CITY OF NORTON
SUMMIT COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2013

Dave Yost • Auditor of State

CITY OF NORTON
SUMMIT COUNTY

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Dave Yost • Auditor of State

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

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

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001
www.ohioauditor.gov

Compliance and Other Matters

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

Purpose of this Report

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

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2014

Dave Yost • Auditor of State

CITY OF NORTON

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 24, 2014

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.ohioauditor.gov

Dave Yost • Auditor of State

MANAGEMENT LETTER

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

To the Members of Council:

We have audited the financial statements of City of Norton, Summit County, (the City) in accordance with *Government Auditing Standards*, as of and for the year ended December 31, 2013, and have issued our report thereon dated June 27, 2014.

Government Auditing Standards require us to report significant internal control deficiencies, fraud, and illegal acts (including noncompliance with laws and regulations), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated June 27, 2014, for the year ended December 31, 2013.

We are also submitting the following comments for your consideration regarding the City's compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. These comments reflect matters that do not require inclusion in the report *Government Auditing Standards* or Office of Management and Budget Circular A-133 require. Nevertheless, these comments represent matters for which we believe improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. However, these comments reflect our continuing desire to assist your City. If you have questions or concerns regarding these comments please contact your regional Auditor of State office.

Noncompliance Findings

*1. Fiscal Officer Certificates

Ohio Rev. Code Section 5705.41(D) provides no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

Noncompliance Findings
(Continued)

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the City can authorize the drawing of a warrant for the payment of the amount due. The City has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than $3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the City.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The City may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Two of 22 (9.1%) expenditures tested were not properly certified, one utility expenditure did not have a purchase order and one other expenditure had a purchase order dated after the commitment to pay the funds. No evidence the City issued Then and Now Certificates for either expenditure was provided. The City should certify the availability of funds for expenditure and also implement the use of Then and Now Certificates, Blanket Certificates and Super Blanket Certificates as further means to certify funds pursuant to Ohio Rev. Code Section 5705.41(D).

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

In addition, Ohio Rev. Code Section 5705.41(D)(3) provides for the use of "regular blanket" certificates for a sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority of the subdivision or taxing unit. The section also provides that Fiscal Officers may have open only a single "regular blanket" purchase order per line-item appropriation, or at the City's legal level of control.

Noncompliance Findings
(Continued)

The City utilized "regular blanket" certificates as provided for in Ohio Rev. Code Section 5705.41(D) (3) during the audit period, however, City Council has not formally established, by resolution or ordinance, a limit to the "regular blanket" certificate amount. Additionally, the City had multiple "regular blanket" certificates open simultaneously for a single line-item appropriation during the audit period.

To improve controls over disbursements and to help reduce the possibility of the City's funds exceeding budgetary spending limitations, we recommend City Council establish a maximum "blanket" certificate amount. The City should maintain only one "regular blanket" certificate for a single line-item appropriation at a time. In addition, the Finance Director should certify the availability of funds for expenditure prior to commitment and also implement the use of Then and Now Certificates, Blanket Certificates and Super Blanket Certificates as further means to certify funds pursuant to Ohio Rev. Code Section 5705.41(D).

2. Appropriations Exceeding Estimated Resources

Ohio Rev. Code Section 5705.39 provides total appropriations from each fund should not exceed total estimated resources for each fund. Original appropriations exceeded original estimated resources in the 2012 Fire/EMS Fund by $415,702.

Limiting appropriations to estimated resources is not only required by statute but is a key control in the budgetary and disbursement process to assure revenues are expected to be received prior to budgeting for expenditures that may exceed available revenues. To improve controls over budgeting and disbursements and to help reduce the possibility of the City committing funds to be spent which are not available, the City should monitor appropriations versus estimated resources to help avoid overspending throughout the year.

Recommendations

*1. Approval of Financial Reports

City Council receives monthly reports from the Finance Director which show the financial activity of the City. These reports include the monthly bank reconciliation, monthly check register, the Statement of Cash Position, month-to-date revenue and expense reports, and purchase order reports. City Council does not formally acknowledge the receipt of these reports or their review and approval of these reports in the Council minutes.

