31, 2010, the amount of delinquent special assessments was \$46,043.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) is for 2010 taxes.

2010 real property taxes are levied after October 1, 2010 on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all City operations for the year ended December 31, 2010 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

	Assessed Values
Real Estate	
Residential/Agricultural	\$220,322,280
Other Real Estate	43,993,900
Tangible Personal Property	
Public Utility	5,582,820
General	238,565
Total	\$270,137,565

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Norton. The County Fiscal Officer periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since current taxes were not levied to finance 2010 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while the remainder of the receivable is deferred.

Intergovernmental Receivables

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

	Amounts
Other Grants	\$485,699
Local Government	337,976
Gasoline Tax	160,837
OPWC Grants	135,644
Homestead and Rollback	110,338
Mayor's Court	85,556
Cents Per Gallon	77,380
Motor Vehicle License Registration	67,711
Permissive Motor Vehicle License Tax	48,710
Miscellaneous	1,190
Total	\$1,511,041

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, water and sewer improvement special revenue fund, and the general obligation bond retirement debt service fund.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 9 – Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 12/31/09	Additions	Reductions	Balance 12/31/10
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,160,308	\$41,670	(\$25,000)	\$1,176,978
Construction in Progress	3,748,182	4,446,239	(2,876,264)	5,318,157
<i>Total Capital Assets, not being depreciated</i>	<u>4,908,490</u>	<u>4,487,909</u>	<u>(2,901,264)</u>	<u>6,495,135</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	934,117	236,586	0	1,170,703
Buildings and Improvements	1,807,527	187,000	(167,323)	1,827,204
Equipment, Furniture and Fixtures	1,613,219	29,424	0	1,642,643
Vehicles	2,906,734	16,573	(35,921)	2,887,386
Infrastructure:				
Water Lines	3,263,713	2,680,393	0	5,944,106
Sanitary Sewer Lines	4,433,407	14,300	0	4,447,707
Roads	2,782,839	274,238	0	3,057,077
<i>Total Capital Assets, being depreciated</i>	<u>17,741,556</u>	<u>3,438,514</u>	<u>(203,244)</u>	<u>20,976,826</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(107,657)	(45,679)	0	(153,336)
Buildings and Improvements	(584,376)	(28,867)	133,858	(479,385)
Equipment, Furniture and Fixtures	(862,014)	(105,350)	0	(967,364)
Vehicles	(1,378,180)	(196,413)	19,724	(1,554,869)
Infrastructure:				
Water Lines	(453,013)	(59,441)	0	(512,454)
Sanitary Sewer Lines	(377,005)	(44,477)	0	(421,482)
Roads	(337,627)	(128,461)	0	(466,088)
<i>Total Accumulated Depreciation</i>	<u>(4,099,872)</u>	<u>(608,688) *</u>	<u>153,582</u>	<u>(4,554,978)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>13,641,684</u>	<u>2,829,826</u>	<u>(49,662)</u>	<u>16,421,848</u>
Governmental Activities Capital Assets, Net	<u>\$18,550,174</u>	<u>\$7,317,735</u>	<u>(\$2,950,926)</u>	<u>\$22,916,983</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$27,842
Security of Persons and Property	195,411
Transportation	232,236
Community Environment	17
Public Health Services	103,918
Leisure Time Activities	49,264
Total Depreciation Expense	<u>\$608,688</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 10 – Notes Payable

A summary of the note transactions for the year ended December 31, 2010, follows:

	Outstanding 12/31/2009	Issued	Retired	Outstanding 12/31/2010
3.83% Vehicle Acquisition Note	\$290,000	\$0	\$290,000	\$0
2.55% Real Property Acquisition Note	400,000	0	400,000	0
2.25% Various Purpose Note				
The Meadows at Johson	239,562	0	239,562	0
Land and Land Improvements	67,000	0	67,000	0
Connect Road	136,000	0	136,000	0
Gardner Phase II	270,000	0	270,000	0
Wadsworth Berry McGowan	335,000	0	335,000	0
2.89% Cleveland Massillon Road Water Improvement Note	1,400,000	0	1,400,000	0
Premium on Cleveland Massillon Road Water Improvement Note	1,537	0	1,537	0
2.50% Cleveland Massillon Road Water Improvement Note	0	560,000	560,000	0
Premium on 2.50% Cleveland Massillon Road Water Improvement Note	0	3,853	3,853	0
1.63% Various Purpose Note				
General Fund	0	270,000	270,000	0
Emergency Medical Services	0	3,500,000	3,500,000	0
Gardner Phase III	0	346,000	346,000	0
Premium on 1.63% Various Purpose Note	0	17,740	17,740	0
Total	\$3,139,099	\$4,697,593	\$7,836,692	\$0

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

On June 29, 2010, the City issued \$560,000 in bond anticipation notes in the Cleveland-Massillon Road waterline fund at an interest rate of 2.5 percent. The note was issued for the improvement of the waterlines on Cleveland-Massillon Road and matured on December 15, 2010.

On March 4, 2010, the City issued \$4,116,000 in bond anticipation notes; \$270,000 in the general fund, \$3,500,000 in the fire/EMS levy fund and \$346,000 in the Gardner Phase III capital projects funds, at an interest rate of 1.625 percent. The note was issued in anticipation of the issuance of bonds for the following purposes: to pay the costs of constructing, furnishing, equipping and otherwise improving a fire station; constructing improvements to Greenwich Road; acquiring real property for municipal purposes and in anticipation of the issuance of bonds and the levy and collection of special assessments; and to pay costs of improving Parkway Drive from Gardner Boulevard to North Avenue, Hartzell Drive from Gardner Boulevard to Norton Avenue, Long Drive from Gardner Boulevard to Norton Avenue, and Wilbur Avenue from Gardner Boulevard to Tallwood Drive by constructing and installing a new 8 inch waterline, which will replace 5,100 feet of 2 inch waterline. The note matured on September 2, 2010.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 11 - Contingencies

Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2010.

Litigation

The City is currently the defendant in a legal action to require arbitration on a personnel matter.

Note 12 – Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds</i>				
Street Improvement	2003	2.0%	\$570,000	December 1, 2018
Police Radio System	2003	2.0	415,000	December 1, 2018
Road Program	2003	2.0	520,000	December 1, 2018
Ballfields	2003	2.0	260,000	December 1, 2023
Gardner Engineering	2003	2.0	215,000	December 1, 2023
Barber Road Sanitary Sewer	2003	2.0	1,496,940	December 1, 2023
Various Purpose - Series A	2010	2.0 - 5.0	2,600,000	December 1, 2035
Various Purpose - Series B	2010	2.0 - 5.0	1,290,000	December 1, 2030
<i>Special Assessment Bonds</i>				
1996 Special Assessments	1996	6.6	122,000	December 1, 2016
Barber Road Special Assessments	2003	2.0	888,060	December 1, 2023
<i>Long Term Notes</i>				
Various Purpose Notes	2010	1.88 - 2.3	1,967,000	August 25, 2011

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

A schedule of changes in bonds and other long-term obligations of the City during 2010 follows:

	Amounts Outstanding 12/31/09	Additions	Reductions	Amounts Outstanding 12/31/10	Amounts Due in One Year
<i>General Obligation Bonds:</i>					
Street Improvement	\$365,000	\$0	(\$35,000)	\$330,000	\$35,000
Police Radio System	265,000	0	(25,000)	240,000	25,000
Road Program	335,000	0	(35,000)	300,000	35,000
Ballfields	200,000	0	(10,000)	190,000	10,000
Gardner Engineering	155,000	0	(10,000)	145,000	10,000
Barber Road Sanitary Sewer	1,144,119	0	(65,903)	1,078,216	65,313
<i>Various Purpose - Series A</i>					
Serial Bonds	0	755,000	0	755,000	70,000
Term Bonds	0	1,845,000	0	1,845,000	0
Premium	0	90,714	(1,487)	89,227	0
<i>Various Purpose - Series B</i>					
Serial Bonds	0	530,000	0	530,000	50,000
Term Bonds	0	760,000	0	760,000	0
Premium	0	45,521	(599)	44,922	0
<i>Total General Obligation Bonds</i>	<u>2,464,119</u>	<u>4,026,235</u>	<u>(182,989)</u>	<u>6,307,365</u>	<u>300,313</u>
<i>Special Assessment Bonds:</i>					
<i>with Governmental Commitment:</i>					
1996 Special Assessment	55,000	0	(5,000)	50,000	5,000
Barber Road Special Assessment	660,881	0	(39,097)	621,784	39,687
<i>Total Special Assessment Bonds</i>	<u>715,881</u>	<u>0</u>	<u>(44,097)</u>	<u>671,784</u>	<u>44,687</u>
<i>Other Long-Term Liabilities:</i>					
<i>Various Purpose Notes</i>					
Fire/EMS Levy	0	1,255,000	0	1,255,000	0
Water System	0	712,000	0	712,000	0
Premium	0	17,206	(4,784)	12,422	0
Compensated Absences	734,771	189,938	(247,173)	677,536	234,206
<i>Total Other Long-Term Liabilities</i>	<u>734,771</u>	<u>2,174,144</u>	<u>(251,957)</u>	<u>2,656,958</u>	<u>234,206</u>
<i>Total Governmental Long-Term Liabilities</i>	<u>\$3,914,771</u>	<u>\$6,200,379</u>	<u>(\$479,043)</u>	<u>\$9,636,107</u>	<u>\$579,206</u>

General obligation Bonds

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

Various Purpose General Obligation Bonds

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 below:

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 (\$165,000 and \$160,000) will mature at the stated maturity.

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

The 2010B various purpose general obligation 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

The 2010B various purpose general obligation 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 below:

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.

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. The capital leases will be paid from the general fund.

Various Purpose General Obligation Notes

On August 26, 2010, the City issued \$1,255,000 in bond anticipation notes, \$190,000 in the general fund, \$900,000 in the fire/EMS levy special revenue fund, and \$165,000 in the Gardner Phase III capital projects fund at an interest rate of 1.875 percent. The note was issued in anticipation of the issuance of bonds for the following purposes: to pay the costs of constructing, furnishing, equipping and otherwise improving a fire station; constructing improvements to Greenwich Road; acquiring real property for municipal purposes and in anticipation of the issuance of bonds and the levy and collection of special assessments; and to pay costs of improving Parkway Drive from Gardner Boulevard to North Avenue, Hartzell Drive from Gardner Boulevard to Norton Avenue, Long Drive from Gardner Boulevard to Norton Avenue, and Wilbur Avenue from Gardner Boulevard to Tallwood Drive by constructing and installing a new 8 inch waterline, which will replace 5,100 feet of 2 inch waterline. The note will mature on August 25, 2011.

On October 14, 2010, the City issued \$712,000 in bond anticipation notes, \$380,000 in the general fund and \$332,000 in the water system special revenue fund at an interest rate of 2.55 percent. The note was issued to pay the cost of constructing and installing water lines for the Greenwich Road water extension, Gardner Phase I project, and to pay costs of acquiring real property for municipal purposes. The note will mature on August 25, 2011.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

The City's overall debt margin was \$20,107,054 and the unvoted legal debt margin was \$6,600,176 at December 31, 2010.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2010, are as follows:

	Governmental Activities					
	General Obligation Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$300,313	\$231,462	\$0	\$0	\$300,313	\$231,462
2012	313,451	225,093	0	0	313,451	225,093
2013	322,180	216,799	0	0	322,180	216,799
2014	326,589	207,517	0	0	326,589	207,517
2015	334,727	199,406	0	0	334,727	199,406
2016-2020	1,567,572	843,166	0	0	1,567,572	843,166
2021-2025	403,384	31,786	810,000	540,285	1,213,384	572,071
2026-2030	0	0	1,030,000	320,400	1,030,000	320,400
2031-2035	0	0	765,000	106,200	765,000	106,200
Totals	\$3,568,216	\$1,955,229	\$2,605,000	\$966,885	\$6,173,216	\$2,922,114

	Governmental Activities	
	Special Assessment Bonds	
	Principal	Interest
2011	\$44,687	\$26,622
2012	46,549	24,430
2013	52,820	22,828
2014	53,411	21,578
2015	55,273	19,056
2016-2020	262,428	63,276
2021-2023	156,616	13,614
Totals	\$671,784	\$191,404

Note 13 – Other Employee Benefits

Compensated Absences

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Employee Health Insurance

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

Note 14 – Risk Management

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

Company	Type of Coverage	Deductible	Coverage
Flickinger Insurance Services	Bond - Finance Director	\$0	\$100,000
	Bond - Mayor	0	50,000
	Bond - Administrator	0	50,000
	Bond - Clerk of Mayor's Court	0	75,000
Wichert Insurance Agency	Public Officials Liability	10,000	1,000,000
	Law Enforcement Liability	10,000	1,000,000
	Commercial Property	1,000	5,915,588
	Personal Property	1,000	809,597
	Inland Marine	0 - 25,000	2,759,417
	General Liability	0	1,000,000
	Commercial Crime - Employee Theft Per Loss	500	100,000
	Commercial Crime - Forgery or Alteration	500	5,000
	Automobile Liability	0	1,000,000
	Automobile Uninsured Motorists	0	25,000
Automobile Underinsured Motorists	0	25,000	
	Umbrella Liability	0	10,000,000

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

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

As of January 1, 2010, the City is no longer self insured. The self insurance fund is being utilized for the transition period to account for any run off claims dated prior to January 1, 2010.

The claims liability of \$25,182 reported in the self-insurance fund at December 31, 2010, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2009	\$117,175	\$389,977	\$407,116	\$100,036
2010	100,036	0	74,854	25,182

Note 15 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System (OPERS)

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$168,035, \$148,031, and \$124,082, respectively. For 2010, 89.01 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the member-directed plan for 2010 were \$5,869 made by the City and \$4,192 made by the plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$129,747 and \$25,814 for the year ended December 31, 2010, \$131,700 and \$23,846 for the year ended December 31, 2009, and \$134,467 and \$24,834 for the year ended December 31, 2008, respectively. For 2010, 64.64 percent for police and 30.18 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

Social Security System

As of December 31, 2010, the City's part-time firefighters have elected to be covered by Social Security rather than OPERS. The City's liability is 6.2 percent of wages paid.

Note 16 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$95,796, \$108,091, and \$124,082, respectively. For 2010, 89.01 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1, of each year from 2006 to 2008. Rates for law and public safety employees increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Police and Firemen's Disability and Pension Fund

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

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

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

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

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

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

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$68,690 and \$10,101 for the year ended December 31, 2010, \$69,724 and \$9,331 for the year ended December 31, 2009, and \$71,189 and \$9,718 for the year ended December 31, 2008. For 2010, 64.64 percent has been contributed for police and 30.18 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 2009 and 2008.

Note 17 – Joint Economic Development Zones

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 18 – Interfund Transfers and Balances

Transfers

Interfund transfers for the year ended December 31, 2010, consisted of the following:

	<u>Transfers Out</u>	<u>Transfers In</u>
Major Funds		
General Fund	\$628,473	\$0
Street Construction, Maintenance and Repair	0	475,200
Fire/EMS Levy	26,621	0
Total Major Funds	<u>655,094</u>	<u>475,200</u>
Nonmajor Funds		
<i>Debt Service Fund:</i>		
General Obligation Bond Retirement	0	139,894
<i>Capital Projects Fund:</i>		
Streets, Highway and Bridges	0	40,000
Total Nonmajor Funds	<u>0</u>	<u>179,894</u>
Total All Funds	<u>\$655,094</u>	<u>\$655,094</u>

Transfers from the general fund are used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, to provide additional resources for current operations, to pay debt, and to segregate money for anticipated capital projects. A transfer of \$26,621 was also made out of the fire/EMS levy fund to the general obligation bond retirement fund in order to cover the interest payment on the bond related to the new fire station.