City Council should formally acknowledge the receipt and approval of the monthly report packages submitted by the Finance Director in the Council minutes. This may help increase management's awareness of all financial activity and provide evidence of monitoring activities.

*2. Disaster Recovery Plan

The City has not adopted a formal disaster recovery plan to identify procedures to be performed in the event of an emergency which allows the processing of accounting system information. Without documented disaster recovery procedures, the City could incur substantial costs in attempting to retrieve and recreate pertinent financial information.

The City should prepare a written plan to ensure procedures are in place for City operations to continue in the event of a disaster. A documented plan for the recovery of interrupted or lost data processing activities should be developed and distributed to appropriate personnel.

Recommendations
(Continued)

Arrangements for space, hardware, data files, programs, systems software, data base, and documentation should be included in the plan. A test of the disaster recovery plan should be executed to ensure critical details have been included and the documented recovery activities are achievable.

***** We also reported these matters in our prior audit of the financial statements.

We intend this report for the information and use of City Council and management.

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2014

CITY OF

NORTON, OHIO

A GROWING COMMUNITY

NORTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED—DECEMBER 31

2013

City of Norton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2013

Issued by:

City of Norton
Department of Finance

Laura Starosta
Director of Finance

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introductory Section

A GROWING COMMUNITY
NORTON

2013

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City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013
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CITY OF NORTON

4060 Columbia Woods Drive
Norton, Ohio 44203

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

A GROWING COMMUNITY
NORTON

Mayor Mike Zita

June 27, 2014

Members of City Council and
Citizens of Norton

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

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State rendered an opinion on the City's financial statements as of December 31, 2013, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

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

- The Service Department includes the division of Streets, Parks and Cemeteries. The Service Department is also responsible for maintenance of City facilities and vehicles.

- The Safety Department includes the divisions of Police, Fire and Emergency Medical Services.

- The Administration Department is responsible for all other functions including building, zoning and development.

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

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

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

The Mayor is elected for a four-year term to begin the first day of January following the election. According to the Charter, the Mayor is the executive of the City and is responsible to the electors for enforcement of all laws and ordinances, and for control and proper operation of all

administrative departments and divisions. The Mayor appoints an Administrative Officer, Director of Finance, Director of Law, and Director of Community Development, subject to confirmation by a majority vote of Council. The Administrative Officer serves as the head of the service and safety departments. The Directors are responsible to the Mayor for the general administration of the affairs of the City. The Director of Community Development is currently an unfilled position, and those tasks are shared by the Administrative Officer and the Superintendent of Buildings and Zoning Inspector.

LOCAL ECONOMY

The City experienced little growth in 2013, both in the areas of commercial and residential development. Construction activity was low and 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. They have also opened a new Fiat Dealership and purchased two nearby properties, one of which is an expansion of their auto sales and the other is for a new 12,000 square foot car wash/oil change business. The new car wash/oil change location was operational in 2014. The City of Norton had several businesses expand in the recent year. Nelson Corporation is adding over 11,000 square feet for storage of products. Snap Fitness added 5,000 square feet to their existing business for fitness. Chase Bank remodeled the interior and exterior of their existing building. RiverReach Construction remodeled 6,000 square feet for business storage spaces and has two of four rented out for small businesses. Eddie's Autobody expanded 2,100 square feet for his collision auto body repair business. ETC TechSolutions moved from Doylestown and opened their business in Norton. Dollar General started construction on a new 10,000 square foot building and is planning to open in 2014. Other businesses continue to remodel and invest in their locations, while inquiries as to locations from new business indicate a renewed faith in the Norton business district.

It should also be noted that on November 5, 2013, the voters of Norton gave strong support for Issue 42, a school construction levy. The 3.89-mill levy and bond issue is the Norton City School District's share of a $32 million Ohio Facilities Construction Commission project. A new high school and stadium will be built. The current high school will be renovated for middle school students and the aging Cornerstone and Grill schools will be sold or demolished. This is an important potential development catalyst to the City because an important commercial corner at Cleveland-Massillon and Greenwich roads will open up with the demolition and sale of land where the Cornerstone School is currently. The school building project is scheduled to start in the spring of 2015.

CITY PROJECTS

The City began construction on a new water line to service a portion of Cleveland-Massillon Road which includes a line to the City's service garage. The majority of this project has been completed and is intended to fully wrap up in 2014.

The City replaced a waterline on Norton Avenue which was completed in 2014. This line replaced an older temporary line.

MAJOR INITIATIVES

New projects on the horizon include a $16 million (original estimate) expansion of Cleveland-Massillon Road, a main thoroughfare. Grants account for 80-90 percent of the project funding and engineering on the project continues and remains on track. The widening project

complements the school building project and again these improvements will serve as a significant catalyst to economic development. The project is anticipated to include sidewalks to create a more accessible commercial downtown area and access to the schools.

The City is still in the engineering phase of a large sanitary sewer project to serve the Nash Heights area. Nash Heights is predominantly residential and there is a high need for 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 areas north and west of the residential area.

FINANCIAL PLANNING AND POLICIES

Unassigned fund balances for funds with annual operating expenditures 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 expenditures. Further, the healthy balances are intended to be attractive to financing sources when we issue debt. As of December 31, 2013, the general fund carryover was up to around 37 percent of 2013 expenditures (cash basis).

INCOME 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 $4,577,929 in 2011 to $5,042,325 in 2013 for an increase of 10.1 percent. Income tax results for the general fund for 2013 were $4,352,652. This is on a cash basis after the mandatory movement of income tax to the water and sewer improvements fund due to the change in the tax credit.

In 2009, the Norton City Council passed a change to the tax credit from a full credit up to 1 and 1/2 percent credit effective July 1, 2009. As a result, all residents pay at least a 1/2 percent income tax to the City of Norton. The proceeds from this change are intended to be used on sewer and water lines. Revenues began in 2009, and have generated approximately $1,955,000 on a cash basis as of December 31, 2013.

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, 2012. 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,