Balances

At December 31, 2010, the general fund had an interfund receivable of \$200,000. This balance was made to support programs and projects in the special assessment bond retirement debt service fund pending the receipt of property tax and grant monies that will be used to repay the loans. This is expected to be paid within one year.

Note 19 – Subsequent Events

On August 15, 2011 the City issued \$1,535,000 in bond anticipation notes, \$335,000 for the Greenwich Road Waterline, \$170,000 for the Gardner Phase II waterline, \$385,000 for the Beldick property purchase, \$450,000 for the new fire station, and \$195,000 for the Lindeman property purchase. The notes mature on August 14, 2012 and have an interest rate of 3.8 percent.

**Combining and Individual Fund
Statements and Schedules**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

DWI Enforcement and Education Fund To account for 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 the deposit of funds received from the sale of cemetery lots and the disbursement of said funds thereon committed to the perpetual care of the cemetery.

Police and Fire Disability and Pension Fund To accumulate property taxes levied and restricted 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 funds 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 charges for services revenue restricted for water line maintenance fees.

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

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

Highway Planning and Construction Fund To account for grant revenues and expenditures restricted for the Greenwich repaving project.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

The Meadows at Johnson Fund To account for bond proceeds and special assessments restricted for the construction of roads in the Meadows at Johnson area.

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

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

Equipment Fund To account for revenues and expenditures assigned for major capital improvements in all departments.

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

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

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

Connect Road Fund To account for grants and bond proceeds restricted for a connecting road.

Gardner Phase I Fund To account for special assessments and expenses assigned for water line construction.

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

Gardner Phase III Fund To account for grants and expenses restricted for water line construction.

Wadsworth Berry McGowan Fund To account for bond proceeds and expenditures restricted for water line construction.

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

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,204,841	\$29,397	\$826,374	\$2,060,612
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	209,473	209,473
Accounts Receivable	206,681	0	19,049	225,730
Intergovernmental Receivable	148,070	0	351,959	500,029
Prepaid Items	4,001	0	0	4,001
Income Taxes Receivable	0	0	146,372	146,372
Property Taxes Receivable	700,618	0	0	700,618
<i>Total Assets</i>	<u>\$2,264,211</u>	<u>\$29,397</u>	<u>\$1,553,227</u>	<u>\$3,846,835</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$8,423	\$0	\$0	\$8,423
Accrued Wages	38,442	0	0	38,442
Intergovernmental Payable	45,027	0	0	45,027
Contracts Payable	21,219	0	0	21,219
Deferred Revenue	875,068	0	434,365	1,309,433
<i>Total Liabilities</i>	<u>988,179</u>	<u>0</u>	<u>434,365</u>	<u>1,422,544</u>
Fund Balances				
Nonspendable	4,001	0	0	4,001
Restricted	1,264,238	29,397	543,123	1,836,758
Committed	7,793	0	364,291	372,084
Assigned	0	0	211,448	211,448
<i>Total Fund Balances</i>	<u>1,276,032</u>	<u>29,397</u>	<u>1,118,862</u>	<u>2,424,291</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,264,211</u>	<u>\$29,397</u>	<u>\$1,553,227</u>	<u>\$3,846,835</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$656,867	\$0	\$0	\$656,867
Municipal Income Tax	0	0	312,597	312,597
Charges for Services	634,739	0	221,260	855,999
Special Assessments	0	0	110,263	110,263
Fines and Forfeitures	28,681	0	0	28,681
Intergovernmental	303,474	0	244,778	548,252
Interest	16	0	2	18
Other	136	6,605	4,824	11,565
<i>Total Revenues</i>	<u>1,623,913</u>	<u>6,605</u>	<u>893,724</u>	<u>2,524,242</u>
Expenditures				
Current:				
General Government	102,618	5,136	0	107,754
Security of Persons and Property	1,111,124	0	0	1,111,124
Transportation	47,980	0	0	47,980
Public Health Services	1,035,620	0	0	1,035,620
Capital Outlay	0	0	447,704	447,704
Debt Service:				
Principal Retirement	0	80,000	35,000	115,000
Interest and Fiscal Charges	0	54,114	45,517	99,631
Bond Issuance Costs	0	0	21,199	21,199
<i>Total Expenditures</i>	<u>2,297,342</u>	<u>139,250</u>	<u>549,420</u>	<u>2,986,012</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(673,429)</u>	<u>(132,645)</u>	<u>344,304</u>	<u>(461,770)</u>
Other Financing Sources				
General Obligation Bonds Issued	0	0	767,103	767,103
General Obligation Bonds Premium	0	10,037	21,199	31,236
General Obligation Notes Issued	332,000	0	165,000	497,000
General Obligation Notes Premium	3,552	5,358	1,091	10,001
Transfers In	0	139,894	40,000	179,894
<i>Total Other Financing Sources</i>	<u>335,552</u>	<u>155,289</u>	<u>994,393</u>	<u>1,485,234</u>
<i>Net Change in Fund Balances</i>	(337,877)	22,644	1,338,697	1,023,464
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,613,909</u>	<u>6,753</u>	<u>(219,835)</u>	<u>1,400,827</u>
<i>Fund Balances End of Year</i>	<u>\$1,276,032</u>	<u>\$29,397</u>	<u>\$1,118,862</u>	<u>\$2,424,291</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	State Highway Improvement	Fire	Emergency Medical Services
Assets			
Equity in Pooled Cash and Cash Equivalents	\$8,235	\$267,799	\$144,255
Accounts Receivable	0	0	31,394
Intergovernmental Receivable	24,161	22,863	19,494
Prepaid Items	0	2,267	1,734
Property Taxes Receivable	0	323,904	305,228
<i>Total Assets</i>	<u>\$32,396</u>	<u>\$616,833</u>	<u>\$502,105</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$1,425	\$6,998
Accrued Wages	0	16,459	21,983
Intergovernmental Payable	0	17,229	27,798
Contracts Payable	0	1,022	1,022
Deferred Revenue	15,866	346,767	324,722
<i>Total Liabilities</i>	<u>15,866</u>	<u>382,902</u>	<u>382,523</u>
Fund Balances:			
Nonspendable	0	2,267	1,734
Restricted	16,530	231,664	117,848
Committed	0	0	0
<i>Total Fund Balances</i>	<u>16,530</u>	<u>233,931</u>	<u>119,582</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$32,396</u>	<u>\$616,833</u>	<u>\$502,105</u>

<u>DARE Program</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>DWI Enforcement and Education</u>	<u>Cemetery</u>
\$906	\$1,072	\$3,546	\$4,780	\$17,862	\$7,793
0	0	0	0	0	0
0	0	0	0	616	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$906</u>	<u>\$1,072</u>	<u>\$3,546</u>	<u>\$4,780</u>	<u>\$18,478</u>	<u>\$7,793</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
906	1,072	3,546	4,780	18,478	0
0	0	0	0	0	7,793
<u>906</u>	<u>1,072</u>	<u>3,546</u>	<u>4,780</u>	<u>18,478</u>	<u>7,793</u>
<u>\$906</u>	<u>\$1,072</u>	<u>\$3,546</u>	<u>\$4,780</u>	<u>\$18,478</u>	<u>\$7,793</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2010

	Police and Fire Disability and Pension	Mayor's Court	Water System
Assets			
Equity in Pooled Cash and Cash Equivalents	\$70,332	\$31,670	\$309,914
Accounts Receivable	0	0	113,922
Intergovernmental Receivable	4,984	0	0
Prepaid Items	0	0	0
Property Taxes Receivable	71,486	0	0
<i>Total Assets</i>	<u>\$146,802</u>	<u>\$31,670</u>	<u>\$423,836</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Contracts Payable	0	0	1,200
Deferred Revenue	76,470	0	21,125
<i>Total Liabilities</i>	<u>76,470</u>	<u>0</u>	<u>22,325</u>
Fund Balances:			
Nonspendable	0	0	0
Restricted	70,332	31,670	401,511
Committed	0	0	0
<i>Total Fund Balances</i>	<u>70,332</u>	<u>31,670</u>	<u>401,511</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$146,802</u>	<u>\$31,670</u>	<u>\$423,836</u>

Sanitary Sewer	Assistance to Firefighters	Highway Planning and Construction	Total Nonmajor Special Revenue Funds
\$336,677	\$0	\$0	\$1,204,841
61,365	0	0	206,681
0	5,311	70,641	148,070
0	0	0	4,001
0	0	0	700,618
<u>\$398,042</u>	<u>\$5,311</u>	<u>\$70,641</u>	<u>\$2,264,211</u>
\$0	\$0	\$0	\$8,423
0	0	0	38,442
0	0	0	45,027
17,975	0	0	21,219
14,166	5,311	70,641	875,068
<u>32,141</u>	<u>5,311</u>	<u>70,641</u>	<u>988,179</u>
0	0	0	4,001
365,901	0	0	1,264,238
0	0	0	7,793
<u>365,901</u>	<u>0</u>	<u>0</u>	<u>1,276,032</u>
<u>\$398,042</u>	<u>\$5,311</u>	<u>\$70,641</u>	<u>\$2,264,211</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, 2010

	State Highway Improvement	Fire	Emergency Medical Services
Revenues			
Property Taxes	\$0	\$317,241	\$252,530
Charges for Services	0	0	250,682
Fines and Forfeitures	0	0	0
Intergovernmental	49,932	107,545	83,980
Interest	16	0	0
Other	0	136	0
<i>Total Revenues</i>	<u>49,948</u>	<u>424,922</u>	<u>587,192</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property	0	308,386	721,251
Transportation	47,980	0	0
Public Health Services	0	0	0
<i>Total Expenditures</i>	<u>47,980</u>	<u>308,386</u>	<u>721,251</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,968</u>	<u>116,536</u>	<u>(134,059)</u>
Other Financing Sources			
General Obligation Notes Issued	0	0	0
General Obligation Notes Premium	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,968	116,536	(134,059)
<i>Fund Balances Beginning of Year</i>	<u>14,562</u>	<u>117,395</u>	<u>253,641</u>
<i>Fund Balances End of Year</i>	<u><u>\$16,530</u></u>	<u><u>\$233,931</u></u>	<u><u>\$119,582</u></u>

<u>DARE Program</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>DWI Enforcement and Education</u>	<u>Cemetery</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	1,990
0	694	3,693	0	11,349	0
5,307	0	0	400	616	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,307</u>	<u>694</u>	<u>3,693</u>	<u>400</u>	<u>11,965</u>	<u>1,990</u>
0	0	0	0	0	0
16,396	693	5,771	0	3,780	0
0	0	0	0	0	0
0	0	0	0	0	4,698
<u>16,396</u>	<u>693</u>	<u>5,771</u>	<u>0</u>	<u>3,780</u>	<u>4,698</u>
<u>(11,089)</u>	<u>1</u>	<u>(2,078)</u>	<u>400</u>	<u>8,185</u>	<u>(2,708)</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>(11,089)</u>	<u>1</u>	<u>(2,078)</u>	<u>400</u>	<u>8,185</u>	<u>(2,708)</u>
<u>11,995</u>	<u>1,071</u>	<u>5,624</u>	<u>4,380</u>	<u>10,293</u>	<u>10,501</u>
<u>\$906</u>	<u>\$1,072</u>	<u>\$3,546</u>	<u>\$4,780</u>	<u>\$18,478</u>	<u>\$7,793</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, 2010

	Police and Fire Disability and Pension	Mayor's Court	Water System
Revenues			
Property Taxes	\$87,096	\$0	\$0
Charges for Services	0	0	243,150
Fines and Forfeitures	0	12,945	0
Intergovernmental	847	0	0
Interest	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>87,943</u>	<u>12,945</u>	<u>243,150</u>
Expenditures			
Current:			
General Government	96,995	5,623	0
Security of Persons and Property	0	0	0
Transportation	0	0	0
Public Health Services	0	0	390,673
<i>Total Expenditures</i>	<u>96,995</u>	<u>5,623</u>	<u>390,673</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,052)</u>	<u>7,322</u>	<u>(147,523)</u>
Other Financing Sources			
General Obligation Notes Issued	0	0	332,000
General Obligation Notes Premium	0	0	3,552
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>335,552</u>
<i>Net Change in Fund Balances</i>	(9,052)	7,322	188,029
<i>Fund Balances Beginning of Year</i>	<u>79,384</u>	<u>24,348</u>	<u>213,482</u>
<i>Fund Balances End of Year</i>	<u><u>\$70,332</u></u>	<u><u>\$31,670</u></u>	<u><u>\$401,511</u></u>

Sanitary Sewer	Assistance to Firefighters	Total Nonmajor Special Revenue Funds
\$0	\$0	\$656,867
138,917	0	634,739
0	0	28,681
0	54,847	303,474
0	0	16
0	0	136
<u>138,917</u>	<u>54,847</u>	<u>1,623,913</u>
0	0	102,618
0	54,847	1,111,124
0	0	47,980
<u>640,249</u>	<u>0</u>	<u>1,035,620</u>
<u>640,249</u>	<u>54,847</u>	<u>2,297,342</u>
<u>(501,332)</u>	<u>0</u>	<u>(673,429)</u>
0	0	332,000
<u>0</u>	<u>0</u>	<u>3,552</u>
<u>0</u>	<u>0</u>	<u>335,552</u>
(501,332)	0	(337,877)
<u>867,233</u>	<u>0</u>	<u>1,613,909</u>
<u>\$365,901</u>	<u>\$0</u>	<u>\$1,276,032</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	The Meadows at Johnson	Land and Land Improvements	Buildings	Equipment
Assets				
Equity in Pooled Cash and Cash Equivalents	\$32	\$34,741	\$14,964	\$29,631
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	0	0
Accounts Receivable	0	19,049	0	0
Intergovernmental Receivable	0	0	0	0
Income Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$32</u>	<u>\$53,790</u>	<u>\$14,964</u>	<u>\$29,631</u>
Liabilities and Fund Balances				
Liabilities				
Deferred Revenue	\$0	\$0	\$0	\$0
Fund Balances				
Restricted	32	0	0	0
Committed	0	0	0	0
Assigned	0	53,790	14,964	29,631
<i>Total Fund Balances</i>	<u>32</u>	<u>53,790</u>	<u>14,964</u>	<u>29,631</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$32</u>	<u>\$53,790</u>	<u>\$14,964</u>	<u>\$29,631</u>

<u>Streets, Highways and Bridges</u>	<u>Storm Sewers</u>	<u>Sanitary Sewers</u>	<u>Connect Road</u>	<u>Gardner Phase I</u>	<u>Gardner Phase II</u>
\$111,786	\$21,178	\$10,703	\$54,092	\$81,182	\$60,636
209,473	0	0	0	0	0
0	0	0	0	0	0
217,388	0	0	3,970	0	0
0	0	0	0	0	0
<u>\$538,647</u>	<u>\$21,178</u>	<u>\$10,703</u>	<u>\$58,062</u>	<u>\$81,182</u>	<u>\$60,636</u>
\$217,388	\$0	\$0	\$3,970	\$0	\$0
321,259	0	0	54,092	0	60,636
0	0	0	0	0	0
0	21,178	10,703	0	81,182	0
<u>321,259</u>	<u>21,178</u>	<u>10,703</u>	<u>54,092</u>	<u>81,182</u>	<u>60,636</u>
<u>\$538,647</u>	<u>\$21,178</u>	<u>\$10,703</u>	<u>\$58,062</u>	<u>\$81,182</u>	<u>\$60,636</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2010