Mike Zita
Mayor

Laura Starosta
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norton

Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

City of Norton, Ohio

Principal Officials
December 31, 2013

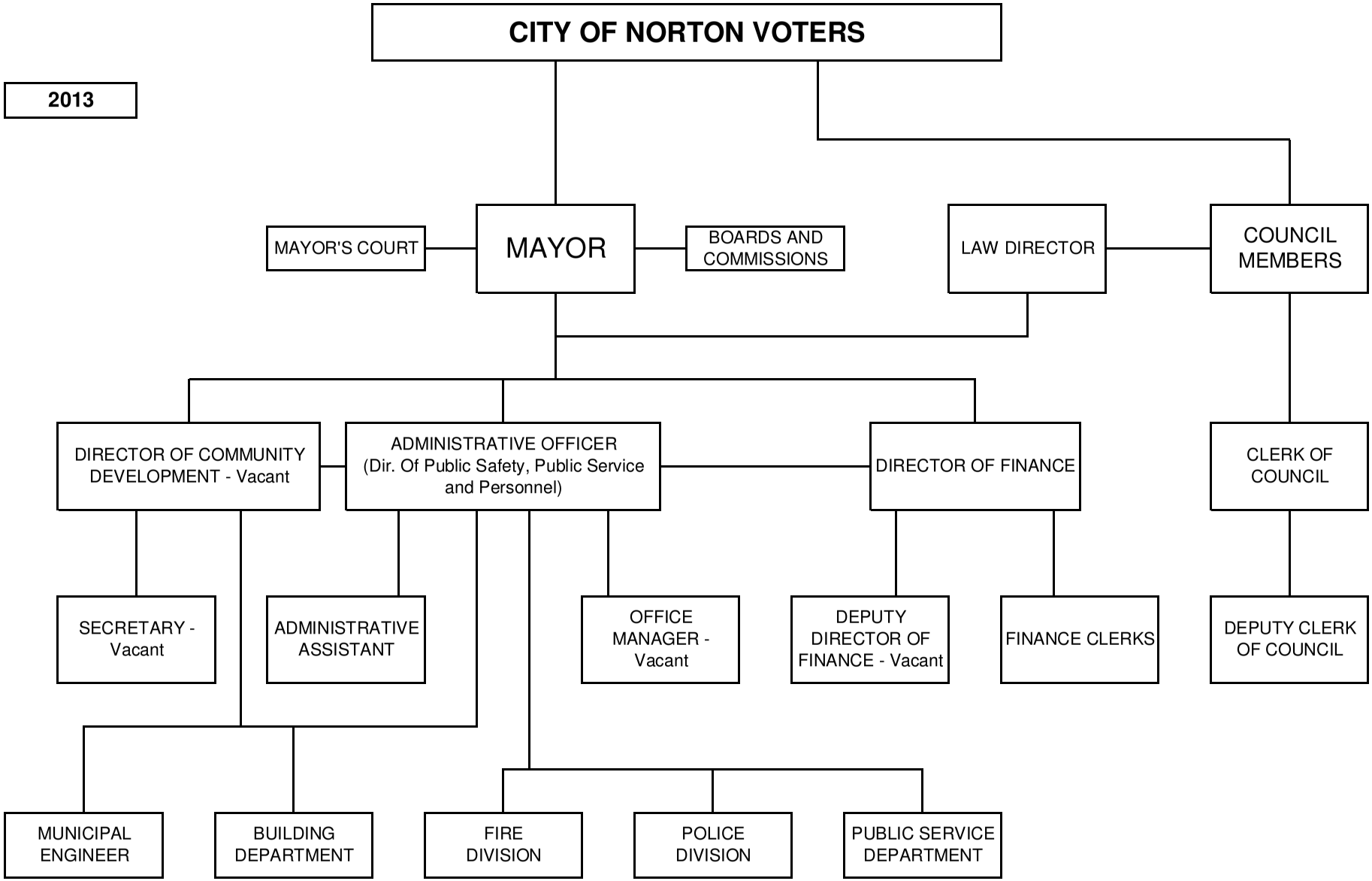
Elected Officials

Mike Zita	Mayor
Todd Bergstrom	City Council, Vice President, Ward 1 (1)
Don Nicolard	City Council, President, Ward 2 (1)
William Mowery	City Council, Ward 3 (1)
John Conklin	City Council, Ward 4 (1)
Dennis McGlone	City Council, At-Large
Charlotte Whipkey	City Council, At-Large
Scott Pelot	City Council, At-Large

Administrators

Mayor Mike Zita	Administrative Officer (2)
Laura Starosta	Director of Finance and Tax Administrator
Justin Markey	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
Corinne Hoover Six	Court Magistrate
Karla Richards	Clerk of Council

(1) These four Council Members were replaced effective January 1, 2014.
(2) This position was vacant as of December 31, 2013, and pursuant to the Charter of the City of Norton, Section 4.05, the Mayor assumed the power and duties of the Administrative Officer.


2013
CITY OF NORTON VOTERS
MAYOR'S COURT
MAYOR
BOARDS AND COMMISSIONS
LAW DIRECTOR
COUNCIL MEMBERS
DIRECTOR OF COMMUNITY DEVELOPMENT - Vacant
ADMINISTRATIVE OFFICER (Dir. Of Public Safety, Public Service and Personnel)
DIRECTOR OF FINANCE
CLERK OF COUNCIL
SECRETARY - Vacant
ADMINISTRATIVE ASSISTANT
OFFICE MANAGER - Vacant
DEPUTY DIRECTOR OF FINANCE - Vacant
FINANCE CLERKS
DEPUTY CLERK OF COUNCIL
MUNICIPAL ENGINEER
BUILDING DEPARTMENT
FIRE DIVISION
POLICE DIVISION
PUBLIC SERVICE DEPARTMENT

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Comprehensive Annual Financial Report

A GROWING COMMUNITY
NORTON

Financial Section

2013

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Dave Yost · Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509
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www.ohioauditor.gov

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, Ohio, as of December 31, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General, Street Construction, Maintenance and Repair, Fire/EMS Levy, and 2012 Fire/EMS Levy Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The 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. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this 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, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2014

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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, 2013. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding regarding the City's financial performance, one should also review the transmittal letter, the basic financial statements and notes to the basic financial statements.

Financial Highlights

The financial summary for 2013 follows:

- The City issued $1,000,000 in various improvement notes to finance several projects underway in the City, including construction of a new fire station, acquisition of property and installation of waterlines.

- The City entered into a capital lease agreement for the purchase of an excavator for the service department.

- The City purchased two cruisers for the police department.

Using this Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2013 and how they affected the City of Norton's operations. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City of Norton as a Whole

Statement of Net Position and the Statement of Activities

This financial view of the City as a whole considers all transactions and answers the question of how the City of Norton performed financially during 2013. The Statement of Net Position and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity, as well as the overall evaluation of the City's financial status.

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

These two statements report the City's net position and any changes in net position. The change in net position is important because it indicates whether the financial position of the City has improved or declined. To evaluate the overall position of the City, particular items must be taken into consideration. These items include the current economic situation as a whole, the current tax base for the City and the age and condition of City buildings and infrastructure.

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

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

Reporting the City of Norton's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 9. Fund financial reports give detailed information of activities within these funds. The City currently has thirty-two funds, which have been established to account for the multitude of services provided to residents, for the operation of facilities, as well as for infrastructure and capital purchases. These fund financial statements focus on the City's five major funds: the general fund, the street construction, maintenance and repair fund, the fire/EMS levy fund, the 2012 fire/EMS levy fund, and the special assessment bond retirement fund.

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

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

The City of Norton as a Whole

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2013 as they compare to 2012.

Table 1
Net Position

	Governmental Activities		
	2013	2012	Change
Assets			
Current and Other Assets	$16,426,005	$15,249,252	$1,176,753
Capital Assets, Net	23,528,582	23,294,704	233,878
Total Assets	39,954,587	38,543,956	1,410,631
Deferred Outflows of Resources	68,934	75,827	(6,893)
Liabilities			
Current and Other Liabilities	485,526	387,670	97,856
Long-term Liabilities			
Due Within One Year	682,079	619,657	62,422
Due in More than One Year	7,816,808	8,564,016	(747,208)
Total Liabilities	8,984,413	9,571,343	(586,930)
Deferred Inflows of Resources	2,053,897	2,031,560	22,337
Net Position			
Net Investment in Capital Assets	15,997,153	15,103,220	893,933
Restricted:			
Capital Projects	319,094	454,614	(135,520)
Debt Service	2,206,606	2,269,790	(63,184)
Police	87,313	62,123	25,190
Fire and EMS	1,600,748	1,338,729	262,019
Transportation	1,035,559	780,096	255,463
Sewerline/Waterline Maintenance	1,621,036	1,497,061	123,975
Other Purposes	60,950	57,990	2,960
Unclaimed Monies	7,033	6,633	400
Unrestricted	6,049,719	5,446,624	603,095
Total Net Position	$28,985,211	$27,016,880	$1,968,331

Current and other assets have increased from 2012, mainly due to an increase in equity in pooled cash and cash equivalents. The increase in equity in pooled cash and cash equivalents was due to revenues exceeding expenses for 2013, despite a decrease in total revenues and an increase in total expenses from 2012.

Long-term liabilities due in more than one year decreased from 2012 due to the paying down of debt.

Table 2 shows the changes in net position for 2013 compared to 2012.

Table 2
Changes in Net Position

	Governmental Activities		
	2013	2012	Change
Revenues:			
Program Revenues:			
Charges for Services and Sales	$1,144,403	$3,033,512	($1,889,109)
Operating Grants and Contributions	1,076,605	996,859	79,746
Capital Grants and Contributions	214,930	145,167	69,763
Total Program Revenues	2,435,938	4,175,538	(1,739,600)
General Revenues:			
Property Taxes	2,047,938	1,660,539	387,399
Income Tax	5,086,390	4,865,924	220,466
Grants and Entitlements	455,722	409,661	46,061
Interest	6,920	6,069	851
Other	172,320	187,211	(14,891)
Total General Revenues	7,769,290	7,129,404	639,886
Total Revenues	10,205,228	11,304,942	(1,099,714)
Program Expenses:			
General Government	1,936,401	2,024,702	(88,301)
Security of Persons and Property	4,046,180	3,404,024	642,156
Transportation	1,585,557	1,369,735	215,822
Community Environment	176,888	205,175	(28,287)
Public Health Services	88,571	90,538	(1,967)
Leisure Time Activities	153,148	132,009	21,139
Interest and Fiscal Charges	250,152	355,527	(105,375)
Total Expenses	8,236,897	7,581,710	655,187
Increase in Net Position	1,968,331	3,723,232	(1,754,901)
Net Position Beginning of Year	27,016,880	23,293,648	3,723,232
Net Position End of Year	$28,985,211	$27,016,880	$1,968,331