	Gardner Phase III	Wadsworth Berry McGowan	Water and Sewer Improvements	Total Nonmajor Capital Projects Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$21,136	\$85,968	\$300,325	\$826,374
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	0	209,473
Accounts Receivable	0	0	0	19,049
Intergovernmental Receivable	81,686	48,915	0	351,959
Income Taxes Receivable	0	0	146,372	146,372
<i>Total Assets</i>	<u>\$102,822</u>	<u>\$134,883</u>	<u>\$446,697</u>	<u>\$1,553,227</u>
Liabilities and Fund Balances				
Liabilities				
Deferred Revenue	\$81,686	\$48,915	\$82,406	\$434,365
Fund Balances				
Restricted	21,136	85,968	0	543,123
Committed	0	0	364,291	364,291
Assigned	0	0	0	\$211,448
<i>Total Fund Balances</i>	<u>21,136</u>	<u>85,968</u>	<u>364,291</u>	<u>1,118,862</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$102,822</u>	<u>\$134,883</u>	<u>\$446,697</u>	<u>\$1,553,227</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, 2010

	The Meadows at Johnson	Land and Land Improvements	Buildings	Equipment
Revenues				
Municipal Income Tax	\$0	\$0	\$0	\$0
Charges for Services	0	112,590	0	0
Special Assessments	107,157	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Other	0	0	0	4,824
<i>Total Revenues</i>	<u>107,157</u>	<u>112,590</u>	<u>0</u>	<u>4,824</u>
Expenditures				
Capital Outlay	9,783	64,000	0	0
Debt Service:				
Principal Retirement	0	10,000	0	25,000
Interest and Fiscal Charges	6,596	8,858	0	8,370
Bond Issuance Costs	4,062	0	0	0
<i>Total Expenditures</i>	<u>20,441</u>	<u>82,858</u>	<u>0</u>	<u>33,370</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>86,716</u>	<u>29,732</u>	<u>0</u>	<u>(28,546)</u>
Other Financing Sources				
General Obligation Bonds Issued	146,643	0	0	0
General Obligation Bonds Premium	4,062	0	0	0
General Obligation Notes Issued	0	0	0	0
General Obligation Notes Premium	0	0	0	0
Transfers In	0	0	0	0
<i>Total Other Financing Sources</i>	<u>150,705</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	237,421	29,732	0	(28,546)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(237,389)</u>	<u>24,058</u>	<u>14,964</u>	<u>58,177</u>
<i>Fund Balances End of Year</i>	<u>\$32</u>	<u>\$53,790</u>	<u>\$14,964</u>	<u>\$29,631</u>

(continued)

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds (continued)
For the Year Ended December 31, 2010

	Streets, Highways and Bridges	Storm Sewers	Sanitary Sewers	Connect Road
Revenues				
Municipal Income Tax	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	5,133
Special Assessments	0	0	0	0
Intergovernmental	16,522	0	0	6,265
Interest	0	0	0	1
Other	0	0	0	0
<i>Total Revenues</i>	<u>16,522</u>	<u>0</u>	<u>0</u>	<u>11,399</u>
Expenditures				
Capital Outlay	18,357	1,429	0	9,961
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	3,744
Bond Issuance Costs	0	0	0	2,815
<i>Total Expenditures</i>	<u>18,357</u>	<u>1,429</u>	<u>0</u>	<u>16,520</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,835)</u>	<u>(1,429)</u>	<u>0</u>	<u>(5,121)</u>
Other Financing Sources				
General Obligation Bonds Issued	0	0	0	102,019
General Obligation Bonds Premium	0	0	0	2,815
General Obligation Notes Issued	0	0	0	0
General Obligation Notes Premium	0	0	0	0
Transfers In	40,000	0	0	0
<i>Total Other Financing Sources</i>	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>104,834</u>
<i>Net Change in Fund Balances</i>	38,165	(1,429)	0	99,713
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>283,094</u>	<u>22,607</u>	<u>10,703</u>	<u>(45,621)</u>
<i>Fund Balances End of Year</i>	<u>\$321,259</u>	<u>\$21,178</u>	<u>\$10,703</u>	<u>\$54,092</u>

Gardner Phase I	Gardner Phase II	Gardner Issue III	Wadsworth Berry McGowan	Water and Sewer Improvements	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$312,597	\$312,597
0	56,002	0	47,535	0	221,260
3,106	0	0	0	0	110,263
0	0	183,456	38,535	0	244,778
0	0	0	1	0	2
0	0	0	0	0	4,824
<u>3,106</u>	<u>56,002</u>	<u>183,456</u>	<u>86,071</u>	<u>312,597</u>	<u>893,724</u>
122	7,266	327,122	9,664	0	447,704
0	0	0	0	0	35,000
0	7,435	1,289	9,225	0	45,517
0	6,199	0	8,123	0	21,199
<u>122</u>	<u>20,900</u>	<u>328,411</u>	<u>27,012</u>	<u>0</u>	<u>549,420</u>
<u>2,984</u>	<u>35,102</u>	<u>(144,955)</u>	<u>59,059</u>	<u>312,597</u>	<u>344,304</u>
0	224,042	0	294,399	0	767,103
0	6,199	0	8,123	0	21,199
0	0	165,000	0	0	165,000
0	0	1,091	0	0	1,091
0	0	0	0	0	40,000
<u>0</u>	<u>230,241</u>	<u>166,091</u>	<u>302,522</u>	<u>0</u>	<u>994,393</u>
2,984	265,343	21,136	361,581	312,597	1,338,697
78,198	(204,707)	0	(275,613)	51,694	(219,835)
<u>\$81,182</u>	<u>\$60,636</u>	<u>\$21,136</u>	<u>\$85,968</u>	<u>\$364,291</u>	<u>\$1,118,862</u>

Fund Descriptions - Fiduciary Funds

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

Agency Funds

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

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

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

City of Norton, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

	Beginning Balance 12/31/09	Additions	Deductions	Ending Balance 12/31/10
<i>General Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$32,924	\$94,667	\$91,947	\$35,644
Liabilities				
Undistributed Assets	\$32,924	\$94,667	\$91,947	\$35,644
<i>Building Standards</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$117	\$599	\$636	\$80
Liabilities				
Undistributed Assets	\$117	\$599	\$636	\$80
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$33,041	\$95,266	\$92,583	\$35,724
Liabilities				
Undistributed Assets	\$33,041	\$95,266	\$92,583	\$35,724

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

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$348,941	\$368,439	\$373,765	\$5,326
Municipal Income Tax	3,456,626	3,649,779	3,794,063	144,284
Charges for Services	30,983	32,714	45,321	12,607
Licenses, Permits and Fees	54,272	57,304	57,677	373
Fines and Forfeitures	91,151	96,244	121,333	25,089
Intergovernmental	1,248,314	1,241,634	907,501	(334,133)
Interest	25,531	25,426	9,839	(15,587)
Other	38,451	37,091	14,469	(22,622)
<i>Total Revenues</i>	<u>5,294,269</u>	<u>5,508,631</u>	<u>5,323,968</u>	<u>(184,663)</u>
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	29,380	29,649	29,648	1
Fringe Benefits	11,791	9,566	9,414	152
Purchased Services	3,464	2,900	1,745	1,155
Materials and Supplies	161	135	73	62
Other	358	300	3	297
Total Mayor	<u>45,154</u>	<u>42,550</u>	<u>40,883</u>	<u>1,667</u>
City Council:				
Salaries and Wages	96,594	97,624	97,624	0
Fringe Benefits	31,203	29,952	29,461	491
Purchased Services	21,639	21,301	21,240	61
Materials and Supplies	453	452	452	0
Other	846	797	709	88
Total City Council	<u>150,735</u>	<u>150,126</u>	<u>149,486</u>	<u>640</u>
Mayor's Court:				
Salaries and Wages	66,911	68,371	68,344	27
Fringe Benefits	29,127	21,276	20,915	361
Purchased Services	564	424	422	2
Materials and Supplies	363	263	181	82
Other	500	376	277	99
Total Mayor's Court	<u>\$97,465</u>	<u>\$90,710</u>	<u>\$90,139</u>	<u>\$571</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Finance Office:				
Salaries and Wages	\$173,076	\$178,480	\$178,385	\$95
Fringe Benefits	89,804	68,817	67,816	1,001
Purchased Services	18,938	15,120	11,843	3,277
Materials and Supplies	1,817	1,428	1,231	197
Capital Outlay	2,505	2,000	1,385	615
Other	2,774	2,215	1,424	791
Total Finance Office	288,914	268,060	262,084	5,976
Income Tax:				
Salaries and Wages	40,166	42,164	42,108	56
Fringe Benefits	26,776	20,496	20,256	240
Purchased Services	638,410	437,699	409,439	28,260
Materials and Supplies	113	90	0	90
Other	877	700	178	522
Total Income Tax	706,342	501,149	471,981	29,168
Law Director:				
Salaries and Wages	10,712	10,712	10,712	0
Fringe Benefits	2,311	2,017	1,963	54
Purchased Services	103,715	86,399	85,415	984
Total Law Director	116,738	99,128	98,090	1,038
Engineer:				
Salaries and Wages	5,506	16,044	16,039	5
Fringe Benefits	5,478	4,482	4,345	137
Purchased Services	183,198	96,929	96,719	210
Materials and Supplies	392	316	16	300
Capital Outlay	921	774	730	44
Other	59	50	19	31
Total Engineer	195,554	118,595	117,868	727
Administrative Officer:				
Salaries and Wages	100,596	103,698	103,546	152
Fringe Benefits	61,405	45,875	45,286	589
Purchased Services	3,458	2,688	1,615	1,073
Materials and Supplies	568	419	339	80
Capital Outlay	515	400	400	0
Other	2,830	2,200	952	1,248
Total Administrative Officer	\$169,372	\$155,280	\$152,138	\$3,142

(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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Planning Commission:				
Fringe Benefits	\$14	\$7	\$7	\$0
Purchased Services	4,244	4,250	2,415	1,835
Materials and Supplies	75	75	0	75
Other	799	400	88	312
Total Planning Commission	5,132	4,732	2,510	2,222
Other General Government:				
Salaries and Wages	49,304	51,208	50,845	363
Fringe Benefits	32,196	23,536	23,159	377
Purchased Services	409,812	303,269	285,874	17,395
Materials and Supplies	15,811	11,945	11,282	663
Capital Outlay	454,852	344,992	343,991	1,001
Other	198,739	144,813	144,304	509
Total Other General Government	1,160,714	879,763	859,455	20,308
Parks and Recreation Board:				
Fringe Benefits	22	7	7	0
Purchased Services	4,101	1,930	1,880	50
Other	64	30	0	30
Total Parks and Recreation Board	4,187	1,967	1,887	80
Building and Zoning Board:				
Fringe Benefits	14	7	7	0
Purchased Services	2,394	2,400	1,599	801
Materials and Supplies	75	75	0	75
Other	299	300	110	190
Total Building and Zoning Board	2,782	2,782	1,716	1,066
Health Advisory Board:				
Purchased Services	3,457	600	600	0
Other	173	30	0	30
Total Health Advisory Board	3,630	630	600	30
Civil Service Commission:				
Purchased Services	5,396	4,360	720	3,640
Materials and Supplies	50	40	0	40
Other	25	20	0	20
Total Civil Service Commission	\$5,471	\$4,420	\$720	\$3,700

(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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Recycling:				
Purchased Services	\$4,000	\$4,000	\$0	\$4,000
Total General Government	2,956,190	2,323,892	2,249,557	74,335
Security of Persons and Property:				
Police:				
Salaries and Wages	1,402,291	1,512,995	1,388,512	124,483
Fringe Benefits	489,232	528,312	471,607	56,705
Purchased Services	128,777	137,043	120,739	16,304
Materials and Supplies	74,417	77,157	68,822	8,335
Capital Outlay	46,663	53,000	49,843	3,157
Other	967	956	900	56
Total Security of Persons and Property	2,142,347	2,309,463	2,100,423	209,040
Transportation:				
Special Permissive License Plate Tax:				
Purchased Services	22,599	47,624	39,712	7,912
Materials and Supplies	9,417	23,644	23,398	246
Capital Outlay	731,718	871,078	855,211	15,867
Total Transportation	763,734	942,346	918,321	24,025
Community Environment:				
Community Development:				
Fringe Benefits	394	157	157	0
Purchased Services	3,609	2,389	2,389	0
Materials and Supplies	388	234	80	154
Total Community Development	4,391	2,780	2,626	154
Building:				
Salaries and Wages	110,841	110,682	110,625	57
Fringe Benefits	59,568	60,387	59,776	611
Purchased Services	24,566	24,986	24,741	245
Materials and Supplies	2,527	2,219	2,168	51
Capital Outlay	302	325	325	0
Other	680	733	691	42
Total Building	198,484	199,332	198,326	1,006
Total Community Environment	\$202,875	\$202,112	\$200,952	\$1,160
Public Health Services:				
Waterworks Improvement:				
Purchased Services	\$7,850	\$55,762	\$1,934	\$53,828
Other	0	633	296	337
Total Public Health Services	7,850	56,395	2,230	54,165