Despite the increases in property tax and income tax revenues, total revenues decreased primarily due to a significant decrease in charges for services and sales revenue. The decrease in charges for services and sales is due to a decrease in special assessment revenue from 2012, special assessment bonds were sold and the assessment was certified to the County Fiscal Officer for collection.

Total program expenses increased from the prior year. The largest increase was seen in program expenses for security of persons and property. This increase is mainly due to an increase in salaries and wages expense.

Governmental Activities

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

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

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

The City's Funds

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

Revenues and other financing sources exceeded expenditures and other financing use overall by $1,079,757, increasing the City-wide fund balance to $9,839,785. Significant changes to the City's major funds are described below.

For general fund, the carryover balance increased by $202,764, due to revenues exceeding expenditures, despite a small decrease in total revenues and an increase in total expenditures. Total expenditures increased mainly due to higher expenditures for general government, security of persons and property, and transportation. Security of persons and property had increased expenditures for salaries and wages for the police department. Expenditures for transportation increased in 2013 because in 2012 the City did not have a formal road program.

The street construction, maintenance and repair fund had an increase in fund balance of $222,052. This was achieved by an increase in transfers in of $134,800 from the prior year, as expenditures in the current year also increased from the prior year. The increase in expenditures was mainly due to a new capital lease for an excavator.

The fire/EMS levy fund had an increase in fund balance of $206,006 due to an increase in charges for services revenue, partially offset by an increase in expenditures. The increase in charges for services revenue was due to recording charges for services in the fire/EMS levy fund that had previously been recorded in another fund prior to 2013.

The 2012 fire/EMS levy fund increased by $173,124 during the year due to revenues being recorded to this fund for the first time in 2013; those revenues primarily consisted of property taxes. Expenditures for security of persons and property also increased due to the fund having actual cash expenditures for the first time.

The special assessment bond retirement fund increased its fund balance over the prior year by $23,794, which was slightly less than the increase in fund balance for 2012. Although special assessment revenue was higher and expenditures were lower than the prior year, total other financing sources (uses) were lower in 2013 since refunding debt had been issued in 2012.

General Fund Budgeting Highlights

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

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

For the general fund, original and final budgeted revenues were $4,672,906 and $4,675,089, respectively. Original budgeted expenditures were $5,373,670 and final budgeted expenditures were $5,517,359 for an increase of $143,689. The increase is primarily the result of supplemental appropriations for security of persons and property.

Actual revenue collections for general fund were $5,466,810, $791,721 higher than final budgeted revenues, which is attributed to higher actual municipal income tax than anticipated. Actual expenditures were $5,064,604. This reduction of $452,755 from the final budget was due to efforts to control actual expenditures in anticipation of lower revenue.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		
	2013	2012	Change
Land	$1,397,908	$1,397,908	$0
Construction in Progress	1,527,160	1,105,769	421,391
Land Improvements	952,526	970,773	(18,247)
Building and Improvements	4,231,704	4,299,437	(67,733)
Equipment, Furniture and Fixtures	510,074	531,029	(20,955)
Vehicles	1,015,253	1,151,270	(136,017)
Infrastructure			
Water Lines	5,649,351	5,658,939	(9,588)
Sanitary Sewer Lines	4,493,359	4,544,026	(50,667)
Roads	3,751,247	3,635,553	115,694
Totals	$23,528,582	$23,294,704	$233,878

Capital assets increased as compared to 2012, due to additions outpacing depreciation and deletions. For more information about the City's capital assets, see Note 9 in the basic financial statements.