(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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Leisure Time Activities:				
Recreation Center:				
Salaries and Wages	\$53,754	\$59,187	\$58,130	\$1,057
Fringe Benefits	24,481	15,495	14,978	517
Purchased Services	44,540	28,620	23,871	4,749
Materials and Supplies	31,903	20,500	18,286	2,214
Capital Outlay	933	600	230	370
Total Recreation Center	<u>155,611</u>	<u>124,402</u>	<u>115,495</u>	<u>8,907</u>
Community Recreation:				
Salaries and Wages	6,100	6,100	3,593	2,507
Fringe Benefits	1,065	942	521	421
Purchased Services	24,809	22,067	18,666	3,401
Materials and Supplies	2,326	2,058	1,653	405
Total Community Recreation	<u>34,300</u>	<u>31,167</u>	<u>24,433</u>	<u>6,734</u>
Total Leisure Time Activities	<u>189,911</u>	<u>155,569</u>	<u>139,928</u>	<u>15,641</u>
Debt Service:				
Principal Retirement	80,000	670,000	670,000	0
Interest and Fiscal Charges	643	12,370	12,370	0
Total Debt Service	<u>80,643</u>	<u>682,370</u>	<u>682,370</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,343,550</u>	<u>6,672,147</u>	<u>6,293,781</u>	<u>378,366</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,049,281)</u>	<u>(1,163,516)</u>	<u>(969,813)</u>	<u>193,703</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	570,000	1,140,000	840,000	(300,000)
General Obligation Notes Premium	0	0	2,420	2,420
Advances In	120,000	120,000	120,000	0
Advances Out	(200,000)	(200,000)	(200,000)	0
Transfers Out	(623,000)	(628,473)	(628,473)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(\$133,000)</u>	<u>\$431,527</u>	<u>\$133,947</u>	<u>(\$297,580)</u>
<i>Net Change in Fund Balance</i>	<u>(\$1,182,281)</u>	<u>(\$731,989)</u>	<u>(\$835,866)</u>	<u>(\$103,877)</u>
<i>Fund Balance Beginning of Year</i>	951,882	951,882	951,882	0
Prior Year Encumbrances Appropriated	<u>636,832</u>	<u>636,832</u>	<u>636,832</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$406,433</u>	<u>\$856,725</u>	<u>\$752,848</u>	<u>(\$103,877)</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$33,502	\$30,000	\$16,262	(\$13,738)
Intergovernmental	698,930	625,873	636,517	10,644
Interest	3,350	3,000	90	(2,910)
Other	21,218	19,000	7,783	(11,217)
<i>Total Revenues</i>	<u>757,000</u>	<u>677,873</u>	<u>660,652</u>	<u>(17,221)</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	568,336	499,370	492,898	6,472
Fringe Benefits	224,801	217,048	211,988	5,060
Purchased Services	60,446	60,974	52,324	8,650
Materials and Supplies	407,049	400,834	391,801	9,033
Other	12,780	13,006	8,049	4,957
<i>Total Expenditures</i>	<u>1,273,412</u>	<u>1,191,232</u>	<u>1,157,060</u>	<u>34,172</u>
<i>Excess of Revenues Under Expenditures</i>	(516,412)	(513,359)	(496,408)	16,951
Other Financing Sources				
Transfers In	478,000	478,000	475,200	(2,800)
<i>Net Change in Fund Balance</i>	(38,412)	(35,359)	(21,208)	14,151
<i>Fund Balance Beginning of Year</i>	228,807	228,807	228,807	0
Prior Year Encumbrances Appropriated	25,226	25,226	25,226	0
<i>Fund Balance End of Year</i>	<u>\$215,621</u>	<u>\$218,674</u>	<u>\$232,825</u>	<u>\$14,151</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Levy Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Property Taxes	\$305,755	\$770,153	\$700,007	(\$70,146)
Charges for Services	318	802	815	13
Intergovernmental	776,040	1,954,734	115,327	(1,839,407)
Other	22,063	55,573	207,459	151,886
<i>Total Revenues</i>	<u>1,104,176</u>	<u>2,781,262</u>	<u>1,023,608</u>	<u>(1,757,654)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Salaries and Wages	382,757	459,017	456,602	2,415
Fringe Benefits	133,055	125,574	123,044	2,530
Purchased Services	401,396	295,254	263,224	32,030
Materials and Supplies	58,688	57,063	44,872	12,191
Capital Outlay	2,934,962	2,847,116	2,652,691	194,425
Other	96,872	94,191	87,442	6,749
Total Security of Persons and Property	<u>4,007,730</u>	<u>3,878,215</u>	<u>3,627,875</u>	<u>250,340</u>
Debt Service:				
Principal Retirement	0	3,790,000	3,790,000	0
Interest and Fiscal Charges	0	40,600	39,229	1,371
Issuance Costs	0	90,569	90,569	0
Total Debt Service	<u>0</u>	<u>3,921,169</u>	<u>3,919,798</u>	<u>1,371</u>
<i>Total Expenditures</i>	<u>4,007,730</u>	<u>7,799,384</u>	<u>7,547,673</u>	<u>251,711</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,903,554)</u>	<u>(5,018,122)</u>	<u>(6,524,065)</u>	<u>(1,505,943)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	800,000	2,600,000	1,800,000
General Obligation Bonds Premium	0	0	90,569	90,569
General Obligation Notes Issued	0	4,400,000	4,400,000	0
General Obligation Notes Premium	0	0	21,034	21,034
Transfers Out	0	(26,621)	(26,621)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>5,173,379</u>	<u>7,084,982</u>	<u>1,911,603</u>
<i>Net Change in Fund Balance</i>	<u>(2,903,554)</u>	<u>155,257</u>	<u>560,917</u>	<u>405,660</u>
<i>Fund Balance Beginning of Year</i>	<u>345,565</u>	<u>345,565</u>	<u>345,565</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>15,290</u>	<u>15,290</u>	<u>15,290</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$2,542,699)</u>	<u>\$516,112</u>	<u>\$921,772</u>	<u>\$405,660</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Special Assessments	\$84,000	\$202,436	\$78,078	(\$124,358)
Other	0	0	693	693
<i>Total Revenues</i>	<u>84,000</u>	<u>202,436</u>	<u>78,771</u>	<u>(123,665)</u>
Expenditures				
Current:				
General Government:				
Other	0	3,819	2,864	955
Debt Service:				
Principal Retirement:				
1996 Special Assessment	5,000	5,000	5,000	0
Barber Road Special Assessment	105,000	105,000	105,000	0
Total Principal Retirement	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>0</u>
Interest and Fiscal Charges:				
1996 Special Assessment	13,558	13,558	13,558	0
Barber Road Special Assessment	63,270	63,270	63,270	0
Total Interest and Fiscal Charges	<u>76,828</u>	<u>76,828</u>	<u>76,828</u>	<u>0</u>
Total Debt Service	<u>186,828</u>	<u>186,828</u>	<u>186,828</u>	<u>0</u>
<i>Total Expenditures</i>	<u>186,828</u>	<u>190,647</u>	<u>189,692</u>	<u>955</u>
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(102,828)</u>	<u>11,789</u>	<u>(110,921)</u>	<u>(122,710)</u>
Other Financing Sources (Uses)				
General Obligation Notes Premium	0	0	928	928
Advances In	200,000	200,000	200,000	0
Advances Out	(113,891)	(120,000)	(120,000)	0
Transfers In	6,000	6,000	0	(6,000)
<i>Total Other Financing Sources (Uses)</i>	<u>92,109</u>	<u>86,000</u>	<u>80,928</u>	<u>(5,072)</u>
<i>Net Change in Fund Balance</i>	(10,719)	97,789	(29,993)	(127,782)
<i>Fund Balance Beginning of Year</i>	<u>45,885</u>	<u>45,885</u>	<u>45,885</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$35,166</u>	<u>\$143,674</u>	<u>\$15,892</u>	<u>(\$127,782)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland-Massillon Road Waterline Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Special Assessments	\$0	\$598,800	\$81,776	(\$517,024)
Intergovernmental	0	598,800	439,288	(159,512)
Interest	0	0	2	2
Other	0	0	18,573	18,573
<i>Total Revenues</i>	<u>0</u>	<u>1,197,600</u>	<u>539,639</u>	<u>(657,961)</u>
Expenditures				
Capital Outlay:				
Purchased Services	22,284	77,018	69,192	7,826
Debt Service:				
Principal Retirement	1,395,622	1,960,000	1,960,000	0
Interest and Fiscal Charges	37,956	37,956	37,956	0
Bond Issuance Costs	17,269	14,430	14,430	0
<i>Total Debt Service</i>	<u>1,450,847</u>	<u>2,012,386</u>	<u>2,012,386</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,473,131</u>	<u>2,089,404</u>	<u>2,081,578</u>	<u>7,826</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,473,131)</u>	<u>(891,804)</u>	<u>(1,541,939)</u>	<u>(650,135)</u>
Other Financing Sources				
General Obligation Bonds Issued	0	0	522,897	522,897
General Obligation Bonds Premium	0	0	14,430	14,430
General Obligation Notes Issued	0	431,583	560,000	128,417
General Obligation Notes Premium	0	0	2,925	2,925
<i>Total Other Financing Sources</i>	<u>0</u>	<u>431,583</u>	<u>1,100,252</u>	<u>668,669</u>
<i>Net Change in Fund Balance</i>	(1,473,131)	(460,221)	(441,687)	18,534
<i>Fund Balance Beginning of Year</i>	472,953	472,953	472,953	0
Prior Year Encumbrances Appropriated	22,284	22,284	22,284	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$977,894)</u>	<u>\$35,016</u>	<u>\$53,550</u>	<u>\$18,534</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, 2010*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$47,000	\$49,378	\$2,378
Interest	50	16	(34)
<i>Total Revenues</i>	47,050	49,394	2,344
Expenditures			
Current:			
Transportation:			
State Highway:			
Materials and Supplies	47,980	47,980	0
<i>Net Change in Fund Balance</i>	(930)	1,414	2,344
<i>Fund Balance Beginning of Year</i>	6,821	6,821	0
<i>Fund Balance End of Year</i>	\$5,891	\$8,235	\$2,344

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$276,757	\$317,241	\$40,484
Intergovernmental	87,143	107,545	20,402
Other	1,173	136	(1,037)
<i>Total Revenues</i>	<u>365,073</u>	<u>424,922</u>	<u>59,849</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire Department:			
Salaries and Wages	212,561	212,430	131
Fringe Benefits	44,776	44,248	528
Purchased Services	52,561	24,829	27,732
Materials and Supplies	7,019	7,015	4
Capital Outlay	10,999	10,895	104
Other	9,848	6,110	3,738
<i>Total Expenditures</i>	<u>337,764</u>	<u>305,527</u>	<u>32,237</u>
<i>Net Change in Fund Balance</i>	27,309	119,395	92,086
<i>Fund Balance Beginning of Year</i>	140,534	140,534	0
Prior Year Encumbrances Appropriated	<u>1,805</u>	<u>1,805</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$169,648</u></u>	<u><u>\$261,734</u></u>	<u><u>\$92,086</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Services Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$268,603	\$252,530	(\$16,073)
Charges for Services	301,893	264,759	(37,134)
Intergovernmental	75,284	83,980	8,696
Other	980	0	(980)
<i>Total Revenues</i>	<u>646,760</u>	<u>601,269</u>	<u>(45,491)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Emergency Medical Services:			
Salaries and Wages	531,215	520,923	10,292
Fringe Benefits	111,903	110,018	1,885
Purchased Services	68,530	59,737	8,793
Materials and Supplies	13,448	12,245	1,203
Capital Outlay	13,159	13,155	4
Other	8,635	4,945	3,690
<i>Total Expenditures</i>	<u>746,890</u>	<u>721,023</u>	<u>25,867</u>
<i>Net Change in Fund Balance</i>	(100,130)	(119,754)	(19,624)
<i>Fund Balance Beginning of Year</i>	251,193	251,193	0
Prior Year Encumbrances Appropriated	<u>4,854</u>	<u>4,854</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$155,917</u></u>	<u><u>\$136,293</u></u>	<u><u>(\$19,624)</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DARE Program Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$15,921	\$15,921	\$0
Expenditures			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Salaries and Wages	15,921	15,921	0
Purchased Services	75	75	0
Materials and Supplies	400	400	0
<i>Total Expenditures</i>	16,396	16,396	0
<i>Net Change in Fund Balance</i>	(475)	(475)	0
<i>Fund Balance Beginning of Year</i>	1,381	1,381	0
<i>Fund Balance End of Year</i>	\$906	\$906	\$0

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$500	\$694	\$194
Expenditures			
Current:			
Security of Persons and Property:			
Drug Law Enforcement:			
Capital Outlay	723	693	30
<i>Net Change in Fund Balance</i>	(223)	1	224
<i>Fund Balance Beginning of Year</i>	1,071	1,071	0
<i>Fund Balance End of Year</i>	\$848	\$1,072	\$224

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$6,000	\$3,693	(\$2,307)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	5,251	5,000	251
Other	2,100	1,990	110
<i>Total Expenditures</i>	7,351	6,990	361
<i>Net Change in Fund Balance</i>	(1,351)	(3,297)	(1,946)
<i>Fund Balance Beginning of Year</i>	5,273	5,273	0
Prior Year Encumbrances Appropriated	351	351	0
<i>Fund Balance End of Year</i>	\$4,273	\$2,327	(\$1,946)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,500	\$400	(\$2,100)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	2,400	0	2,400
<i>Net Change in Fund Balance</i>	100	400	300
<i>Fund Balance Beginning of Year</i>	4,380	4,380	0
<i>Fund Balance End of Year</i>	\$4,480	\$4,780	\$300

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$6,000	\$11,349	\$5,349
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	8,637	8,299	338
<i>Net Change in Fund Balance</i>	(2,637)	3,050	5,687
<i>Fund Balance Beginning of Year</i>	9,956	9,956	0
Prior Year Encumbrances Appropriated	959	959	0
<i>Fund Balance End of Year</i>	\$8,278	\$13,965	\$5,687

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$500	\$1,990	\$1,490
Expenditures			
Current:			
Public Health Services:			
Cemetery:			
Purchased Services	189	0	189
Materials and Supplies	6,296	4,698	1,598
Other	126	0	126
<i>Total Expenditures</i>	6,611	4,698	1,913
<i>Net Change in Fund Balance</i>	(6,111)	(2,708)	3,403
<i>Fund Balance Beginning of Year</i>	4,609	4,609	0
Prior Year Encumbrances Appropriated	5,892	5,892	0
<i>Fund Balance End of Year</i>	\$4,390	\$7,793	\$3,403

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, 2010*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$87,437	\$87,096	(\$341)
Intergovernmental	799	847	48
<i>Total Revenues</i>	<u>88,236</u>	<u>87,943</u>	<u>(293)</u>
Expenditures			
Current:			
General Government:			
Police and Fire Disability and Pension:			
Fringe Benefits	95,801	95,800	1
Other	1,199	1,195	4
<i>Total Expenditures</i>	<u>97,000</u>	<u>96,995</u>	<u>5</u>
<i>Net Change in Fund Balance</i>	(8,764)	(9,052)	(288)
<i>Fund Balance Beginning of Year</i>	<u>79,384</u>	<u>79,384</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,620</u></u>	<u><u>\$70,332</u></u>	<u><u>(\$288)</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$10,000	\$12,945	\$2,945
Expenditures			
Current:			
General Government:			
Mayor's Court:			
Purchased Services	4,484	2,245	2,239
Materials and Supplies	250	198	52
Capital Outlay	3,181	3,180	1
<i>Total Expenditures</i>	7,915	5,623	2,292
<i>Net Change in Fund Balance</i>	2,085	7,322	5,237
<i>Fund Balance Beginning of Year</i>	24,348	24,348	0
<i>Fund Balance End of Year</i>	\$26,433	\$31,670	\$5,237

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$122,000	\$224,698	\$102,698
Expenditures			
Current:			
Public Health Services:			
Waterline Improvement:			
Purchased Services	412,331	342,658	69,673
Capital Outlay	149,771	84,395	65,376
<i>Total Expenditures</i>	562,102	427,053	135,049
<i>Excess of Revenues Under Expenditures</i>	(440,102)	(202,355)	237,747
Other Financing Sources			
General Obligation Notes Issued	331,950	332,000	50
General Obligation Notes Premium	0	3,552	3,552
<i>Total Other Financing Sources</i>	331,950	335,552	3,602
<i>Net Change in Fund Balance</i>	(108,152)	133,197	241,349
<i>Fund Balance Beginning of Year</i>	115,917	115,917	0
Prior Year Encumbrances Appropriated	59,300	59,300	0
<i>Fund Balance End of Year</i>	\$67,065	\$308,414	\$241,349

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$84,000	\$135,353	\$51,353
Other	2,500	0	(2,500)
<i>Total Revenues</i>	<u>86,500</u>	<u>135,353</u>	<u>48,853</u>
Expenditures			
Current:			
Public Health Services:			
Sewerline Improvement:			
Purchased Services	519,761	356,841	162,920
Capital Outlay	316,912	301,602	15,310
Other	3,200	0	3,200
<i>Total Expenditures</i>	<u>839,873</u>	<u>658,443</u>	<u>181,430</u>
<i>Net Change in Fund Balance</i>	(753,373)	(523,090)	230,283
<i>Fund Balance Beginning of Year</i>	811,698	811,698	0
Prior Year Encumbrances Appropriated	<u>11,900</u>	<u>11,900</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,225</u></u>	<u><u>\$300,508</u></u>	<u><u>\$230,283</u></u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Assistance to Firefighters Fund
For the Year Ended December 31, 2010*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$55,670	\$54,847	(\$823)
Expenditures			
Current:			
Security of Persons and Property:			
Fire:			
Purchased Services	23,560	23,529	31
Capital Outlay	32,110	31,318	792
<i>Total Expenditures</i>	55,670	54,847	823
<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
Highway Planning and Construction Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$75,456	\$0	(\$75,456)
Expenditures			
Current:			
Transportation:			
Highway Planning:			
Purchased Services	515,456	0	515,456
<i>Excess of Revenues Over (Under) Expenditures</i>	(440,000)	0	440,000
Other Financing Sources			
General Obligation Bonds Issued	520,000	0	(520,000)
Advances In	20,800	0	(20,800)
<i>Total Other Financing Sources</i>	540,800	0	(540,800)
<i>Net Change in Fund Balance</i>	100,800	0	(100,800)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$100,800	\$0	(\$100,800)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$2,747	\$6,605	\$3,858
Expenditures			
Current:			
General Government:			
Purchased Services	30,000	5,136	24,864
Debt Service:			
Principal Retirement:			
Road Program	35,000	35,000	0
Street Improvement	35,000	35,000	0
Gardner Engineering	10,000	10,000	0
Total Principal Retirement	80,000	80,000	0
Interest and Fiscal Charges:			
Road Program	10,545	10,545	0
Street Improvement	11,533	11,533	0
Gardner Engineering	5,415	5,415	0
Fire Station	26,621	26,621	0
Total Interest and Fiscal Charges	54,114	54,114	0
<i>Total Expenditures</i>	164,114	139,250	24,864
<i>Excess of Revenues Under Expenditures</i>	(161,367)	(132,645)	28,722
Other Financing Sources			
General Obligation Bonds Premium	22,000	10,037	(11,963)
General Obligation Notes Issued	72,283	0	(72,283)
General Obligation Notes Premium	0	5,358	5,358
Transfers In	73,273	139,894	66,621
<i>Total Other Financing Sources</i>	167,556	155,289	(12,267)
<i>Net Change in Fund Balance</i>	6,189	22,644	16,455
<i>Fund Balance Beginning of Year</i>	6,753	6,753	0
<i>Fund Balance End of Year</i>	\$12,942	\$29,397	\$16,455

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
The Meadows at Johnson Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Special Assessments	\$0	\$107,157	\$107,157
Expenditures			
Capital Outlay:			
Purchased Services	9,783	9,783	0
Debt Service:			
Principal Retirement	239,562	239,562	0
Interest and Fiscal Charges	6,923	6,923	0
Bond Issuance Costs	4,062	4,062	0
Total Debt Service	250,547	250,547	0
<i>Total Expenditures</i>	260,330	260,330	0
<i>Excess of Revenues Under Expenditures</i>	(260,330)	(153,173)	107,157
Other Financing Sources			
General Obligation Bonds Issued	258,047	146,643	(111,404)
General Obligation Bonds Premium	0	4,062	4,062
<i>Total Other Financing Sources</i>	258,047	150,705	(107,342)
<i>Net Change in Fund Balance</i>	(2,283)	(2,468)	(185)
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	2,500	2,500	0
<i>Fund Balance End of Year</i>	\$217	\$32	(\$185)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$124,451	\$123,995	(\$456)
Expenditures			
Capital Outlay:			
Purchased Services	135	0	135
Capital Outlay	64,065	64,065	0
Total Capital Outlay	64,200	64,065	135
Debt Service:			
Principal Retirement	77,000	77,000	0
Interest and Fiscal Charges	10,363	8,949	1,414
Total Debt Service	87,363	85,949	1,414
<i>Total Expenditures</i>	151,563	150,014	1,549
<i>Excess of Revenues Under Expenditures</i>	(27,112)	(26,019)	1,093
Other Financing Sources			
General Obligation Notes Issued	25,000	0	(25,000)
<i>Net Change in Fund Balance</i>	(2,112)	(26,019)	(23,907)
<i>Fund Balance Beginning of Year</i>	60,694	60,694	0
<i>Fund Balance End of Year</i>	\$58,582	\$34,675	(\$23,907)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Buildings Fund
For the Year Ended December 31, 2010

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

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Equipment Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$0	\$4,824	\$4,824
Expenditures			
Debt Service:			
Principal Retirement	25,000	25,000	0
Interest and Fiscal Charges	8,370	8,370	0
<i>Total Expenditures</i>	33,370	33,370	0
<i>Net Change in Fund Balance</i>	(33,370)	(28,546)	4,824
<i>Fund Balance Beginning of Year</i>	58,177	58,177	0
<i>Fund Balance End of Year</i>	\$24,807	\$29,631	\$4,824

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$315,138	\$71,238	(\$243,900)
Expenditures			
Capital Outlay:			
Capital Outlay	<u>70,357</u>	<u>70,357</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	244,781	881	(243,900)
Other Financing Sources			
Transfers In	<u>40,000</u>	<u>40,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	284,781	40,881	(243,900)
<i>Fund Balance Beginning of Year</i>	548	548	0
Prior Year Encumbrances Appropriated	<u>18,357</u>	<u>18,357</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$303,686</u></u>	<u><u>\$59,786</u></u>	<u><u>(\$243,900)</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Sewers Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Purchased Services	1,429	1,429	0
Capital Outlay	8,679	0	8,679
<i>Total Expenditures</i>	10,108	1,429	8,679
<i>Net Change in Fund Balance</i>	(10,108)	(1,429)	8,679
<i>Fund Balance Beginning of Year</i>	22,607	22,607	0
<i>Fund Balance End of Year</i>	\$12,499	\$21,178	\$8,679

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewers Fund
For the Year Ended December 31, 2010

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

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Connect Road Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$5,313	\$5,133	(\$180)
Intergovernmental	6,365	6,265	(100)
Interest	1	1	0
<i>Total Revenues</i>	<u>11,679</u>	<u>11,399</u>	<u>(280)</u>
Expenditures			
Capital Outlay:			
Purchased Services	9,961	9,961	0
Debt Service:			
Principal Retirement	136,000	136,000	0
Interest and Fiscal Charges	3,930	3,930	0
Issuance Costs	2,815	2,815	0
<i>Total Debt Service</i>	<u>142,745</u>	<u>142,745</u>	<u>0</u>
<i>Total Expenditures</i>	<u>152,706</u>	<u>152,706</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(141,027)</u>	<u>(141,307)</u>	<u>(280)</u>
Other Financing Sources			
General Obligation Bonds Issued	102,019	102,019	0
General Obligation Bonds Premium	2,664	2,815	151
<i>Total Other Financing Sources</i>	<u>104,683</u>	<u>104,834</u>	<u>151</u>
<i>Net Change in Fund Balance</i>	(36,344)	(36,473)	(129)
<i>Fund Balance Beginning of Year</i>	83,051	83,051	0
Prior Year Encumbrances Appropriated	7,514	7,514	0
<i>Fund Balance End of Year</i>	<u>\$54,221</u>	<u>\$54,092</u>	<u>(\$129)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Gardner Phase I Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Special Assessment	\$0	\$3,106	\$3,106
Expenditures			
Capital Outlay:			
Other	122	122	0
<i>Net Change in Fund Balance</i>	(122)	2,984	3,106
<i>Fund Balance Beginning of Year</i>	78,198	78,198	0
<i>Fund Balance End of Year</i>	\$78,076	\$81,182	\$3,106

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Gardner Phase II Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	73,318	56,002	(17,316)
Expenditures			
Capital Outlay:			
Purchased Services	7,266	7,266	0
Debt Service:			
Principal Retirement	270,000	270,000	0
Interest and Fiscal Charges	7,803	7,803	0
Issuance Costs	6,199	6,199	0
Total Debt Service	284,002	284,002	0
<i>Total Expenditures</i>	291,268	291,268	0
<i>Excess of Revenues Under Expenditures</i>	(217,950)	(235,266)	(17,316)
Other Financing Sources			
General Obligation Bonds Issued	0	224,042	224,042
General Obligation Bonds Premium	5,868	6,199	331
Advances In	207,339	0	(207,339)
<i>Total Other Financing Sources</i>	213,207	230,241	17,034
<i>Net Change in Fund Balance</i>	(4,743)	(5,025)	(282)
<i>Fund Balance Beginning of Year</i>	60,683	60,683	0
Prior Year Encumbrances Appropriated	4,978	4,978	0
<i>Fund Balance End of Year</i>	\$60,918	\$60,636	(\$282)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Gardner Phase III Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$265,215	\$183,456	(\$81,759)
Expenditures			
Capital Outlay:			
Purchased Services	348,257	346,123	2,134
Debt Service:			
Principal Retirement	346,000	346,000	0
Interest and Fiscal Charges	2,781	2,780	1
Total Debt Service	348,781	348,780	1
<i>Total Expenditures</i>	697,038	694,903	2,135
<i>Excess of Revenues Under Expenditures</i>	(431,823)	(511,447)	(79,624)
Other Financing Sources			
General Obligation Notes Issued	303,000	511,000	208,000
General Obligation Notes Premium	0	2,582	2,582
Advances In	277,305	0	(277,305)
<i>Total Other Financing Sources</i>	580,305	513,582	(66,723)
<i>Net Change in Fund Balance</i>	148,482	2,135	(146,347)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$148,482	\$2,135	(\$146,347)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Wadsworth Berry McGowan Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$0	\$47,535	\$47,535
Intergovernmental	0	38,535	38,535
Interest	0	1	1
<i>Total Revenues</i>	<u>0</u>	<u>86,071</u>	<u>86,071</u>
Expenditures			
Capital Outlay:			
Purchased Services	<u>52,026</u>	<u>50,866</u>	<u>1,160</u>
Debt Service:			
Principal Retirement	335,000	335,000	0
Interest and Fiscal Charges	9,682	9,682	0
Issuance Costs	<u>8,123</u>	<u>8,123</u>	<u>0</u>
Total Debt Service	<u>352,805</u>	<u>352,805</u>	<u>0</u>
<i>Total Expenditures</i>	<u>404,831</u>	<u>403,671</u>	<u>1,160</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(404,831)</u>	<u>(317,600)</u>	<u>87,231</u>
Other Financing Sources			
General Obligation Bonds Issued	0	294,399	294,399
General Obligation Bonds Premium	0	8,123	8,123
Advances In	<u>344,550</u>	<u>0</u>	<u>(344,550)</u>
<i>Total Other Financing Sources</i>	<u>344,550</u>	<u>302,522</u>	<u>(42,028)</u>
<i>Net Change in Fund Balance</i>	(60,281)	(15,078)	45,203
<i>Fund Balance Beginning of Year</i>	56,683	56,683	0
Prior Year Encumbrances Appropriated	<u>44,363</u>	<u>44,363</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$40,765</u>	<u>\$85,968</u>	<u>\$45,203</u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water and Sewer Improvements Fund
For the Year Ended December 31, 2010*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Tax	\$0	\$300,325	\$300,325
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	300,325	300,325
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$300,325	\$300,325

City of Norton, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$885,000	\$16,212	(\$868,788)
Expenses			
Purchased Services	15,630	12,027	3,603
Claims	120,620	107,600	13,020
<i>Total Expenses</i>	136,250	119,627	16,623
<i>Net Change in Fund Equity</i>	748,750	(103,415)	(852,165)
<i>Fund Equity Beginning of Year</i>	233,647	233,647	0
Prior Year Encumbrances Appropriated	8,850	8,850	0
<i>Fund Equity End of Year</i>	\$991,247	\$139,082	(\$852,165)

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STATISTICAL SECTION

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
<u>Financial Trends</u>	<u>S2-S13</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>S14-S22</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>S23-S28</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>S29-S31</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>S32-S39</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. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities			
Invested in Capital Assets,			
Net of Related Debt	\$14,229,214	\$12,983,587	\$10,673,140
Restricted:			
Capital Projects	949,705	966,739	768,494
Debt Service	383,156	682,976	820,130
Police	71,472	33,363	45,893
Fire and EMS	1,632,559	922,576	735,962
Transportation	624,946	992,559	1,012,433
Sewerline/Waterline Maintenance	802,703	1,304,656	1,146,715
Other Purposes	113,047	160,556	393,029
Unrestricted	<u>2,978,183</u>	<u>1,781,688</u>	<u>1,577,004</u>
<i>Total Governmental Activities Net Assets</i>	<u><u>\$21,784,985</u></u>	<u><u>\$19,828,700</u></u>	<u><u>\$17,172,800</u></u>

2007	2006	2005	2004
\$9,834,555	\$7,828,844	\$6,350,813	\$6,015,088
423,673	979,920	2,146,426	1,877,579
918,452	955,831	861,303	915,517
36,217	34,637	46,168	58,012
186,546	315,989	340,123	198,162
1,063,984	1,593,221	557,757	463,227
881,202	655,415	484,483	238,163
180,234	48,876	20,960	33,510
2,281,879	2,397,561	1,874,013	878,242
<u>\$15,806,742</u>	<u>\$14,810,294</u>	<u>\$12,682,046</u>	<u>\$10,677,500</u>

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

	2010	2009	2008
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	\$276,251	\$300,905	\$301,207
Security of Persons and Property	297,053	360,415	396,414
Transportation	19,669	17,867	44,801
Community Environment	11,201	9,121	14,141
Public Health Services	583,767	229,682	313,884
Leisure Time Activities	113,014	9,285	7,983
Subtotal - Charges for Services	<u>1,300,955</u>	<u>927,275</u>	<u>1,078,430</u>
Operating Grants and Contributions:			
General Government	0	33,741	1,520
Security of Persons and Property	431,812	293,797	190,692
Transportation	1,040,826	861,965	835,367
Community Environment	0	0	0
Leisure Time Activities	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,472,638</u>	<u>1,189,503</u>	<u>1,027,579</u>
Capital Grants and Contributions:			
General Government	0	0	27,549
Security of Persons and Property	0	0	0
Transportation	3,971	1,156,369	12,282
Public Health Services	377,076	597,946	53,216
Leisure Time Activities	0	247,550	0
Subtotal - Capital Grants and Contributions	<u>381,047</u>	<u>2,001,865</u>	<u>93,047</u>
<i>Total Governmental Activities Program Revenues</i>	<u>3,154,640</u>	<u>4,118,643</u>	<u>2,199,056</u>
Expenses			
Governmental Activities:			
General Government	2,162,226	2,125,361	1,960,544
Security of Persons and Property	4,596,289	3,663,609	3,635,906
Transportation	942,026	1,350,060	1,890,748
Community Environment	207,963	215,613	264,377
Public Health Services	0	149,466	134,428
Leisure Time Activities	151,742	130,210	187,932
Interest and Fiscal Charges	241,181	219,038	130,774
<i>Total Governmental Activities Expenses</i>	<u>8,301,427</u>	<u>7,853,357</u>	<u>8,204,709</u>
Net (Expense)/Revenue	<u>(\$5,146,787)</u>	<u>(\$3,734,714)</u>	<u>(\$6,005,653)</u>

2007	2006	2005	2004
\$227,855	\$252,100	\$369,512	\$193,091
408,448	460,447	427,016	384,907
15,047	12,295	19,795	40,639
19,018	32,387	0	0
321,192	214,416	317,382	229,228
9,893	1,349	47,823	58,631
<u>1,001,453</u>	<u>972,994</u>	<u>1,181,528</u>	<u>906,496</u>
9,030	48,886	29,435	13,221
57,822	89,332	139,065	35,910
751,886	908,733	635,167	635,810
4,293	0	2,878	0
0	7,353	0	0
<u>823,031</u>	<u>1,054,304</u>	<u>806,545</u>	<u>684,941</u>
47,346	0	0	0
125,852	0	0	0
0	512,808	134,890	671,481
0	503,239	60,701	697,612
146,993	0	0	0
<u>320,191</u>	<u>1,016,047</u>	<u>195,591</u>	<u>1,369,093</u>
<u>2,144,675</u>	<u>3,043,345</u>	<u>2,183,664</u>	<u>2,960,530</u>
1,797,290	2,258,088	1,657,936	1,496,946
3,486,686	3,697,437	2,749,595	2,907,755
1,305,616	1,105,515	1,168,903	1,306,330
266,813	310,737	245,311	251,646
167,598	101,908	128,117	86,907
172,172	230,960	179,714	149,725
174,121	169,150	166,384	167,244
<u>7,370,296</u>	<u>7,873,795</u>	<u>6,295,960</u>	<u>6,366,553</u>
<u>(\$5,225,621)</u>	<u>(\$4,830,450)</u>	<u>(\$4,112,296)</u>	<u>(\$3,406,023)</u>

(continued)

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

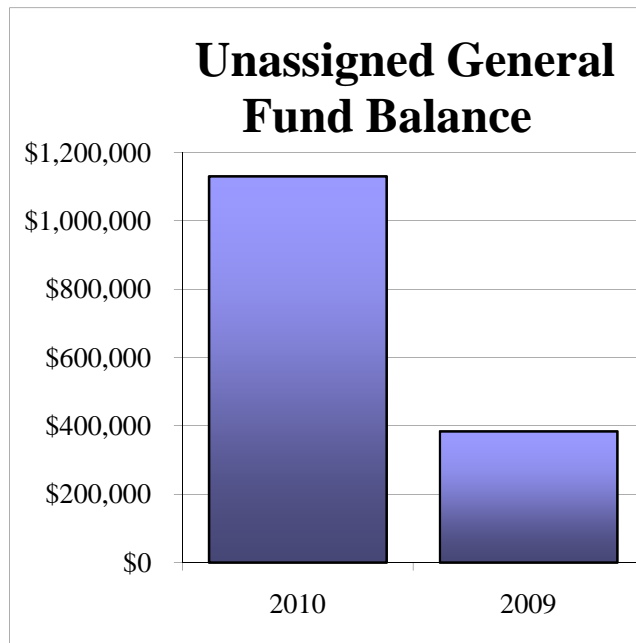
	2010	2009	2008
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes:			
Property Taxes Levied For:			
General Purposes	\$379,153	\$378,213	\$357,431
Fire	320,570	319,334	423,795
EMS	266,321	261,571	371,831
Police and Fire Disability and Pension	88,107	70,915	67,018
Fire/EMS Levy	699,056	700,260	530,585
Municipal Income Taxes levied for			
General Purposes	3,745,475	3,461,568	3,903,789
Debt Service	113,273	0	0
Capital Projects	0	0	0
Street Repair and Maintenance	0	0	0
Water and Sewer Improvements	310,855	135,842	0
Grants and Entitlements not Restricted to			
Specific Programs	908,884	811,264	1,577,087
Interest	9,242	75,019	101,997
Gain on Sale of Capital Assets	0	0	0
Other	262,136	176,628	38,178
<i>Total Governmental Activities</i>	<u>7,103,072</u>	<u>6,390,614</u>	<u>7,371,711</u>
Change in Net Assets	<u><u>\$1,956,285</u></u>	<u><u>\$2,655,900</u></u>	<u><u>\$1,366,058</u></u>

2007	2006	2005	2004
\$430,607	\$420,666	\$391,304	\$364,278
422,687	368,796	387,997	358,948
319,338	306,426	301,426	289,622
81,662	77,621	73,369	68,302
0	0	0	0
2,759,385	3,383,613	2,548,525	2,483,503
252,565	337,550	259,260	67,904
157,456	79,365	60,989	16,050
542,585	784,923	602,001	147,741
0	0	0	0
953,675	857,119	1,278,637	1,096,348
282,650	276,651	113,769	55,784
0	0	0	26,184
19,459	65,968	99,565	112,326
6,222,069	6,958,698	6,116,842	5,086,990
\$996,448	\$2,128,248	\$2,004,546	\$1,680,967

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

	2010	2009
General Fund		
Nonspendable	\$27,921	\$27,037
Restricted	10,736	10,736
Committed	217,314	218,844
Assigned	97,352	552,453
Unassigned	1,130,346	384,481
Total General Fund	1,483,669	1,193,551
All Other Governmental Funds		
Nonspendable	247,239	273,409
Restricted	3,254,262	2,208,636
Committed	372,084	62,195
Assigned	211,448	208,707
Unassigned (Deficit)	(184,108)	(1,759,933)
Total All Other Governmental Funds	3,900,925	993,014
Total Governmental Funds	\$5,384,594	\$2,186,565

Note: The City implemented GASB 54 in 2010.

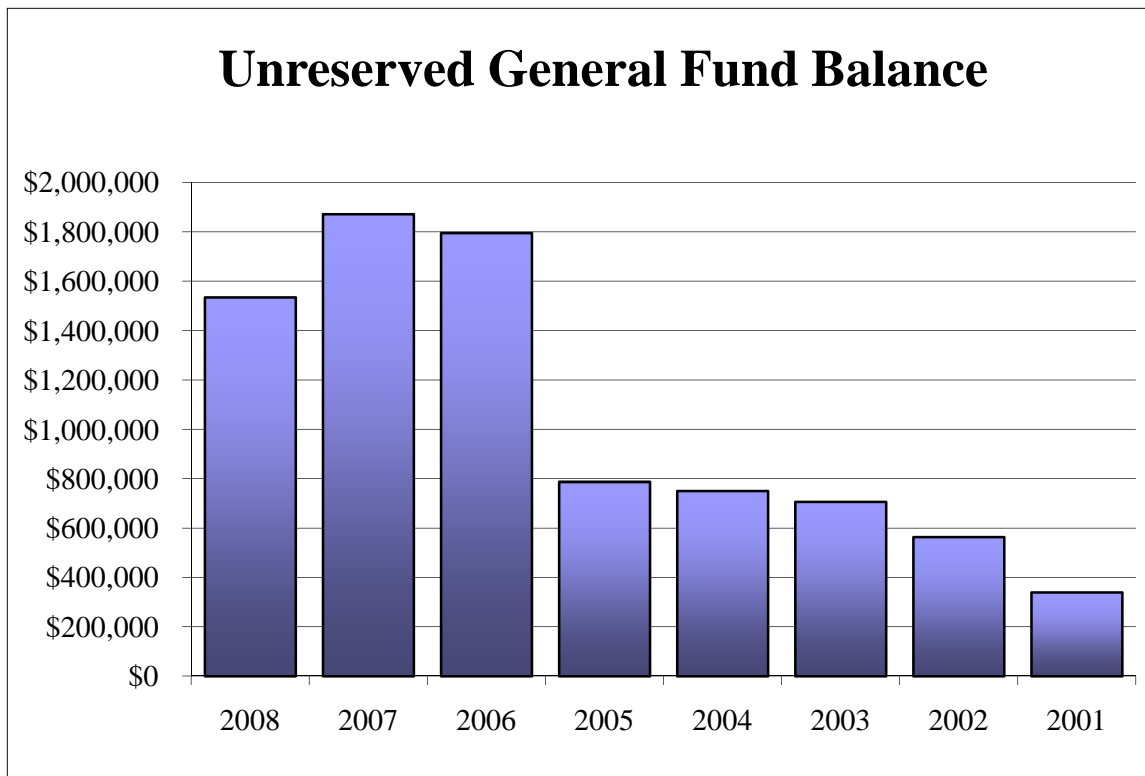


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City of Norton, Ohio
Fund Balances, Governmental Funds
Last Eight Years
(Modified Accrual Basis of Accounting)

	2008	2007	2006
General Fund			
Reserved	\$152,340	\$29,733	\$153,661
Unreserved	1,534,583	1,871,927	1,795,049
Total General Fund	1,686,923	1,901,660	1,948,710
All Other Governmental Funds			
Reserved	342,587	219,485	269,137
Unreserved, Undesignated, Reported in:			
Special Revenue funds	2,122,723	1,830,304	2,041,482
Debt Service funds	63,349	61,381	40,203
Capital Projects funds	(182,235)	38,243	333,382
Total All Other Governmental Funds	2,346,424	2,149,413	2,684,204
Total Governmental Funds	\$4,033,347	\$4,051,073	\$4,632,914

Note: The City implemented GASB 54 in 2010.



2005	2004	2003	2002	2001
\$192,524	\$44,672	\$42,751	\$34,892	\$25,589
787,233	750,252	706,069	563,433	339,076
979,757	794,924	748,820	598,325	364,665
1,140,679	1,158,506	132,269	1,055,321	1,554,681
1,269,915	859,357	681,639	472,305	698,784
56,643	65,404	(194)	0	0
283,899	(45,352)	1,293,887	(3,501,653)	(3,728,327)
2,751,136	2,037,915	2,107,601	(1,974,027)	(1,474,862)
<u>\$3,730,893</u>	<u>\$2,832,839</u>	<u>\$2,856,421</u>	<u>(\$1,375,702)</u>	<u>(\$1,110,197)</u>

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

	2010	2009	2008	2007
Revenues				
Property Taxes	\$1,730,639	\$1,690,813	\$1,758,595	\$1,164,082
Municipal Income Taxes	4,182,044	3,738,028	3,995,958	3,880,264
Charges for Services	919,612	706,886	819,646	720,637
Special Assessments	270,117	75,171	76,111	71,790
Licenses, Permits and Fees	73,657	74,823	102,918	102,217
Fines and Forfeitures	145,257	115,799	109,155	170,967
Intergovernmental	2,660,564	2,533,500	2,543,424	1,925,630
Interest	9,242	75,019	101,997	282,650
Other	262,136	176,628	38,178	19,459
<i>Total Revenues</i>	<u>10,253,268</u>	<u>9,186,667</u>	<u>9,545,982</u>	<u>8,337,696</u>
Expenditures				
Current:				
General Government	2,237,251	2,577,602	2,004,444	1,819,921
Security of Persons and Property	6,642,568	3,716,697	4,056,371	3,198,169
Transportation	1,715,431	1,708,913	1,758,624	2,155,630
Community Environment	209,513	221,965	258,713	256,666
Public Health Services	1,037,150	230,224	54,164	92,725
Leisure Time Activities	133,830	251,167	171,382	159,719
Basic Utility	0	0	0	0
Other	0	0	0	0
Capital Outlay	516,896	1,878,003	975,903	802,520
Debt Service:				
Principal Retirement	225,000	229,364	232,931	262,917
Principal Retirement - Current Refunding	0	0	0	0
Interest and Fiscal Charges	221,843	219,514	131,176	171,270
Bond Issuance Costs	126,198	0	0	0
<i>Total Expenditures</i>	<u>13,065,680</u>	<u>11,033,449</u>	<u>9,643,708</u>	<u>8,919,537</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,812,412)</u>	<u>(1,846,782)</u>	<u>(97,726)</u>	<u>(581,841)</u>
Other Financing Sources (Uses)				
Current Refunding	0	0	0	0
Sale of Capital Assets	0	0	80,000	0
General Obligation Bonds Issued	3,890,000	0	0	0
Notes Issued	1,967,000	0	0	0
Premium on Bonds	136,235	0	0	0
Premium on Notes	17,206	0	0	0
Inception of Capital Lease	0	0	0	0
Transfers In	655,094	1,043,419	1,627,890	613,230
Transfers Out	(655,094)	(1,043,419)	(1,627,890)	(613,230)
<i>Total Other Financing Sources (Uses)</i>	<u>6,010,441</u>	<u>0</u>	<u>80,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$3,198,029</u>	<u>(\$1,846,782)</u>	<u>(\$17,726)</u>	<u>(\$581,841)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.6%	5.9%	4.9%	6.2%

2006	2005	2004	2003	2002	2001
\$1,172,254	\$1,102,775	\$1,088,710	\$1,222,603	\$1,237,773	\$1,237,773
3,949,257	3,365,754	2,641,551	2,625,238	2,497,599	2,497,599
497,209	768,912	560,027	419,741	116,729	116,729
40,373	100,833	55,660	12,756	8,107	8,107
99,401	125,671	66,295	101,487	89,412	89,412
228,170	160,972	256,268	224,804	198,056	198,056
2,378,753	1,667,640	1,761,685	1,336,911	1,711,539	1,711,539
276,651	113,769	55,784	18,544	87,903	87,903
65,968	99,565	112,326	290,026	463,231	463,231
<u>8,708,036</u>	<u>7,505,891</u>	<u>6,598,306</u>	<u>6,252,110</u>	<u>6,410,349</u>	<u>6,410,349</u>
1,828,117	1,543,564	1,449,123	1,532,231	1,680,515	1,680,515
2,959,561	2,780,456	2,779,708	2,639,560	2,297,744	2,297,744
1,003,741	1,174,789	1,102,624	902,554	741,305	741,305
310,102	254,385	287,058	290,668	196,305	196,305
42,742	35,125	59,445	6,281	601	601
51,096	165,894	137,530	197,901	106,894	106,894
0	0	0	0	6,726	6,726
0	0	0	30,172	11,141	11,141
1,006,410	181,315	324,995	536,282	3,990,369	3,990,369
260,033	260,311	577,835	5,000	5,000	5,000
0	50,000	0	0	0	0
175,213	161,998	170,754	299,338	229,592	229,592
0	0	0	0	0	0
<u>7,637,015</u>	<u>6,607,837</u>	<u>6,889,072</u>	<u>6,439,987</u>	<u>9,266,192</u>	<u>9,266,192</u>
<u>1,071,021</u>	<u>898,054</u>	<u>(290,766)</u>	<u>(187,877)</u>	<u>(2,855,843)</u>	<u>(2,855,843)</u>
(185,000)	(185,000)	0	0	0	0
0	0	26,184	0	969	969
0	0	0	0	0	0
0	185,000	235,000	4,420,000	0	0
0	0	0	0	0	0
0	0	0	0	0	0
16,000	0	6,000	0	0	0
682,724	460,251	1,433,843	725,160	2,041,492	2,041,492
<u>(682,724)</u>	<u>(460,251)</u>	<u>(1,433,843)</u>	<u>(725,160)</u>	<u>(2,041,492)</u>	<u>(2,041,492)</u>
<u>(169,000)</u>	<u>0</u>	<u>267,184</u>	<u>4,420,000</u>	<u>969</u>	<u>969</u>
<u>\$902,021</u>	<u>\$898,054</u>	<u>(\$23,582)</u>	<u>\$4,232,123</u>	<u>(\$2,854,874)</u>	<u>(\$2,854,874)</u>
6.2%	7.3%	11.4%	5.2%	4.4%	4.4%

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
2010	\$220,322,280	\$43,993,900	\$755,189,086	\$5,582,820	\$6,344,114
2009	219,772,920	43,273,710	751,561,800	5,339,870	6,068,034
2008	218,888,440	41,757,830	744,703,629	5,144,670	5,846,216
2007	216,297,250	40,422,950	733,486,286	6,507,780	7,395,205
2006	212,333,270	40,000,130	720,952,571	6,507,780	7,395,205
2005	191,812,190	38,656,010	658,480,571	6,562,270	7,457,125
2004	187,630,300	37,741,080	643,918,229	6,977,590	7,929,080
2003	183,280,910	38,181,150	632,748,743	6,754,770	7,675,875
2002	156,998,370	31,637,430	538,959,429	6,621,500	7,524,432
2001	154,375,550	31,052,780	529,795,229	10,111,350	11,490,170

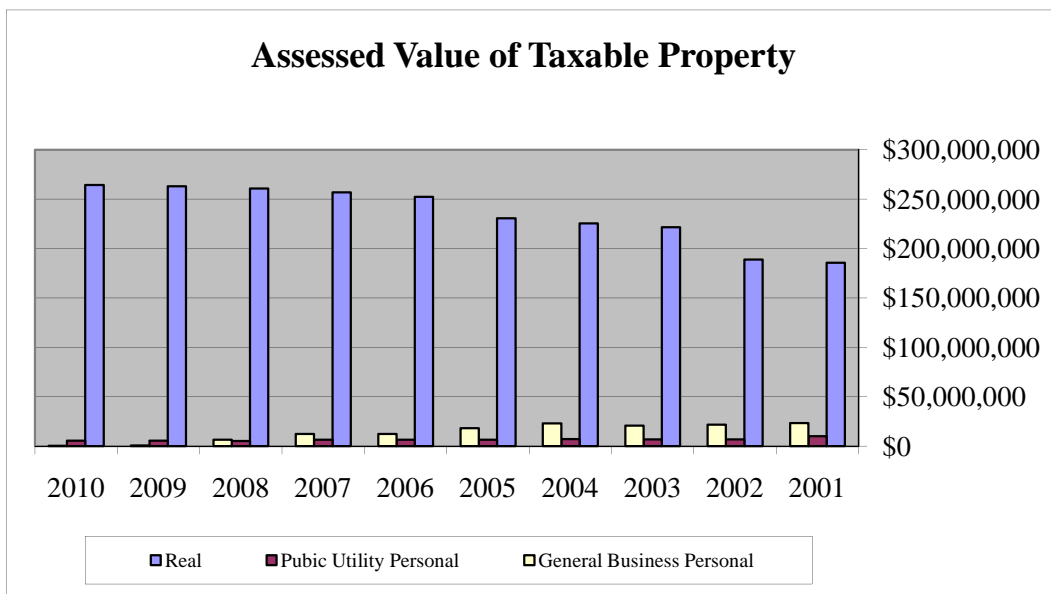
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

Source: Summit County, Fiscal Officer

Tangible Personal Property					
General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$238,565	\$3,817,040	\$270,137,565	\$765,350,239	35.30%	\$7.35
480,359	7,685,744	268,866,859	765,315,578	35.13	7.31
6,536,255	104,580,080	272,327,195	855,129,924	31.85	7.35
12,197,400	97,579,200	275,425,380	838,460,690	32.85	4.40
12,197,400	65,052,800	271,038,580	793,400,576	34.16	4.42
17,925,833	71,703,332	254,956,303	737,641,028	34.56	4.66
22,835,501	91,342,004	255,184,471	743,189,312	34.34	4.71
20,700,235	82,800,940	248,917,065	723,225,558	34.42	4.69
21,588,797	86,355,188	216,846,097	632,839,048	34.27	5.06
23,142,207	92,568,828	218,681,887	633,854,227	34.50	5.10



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

	2010	2009	2008	2007
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	0.4233	0.4226	0.4219	0.4180
Commerical/Industrial and Public Utility Real	0.5599	0.5606	0.5572	0.5643
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
1988 Fire				
Residential/Agricultural Real	0.6772	0.6762	0.6751	0.6688
Commerical/Industrial and Public Utility Real	0.8958	0.8970	0.8915	0.9029
General Business and Public Utility Personal	1.6000	1.6000	1.6000	1.6000
1996 Ambulance and EMS				
Residential/Agricultural Real	0.5781	0.5772	0.5763	0.5709
Commerical/Industrial and Public Utility Real	0.7537	0.7547	0.7501	0.7596
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
1996 Fire				
Residential/Agricultural Real	0.5781	0.5772	0.5763	0.5709
Commerical/Industrial and Public Utility Real	0.7537	0.7547	0.7501	0.7596
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
2007 Fire				
Residential/Agricultural Real	3.0000	3.0000	3.0000	0.0000
Commerical/Industrial and Public Utility Real	2.9765	2.9805	2.9622	0.0000
General Business and Public Utility Personal	<u>3.0000</u>	<u>3.0000</u>	<u>3.0000</u>	<u>0.0000</u>
Total Voted Millage by type of property				
Residential/Agricultural Real	5.2567	5.2532	5.2496	2.2286
Commerical/Industrial and Public Utility Real	5.9396	5.9475	5.9111	2.9864
General Business and Public Utility Personal	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>	<u>4.6000</u>
Total Millage by type of property				
Residential/Agricultural Real	\$7.1567	\$7.1532	\$7.1496	\$4.1286
Commerical/Industrial and Public Utility Real	7.8396	7.8475	7.8111	4.8864
General Business and Public Utility Personal	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>	<u>6.5000</u>
Overlapping Rates by Taxing District				
Norton City School District				
Residential/Agricultural Real	\$29.2630	\$29.2311	\$29.1958	\$28.8335
Commerical/Industrial and Public Utility Real	37.1239	37.1675	36.9567	37.2881
General Business and Public Utility Personal	59.9000	59.9000	59.9000	59.9000
Summit County				
Residential/Agricultural Real	12.5601	12.5592	12.5574	10.5997
Commerical/Industrial and Public Utility Real	12.2165	12.2347	12.1034	11.4020
General Business and Public Utility Personal	12.7000	12.7000	12.7000	13.1100
Akron/Summit Library				
Residential/Agricultural Real	2.1000	2.0170	1.9921	1.9206
Commerical/Industrial and Public Utility Real	2.0972	2.0199	1.9799	1.9896
General Business and Public Utility Personal	2.1000	2.1000	2.0800	2.0300
Summit Metropolitan Park District				
Residential/Agricultural Real	1.4600	1.4600	1.4600	1.4573
Commerical/Industrial and Public Utility Real	1.4075	1.4102	1.3914	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.

2006	2005	2004	2003	2002	2001
\$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
0.4203	0.4590	0.4627	0.4639	0.5322	0.5340
0.5741	0.5884	0.5825	0.5627	0.6537	0.6586
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.6724	0.7344	0.7403	0.7422	0.8516	0.8544
0.9186	0.9415	0.9320	0.9003	1.0460	1.0538
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
0.5740	0.6269	0.6320	0.6336	0.7270	0.7294
0.7728	0.7921	0.7841	0.7575	0.8800	0.8866
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5740	0.6269	0.6320	0.6336	0.7270	0.7294
0.7728	0.7921	0.7841	0.7575	0.8800	0.8866
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2.2407	2.4472	2.4670	2.4733	2.8378	2.8472
3.0383	3.1141	3.0827	2.9780	3.4597	3.4856
4.6000	4.6000	4.6000	4.6000	4.6000	4.6000
\$4.1407	\$4.3472	\$4.3670	\$4.3733	\$4.7378	\$4.7472
4.9383	5.0141	4.9827	4.8780	5.3597	5.3856
6.5000	6.5000	6.5000	6.5000	6.5000	6.5000
\$28.9406	\$31.1576	\$26.4282	\$26.5082	\$29.3761	\$29.4434
37.8347	38.6235	33.4429	32.5120	37.1708	37.1425
59.9000	59.9000	55.0000	55.0000	55.0000	55.0000
9.0633	9.6107	9.6343	9.6215	10.5666	10.5864
10.0247	10.3113	10.2999	10.2128	11.0662	11.1466
12.2200	12.2200	12.2200	12.2200	12.2200	12.2200
1.9333	2.1358	0.7800	1.2633	1.0993	1.1411
1.9907	2.1400	0.7800	1.4346	1.2739	1.3232
2.0400	2.1400	0.7800	1.5900	1.3500	1.3900
0.6959	0.7517	0.7540	0.7526	0.7671	0.7688
0.7470	0.7743	0.7730	0.7652	0.7944	0.8022
0.8500	0.8500	0.8500	0.8500	0.8500	0.8500

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

Year	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2010	\$1,974,665	\$1,873,101	94.86%	\$71,363	\$1,944,464
2009	1,960,075	1,855,966	94.69	59,685	1,915,651
2008	1,940,960	1,859,423	95.80	33,625	1,893,048
2007	1,132,826	1,085,632	95.83	30,202	1,115,834
2006	1,119,491	1,071,160	95.68	33,666	1,104,826
2005	1,073,413	1,026,171	95.60	31,942	1,058,113
2004	1,098,882	1,017,803	92.62	35,748	1,053,551
2003	1,034,972	989,267	95.58	33,414	1,022,681
2002	1,022,167	929,322	90.92	38,641	967,963
2001	1,019,359	930,385	91.27	26,814	957,199

Source: Summit County Fiscal Officer

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

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

Percentage of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
98.47%	\$182,423	9.24%
97.73	152,552	7.78
97.53	108,128	5.57
98.50	60,217	5.32
98.69	65,655	5.86
98.57	60,368	5.62
95.87	45,331	4.13
98.81	52,891	5.11
94.70	54,205	5.30
93.90	62,160	6.10

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

<u>Tax Year</u>	<u>Tax Rate (3)</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>
2010	2.00 %	\$4,094,388	\$782,847	19.12 %	\$3,057,230	74.67 %
2009	2.00	3,734,277	702,980	18.83	2,625,335	70.30
2008	2.00	4,014,015	726,135	18.09	2,888,084	71.95
2007	2.00	3,979,767	626,813	15.75	2,873,790	72.21
2006	2.00	3,958,650	677,192	17.11	2,816,173	71.14
2005	2.00	3,794,343	508,573	13.40	2,866,905	75.56
2004	1.50	2,657,039	411,098	15.47	1,899,297	71.48
2003	1.50	2,600,731	432,067	16.61	1,880,010	72.29
2002	1.50	2,613,781	407,094	15.57	1,885,769	72.15
2001	1.50	2,608,366	425,685	16.32	1,843,016	70.66

(1) Cash Basis

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

<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>
\$254,261	6.21 %
405,962	10.87
399,796	9.96
479,164	12.04
465,285	11.75
418,865	11.04
346,644	13.05
288,654	11.10
320,918	12.28
339,665	13.02

City of Norton, Ohio
Principal Real Estate Property Taxpayers
 2010 and 2003(1)

Taxpayer	2010	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,730,020	1.03 %
B & C Corporation	2,179,760	0.82
Albrecht, Inc.	2,055,400	0.78
World Real Estate Services LTD.	1,019,980	0.39
Falkenstein Albert J. & Margaret C.	1,012,920	0.38
Newpark Drive Limited Partnership	962,990	0.36
Pittsburgh Plate Glass Company	696,230	0.26
Trinity Broadcasting Network, Inc.	655,260	0.25
Clayson, Inc.	616,730	0.24
Fomo Products, Inc.	605,540	0.23
Total	\$12,534,830	4.74 %
Total Real Assessed Valuation	\$264,316,180	

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

Source: Summit County Fiscal Officer

(1) Information prior to 2003 was not available.

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

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
2010	12,085	\$765,350,239	\$6,307,365	0.82 %	\$521.92
2009	11,523	765,315,578	2,464,119	0.32	213.84
2008	11,523	855,129,924	2,641,884	0.31	229.27
2007	11,523	838,460,690	2,829,649	0.34	245.57
2006	11,523	793,400,576	3,012,414	0.38	261.43
2005	11,523	737,641,028	3,192,041	0.43	277.01
2004	11,523	743,189,312	3,371,668	0.45	292.60
2003	11,523	723,225,558	4,420,000	0.61	383.58
2002	11,523	632,839,048	0	0.00	0.00
2001	11,523	633,854,227	0	0.00	0.00

Sources:

(1) U. S. Bureau of Census, 2001-2009 - 2000 Census of Population; 2010 - 2010 Census of Population.

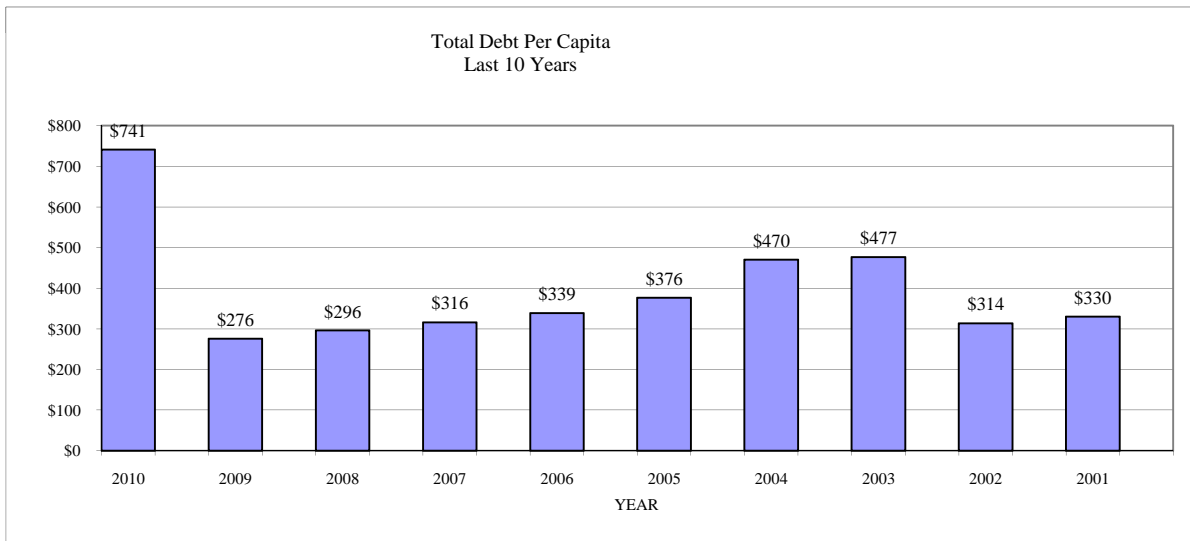
(2) Summit County Fiscal Officer

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

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

Year	General Obligation Bonds	Long-Term Notes	Special Assessment Bonds	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
2010	\$6,307,365	\$1,979,422	\$671,784	\$0	\$8,958,571	3.59%	\$741
2009	2,464,119	0	715,881	0	3,180,000	1.21	276
2008	2,641,884	0	758,116	9,364	3,409,364	1.30	296
2007	2,829,649	0	800,351	12,295	3,642,295	1.38	316
2006	3,012,414	35,000	842,586	15,212	3,905,212	1.48	339
2005	3,192,041	255,000	882,959	4,245	4,334,245	1.65	376
2004	3,371,668	1,116,000	923,332	9,556	5,420,556	2.09	470
2003	4,420,000	978,000	85,000	8,391	5,491,391	2.15	477
2002	0	3,525,000	90,000	0	3,615,000	1.44	314
2001	0	3,705,000	95,000	0	3,800,000	1.54	330

Note: Population and Personal Income data are presented on page S30.



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City of Norton, Ohio

Legal Debt Margin

Last Ten Years

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Assessed Property Value	<u>\$270,137,565</u>	<u>\$268,866,859</u>	<u>\$272,327,195</u>	<u>\$275,425,380</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$28,364,444</u>	<u>\$28,231,020</u>	<u>\$28,594,355</u>	<u>\$28,919,665</u>
Debt Outstanding:				
General Obligation Bonds	6,307,365	2,464,119	2,641,884	2,829,649
Special Assessment Bonds	671,784	715,881	758,116	800,351
Manuscript Notes	0	0	560,000	806,000
Notes	<u>1,979,422</u>	<u>3,139,099</u>	<u>563,000</u>	<u>0</u>
Total Gross Indebtedness	8,958,571	6,319,099	4,523,000	4,436,000
Less:				
Special Assessment Bonds	(671,784)	(715,881)	(758,116)	(800,351)
Amount Available in Debt Service	<u>(29,397)</u>	<u>(6,753)</u>	<u>0</u>	<u>(30,914)</u>
Total Net Debt Applicable to Debt Limit	<u>8,257,390</u>	<u>5,596,465</u>	<u>3,764,884</u>	<u>3,604,735</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$20,107,054</u>	<u>\$22,634,555</u>	<u>\$24,829,471</u>	<u>\$25,314,930</u>
Legal Debt Margin as a Percentage of the Debt Limit	70.89%	80.18%	86.83%	87.54%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$14,857,566</u>	<u>\$14,787,677</u>	<u>\$14,977,996</u>	<u>\$15,148,396</u>
Total Gross Indebtedness	8,958,571	6,319,099	4,523,000	4,436,000
Less:				
Special Assessment Bonds	(671,784)	(715,881)	(758,116)	(800,351)
Amount Available in Debt Service	<u>(29,397)</u>	<u>(6,753)</u>	<u>0</u>	<u>(30,914)</u>
Net Debt Within 5 ½ % Limitations	<u>8,257,390</u>	<u>5,596,465</u>	<u>3,764,884</u>	<u>3,604,735</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,600,176</u>	<u>\$9,191,212</u>	<u>\$11,213,112</u>	<u>\$11,543,661</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	44.42%	62.15%	74.86%	76.20%

Source: City Financial Records

2006	2005	2004	2003	2002	2001
<u>\$271,038,580</u>	<u>\$254,956,303</u>	<u>\$255,184,471</u>	<u>\$248,917,065</u>	<u>\$216,846,097</u>	<u>\$218,681,887</u>
<u>\$28,459,051</u>	<u>\$26,770,412</u>	<u>\$26,794,369</u>	<u>\$26,136,292</u>	<u>\$22,768,840</u>	<u>\$22,961,598</u>
3,012,414	3,192,041	3,371,668	4,420,000	0	0
842,586	882,959	923,332	85,000	90,000	95,000
0	0	0	0	0	0
220,000	840,800	1,116,000	978,000	3,525,000	3,705,000
4,075,000	4,915,800	5,411,000	5,483,000	3,615,000	3,800,000
(842,586)	(882,959)	(923,332)	(85,000)	(90,000)	(95,000)
(16,888)	(46,698)	(56,402)	(10,768)	(11,270)	(10,962)
3,215,526	3,986,143	4,431,266	5,387,232	3,513,730	3,694,038
<u>\$25,243,525</u>	<u>\$22,784,269</u>	<u>\$22,363,103</u>	<u>\$20,749,060</u>	<u>\$19,255,110</u>	<u>\$19,267,560</u>
88.70%	85.11%	83.46%	79.39%	84.57%	83.91%
<u>\$14,907,122</u>	<u>\$14,022,597</u>	<u>\$14,035,146</u>	<u>\$13,690,439</u>	<u>\$11,926,535</u>	<u>\$12,027,504</u>
4,075,000	4,915,800	5,411,000	5,483,000	3,615,000	3,800,000
(842,586)	(882,959)	(923,332)	(85,000)	(90,000)	(95,000)
(16,888)	(46,698)	(56,402)	(10,768)	(11,270)	(10,962)
3,215,526	3,986,143	4,431,266	5,387,232	3,513,730	3,694,038
<u>\$11,691,596</u>	<u>\$10,036,454</u>	<u>\$9,603,880</u>	<u>\$8,303,207</u>	<u>\$8,412,805</u>	<u>\$8,333,466</u>
78.43%	71.57%	68.43%	60.65%	70.54%	69.29%

City of Norton, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2010

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
General Obligation Bonds	\$6,307,365	100.00%	\$6,307,365
Special Assessment Bonds	671,784	100.00	671,784
General Obligation Notes	<u>1,979,422</u>	100.00	<u>1,979,422</u>
<i>Total Direct Debt</i>	<u>8,958,571</u>		<u>8,958,571</u>
Overlapping			
Summit County			
General Obligation Bonds	44,842,327	2.15	964,110
Akron-Summit County Library System			
General Obligation Bonds	44,065,000	3.06	1,348,389
Metro Regional Transit Authority			
General Obligation Bonds	<u>395,000</u>	2.15	<u>8,493</u>
<i>Total Overlapping Debt</i>	<u>89,302,327</u>		<u>2,320,992</u>
Total	<u><u>\$98,260,898</u></u>		<u><u>\$11,279,563</u></u>

Source: County Fiscal Officer

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

City of Norton, Ohio

Principal Employers

2010 and 2002

2010 (1)

Employer	Employees	Percentage of Total City Employment
Fred Martin Motor Company	322	5.97%
S.A. Comunale Company	194	3.60
Norton City School District	171	3.17
City of Norton	115	2.13
Lenic Norton, Incorporated	99	1.84
Ganley Ford	87	1.61
PPG Industries	79	1.47
Fomo Products, Incorporated	78	1.45
Akwend, LTD	75	1.39
RT 80 Express, Incorporated	72	1.34
TOTAL	1,292	23.97%
Total Employment within the City	5,390	

2002 (2)

Employer	Employees
JR Wheel	375
Norton City School District	312
S.A. Comunale Company	177
Albert Screen Print	150
City of Norton	104
Adjusta Post Manufacturing Company	100
Fomo Products, Incorporated	56
TOTAL	1,274
Total Employment within the City	N/A

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

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

(2) Information prior to 2002 is not available.

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2010	12,085	\$249,688,185	\$20,661	\$47,085	40
2009	11,523	263,208,366	22,842	47,085	40
2008	11,523	263,208,366	22,842	47,085	40
2007	11,523	263,208,366	22,842	47,085	40
2006	11,523	263,208,366	22,842	47,085	40
2005	11,523	263,208,366	22,842	47,085	40
2004	11,523	259,025,517	22,479	47,085	40
2003	11,523	254,831,145	22,115	47,085	40
2002	11,523	250,648,296	21,752	47,085	40
2001	11,523	246,453,924	21,388	47,085	40

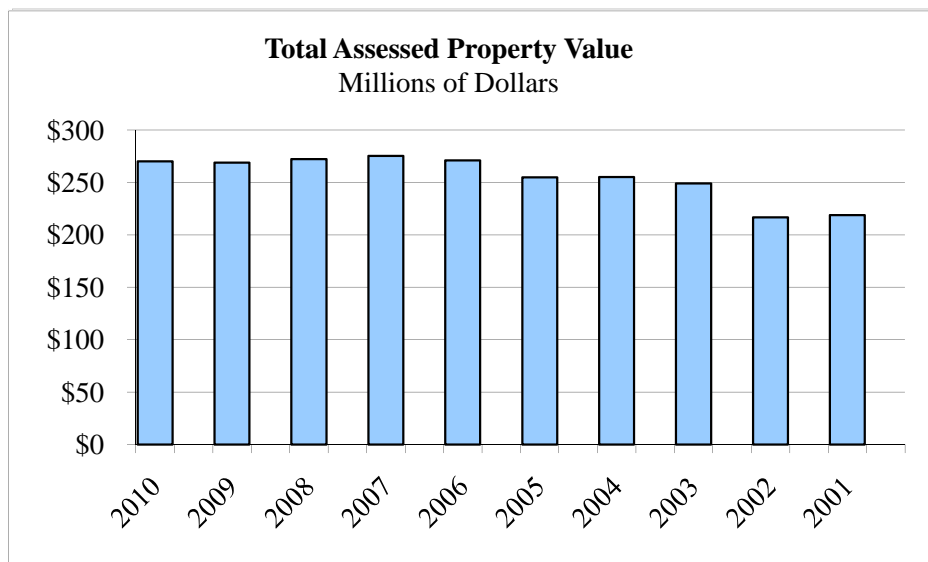
(1) Source: U. S. Census, 2001-2009 - 2000 Census of Population;
2010 - 2010 Census of Population

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

(3) Source: Summit County Planning Commission

(4) Source: Summit County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
11.24 %	2,543	9.90 %	\$140,246	\$270,137,565
11.79	2,587	10.80	165,941	268,866,859
11.79	2,505	7.50	165,941	272,327,195
11.79	2,587	6.10	165,941	275,425,380
11.79	2,495	6.10	165,941	271,038,580
11.79	2,446	6.10	169,926	254,956,303
11.79	2,470	5.50	154,269	255,184,471
11.79	2,558	5.70	142,868	248,917,065
11.79	2,597	4.30	125,151	216,846,097
11.79	2,554	4.30	133,766	218,681,887



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

Function/Program	2010	2009	2008	2007
General Government				
<i>Council and Clerk</i>				
Number of Ordinances	101	77	79	72
Number of Resolutions	18	38	31	19
Number of Planning Commission docket items	16	71	47	27
Zoning Board of Appeals docket items	11	25	35	25
Park and Cemetery Board docket items	1	38	16	35
<i>Finance Department</i>				
Number of checks/ vouchers issued	2172	2397	1841	1797
General Fund Interest earnings for fiscal year (cash basis)	\$9,494	\$57,073	\$116,367	\$272,512
Agency Ratings - Fitch	A	A	A	A
Health Insurance Costs (cash basis in thousands)	\$538	\$694	\$666	\$700
Health Insurance Costs vs General Fund Expenditures %	9.5%	10.8%	14.1%	9.9%
General Fund Receipts (cash basis in thousands)	\$6,173	\$6,603	\$5,827	\$5,892
General Fund Expenditures (cash basis in thousands)	\$5,689	\$6,425	\$4,728	\$7,090
General Fund Cash Balances (in thousands)	\$545	\$719	\$767	\$156
<i>Municipal Court</i>				
Number of Misdemeanor Cases	108	83	99	124
Number of OVI cases	63	14	22	25
Number of Traffic cases	1,195	1,401	1,280	1,473
<i>Building Department Indicators</i>				
Residential/Commercial Permits Issued	144	203	356	189
Zoning Permits	65	64	65	66
Electric Permits	110	107	150	162
Heating Permits	68	61	77	58
Number of permits issued	387	435	648	475
Permit Revenue	\$32,477	\$29,216	\$53,652	\$48,397

2006	2005	2004	2003	2002
74	72	85	99	64
29	32	53	20	19
21	23	40	41	28
23	26	27	30	40
N/A	N/A	N/A	N/A	N/A
1927	1896	1769	1930	1692
\$228,507	\$92,392	\$30,597	\$18,544	\$24,274
A	A	A	A	None
\$571	\$498	\$608	N/A	N/A
13.9%	10.3%	14.1%	N/A	N/A
\$5,328	\$5,238	\$4,416	\$4,297	\$4,456
\$4,122	\$4,856	\$4,302	\$4,203	\$4,391
\$1,584	\$438	\$191	\$122	\$68
175	178	139	N/A	N/A
52	51	64	N/A	N/A
2,935	2,135	2,689	N/A	N/A
241	269	306	197	N/A
84	78	79	58	N/A
206	206	211	191	N/A
74	108	120	114	N/A
605	661	716	560	0
\$61,643	\$69,236	\$80,614	\$86,287	\$77,456

(continued)

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

Function/Program	2010	2009	2008	2007
Security of Persons & Property				
<i>Police</i>				
Felony Arrests	N/A	111	130	106
Misdemeanor Arrests	N/A	559	507	521
Arson	1	1	1	2
Assault	36	45	65	65
Residential Burglary	41	43	54	30
Domestic Violence	78	76	107	84
Drug Offense	101	46	44	28
Homicide	0	0	0	0
Larceny	255	232	296	269
Vandalism/Criminal Damaging	46	63	42	75
Robbery	2	2	3	4
Sex Offense	2	15	13	10
Auto Theft/Stolen Plates	18	31	58	41
Traffic Crashes	374	388	490	487
Traffic Fatalities	0	2	1	2
Driving While Intoxicated	269	102	67	95
Traffic Citations Issued	2,702	2,666	2,064	2,603
Warrant Arrests	182	254	291	303
<i>Fire</i>				
EMS Calls	1,046	1,005	966	968
Ambulance Billing Collections (net)	\$264,759	\$292,858	\$273,510	\$200,624
Revenue per run	253	291	283	207
Fire Calls	379	378	373	332
Public Health and Welfare				
Cemetery burials	1	0	1	3
Cemetery foundations	0	1	3	0
Cemetery cremations	0	0	0	0
Cemetery (re)sale of lots	4	12	0	8
Cemetery receipts	\$2,546	\$4,130	\$1,150	\$4,355
Health Advisory Board docket items	0	29	19	19

N/A = Information is not available

(1) Information prior to 2002 is not available

Source: City Records

2006	2005	2004	2003	2002
114	131	138	106	127
754	683	763	574	549
1	2	1	2	0
67	56	63	76	71
39	39	44	32	44
119	140	121	119	120
70	48	12	9	7
0	1	0	0	0
312	311	330	323	306
77	80	77	98	145
5	5	11	5	6
19	13	15	5	14
50	42	50	62	59
448	551	528	597	561
1	2	4	2	3
163	144	175	131	120
4,860	3,870	4,341	3,483	3,090
408	457	386	408	362
934	942	928	967	1,017
\$199,799	\$231,593	\$208,873	\$226,005	\$208,620
214	246	225	234	205
233	287	215	215	236
1	0	1	4	N/A
1	1	2	5	N/A
0	0	0	1	N/A
0	0	3	22	N/A
\$666	\$155	\$1,825	\$6,965	N/A
N/A	N/A	N/A	N/A	N/A

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

Function/Program	2010	2009	2008	2007
General Government				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	0	0	1	2
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage of Building	3,600	3,600	3,600	3,600
Vehicles	9	10	8	10
Fire				
Stations	2	2	2	2
Recreation				
Number of Parks	7	7	7	7
Number of Tennis Courts	4	4	4	4
Number of Baseball Diamonds	5	5	5	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	15	15	13	12
City Cemeteries	2	2	2	2
Wastewater				
Sanitary Sewers (miles)	8.40	8.40	8.40	8.40
Water Department				
Water Lines (miles)	14.50	12.50	12.50	12.50

Source: City Records

2006	2005	2004	2003	2002	2001
4,080	4,080	4,080	4,080	4,080	4,080
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
3,600	3,600	3,600	3,600	3,600	3,600
10	10	10	N/A	N/A	N/A
2	2	2	2	2	2
7	7	7	6	6	6
4	4	4	4	4	4
3	3	3	3	3	3
3	3	3	3	3	3
1	1	1	1	1	1
6,800	6,800	6,800	6,800	6,800	960
260	260	260	260	260	260
12	12	12	12	12	12
2	2	2	2	2	2
8.40	8.40	8.40	8.40	8.40	8.40
12.50	12.50	12.50	12.50	12.50	12.50

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

Function/Program	2010	2009	2008	2007
General Government				
Mayor	2	2	2	2
Council	8	8	8	8
Finance	3	5	5	4
City Administrator	1	1	1	1
Law	1	1	1	1
Administration	2	2	2	3
Engineer	0	0	1	1
Planning	0	0	0	1
Civil Service	0	0	0	1
Court	2	3	3	3
Security of Persons and Property				
Police	30	30	30	30
Fire Full Time	4	3	3	4
Fire Part Time	30	29	27	33
Fire - Secretary - Other	1	1	1	1
Community Development				
Building	1	2	2	2
Transportation				
Service	10	11	12	12
Totals:	<u>95</u>	<u>98</u>	<u>98</u>	<u>107</u>

Source: City Payroll Department W2 Audit Listing

Method: Using 1.0 for each employee at December 31.

(1) Information prior to 2002 is not available

2006	2005	2004	2003	2002
2	2	2	2	2
8	8	8	8	8
5	5	5	5	5
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
30	30	30	30	30
4	4	4	3	3
30	30	30	30	30
1	1	1	1	1
2	2	2	2	2
12	13	14	14	14
105	106	107	106	106

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Dave Yost • Auditor of State

CITY OF NORTON

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 17, 2012