Debt

As of December 31, 2013, the City of Norton had the following in outstanding debt:

Table 4
Outstanding Debt at Year End

	Governmental Activities		
	2013	2012	Change
General Obligation Bonds	$4,267,401	$4,557,733	($290,332)
Special Assessment Bonds	2,409,719	2,543,111	(133,392)
Long-Term Notes	1,000,000	1,315,000	(315,000)
Capital Lease	64,172	0	64,172
Totals	$7,741,292	$8,415,844	($674,552)

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, cable franchise fees and monies transferred from the general fund.

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

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

Current Financial Related Issues

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. 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.

Meeting the financial and infrastructure needs of the community continues to be the primary goal of the City. The City has maintained services at past levels while adjusting to lower revenues through the Administration making fiscal management and the City Council making strict budget supervision their priorities. To facilitate the pay-down of debt, equipment purchases as well as facility improvements, acquisition and other necessary major purchases have been paid for in cash where possible. The City will continue to pay close attention to healthy carryover balances and the pay-down of debt in the future.

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 Finance Department at the City of Norton, 4060 Columbia Woods Drive, Norton, Ohio 44203, (330) 825-7815, or visit our website at www.cityofnorton.org.

Basic Financial Statements

City of Norton, Ohio
Statement of Net Position
December 31, 2013

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$8,962,562
Cash and Cash Equivalents In Segregated Accounts	7,045
Materials and Supplies Inventory	319,778
Accounts Receivable	325,517
Accrued Interest Receivable	72
Intergovernmental Receivable	738,167
Prepaid Items	155,685
Income Taxes Receivable	1,243,160
Property Taxes Receivable	2,265,442
Special Assessments Receivable	2,408,577
Nondepreciable Capital Assets	2,925,068
Depreciable Capital Assets, Net	20,603,514
Total Assets	39,954,587
Deferred Outflows of Resources	
Deferred Charge on Refunding	68,934
Liabilities	
Accounts Payable	25,827
Accrued Wages	107,009
Intergovernmental Payable	205,537
Contracts Payable	112,387
Matured Compensated Absences Payable	11,005
Accrued Interest Payable	23,761
Long-Term Liabilities:	
Due Within One Year	682,079
Due in More Than One Year	7,816,808
Total Liabilities	8,984,413
Deferred Inflows of Resources	
Property Taxes	2,053,897
Net Position	
Net Investment in Capital Assets	15,997,153
Restricted for:	
Capital Projects	319,094
Debt Service	2,206,606
Police	87,313
Fire and EMS	1,600,748
Transportation	1,035,559
Sewerline/Waterline Maintenance	1,621,036
Other Purposes	60,950
Unclaimed Monies	7,033
Unrestricted	6,049,719
Total Net Position	$28,985,211

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Activities
For the Year Ended December 31, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	$1,936,401	$361,645	$15,076	$0	($1,559,680)
Security of Persons and Property	4,046,180	452,148	285,302	0	(3,308,730)
Transportation	1,585,557	45,147	776,227	214,930	(549,253)
Community Environment	176,888	11,415	0	0	(165,473)
Public Health Services	88,571	269,186	0	0	180,615
Leisure Time Activities	153,148	4,862	0	0	(148,286)
Interest and Fiscal Charges	250,152	0	0	0	(250,152)
Totals	$8,236,897	$1,144,403	$1,076,605	$214,930	(5,800,959)

General Revenues	
Property Taxes Levied for:	
General Purposes	334,169
Fire	121,265
Police and Fire Disability and Pension	62,650
Fire/EMS	1,529,854
Income Taxes Levied for:	
General Purposes	4,391,800
Water and Sewer Improvements	694,590
Grants and Entitlements not Restricted to Specific Programs	455,722
Interest	6,920
Other	172,320
Total General Revenues	7,769,290
Change in Net Position	1,968,331
Net Position Beginning of Year	27,016,880
Net Position End of Year	$28,985,211

See accompanying notes to the basic financial statements

City of Norton, Ohio
Balance Sheet
Governmental Funds
December 31, 2013

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	2012 Fire/EMS Levy	Special Assessment Bond Retirement
Assets					
Equity in Pooled Cash and Cash Equivalents	$2,677,453	$541,233	$765,381	$632,935	$85,227
Cash and Cash Equivalents:					
In Segregated Accounts	7,045	0	0	0	0
Materials and Supplies Inventory	3,139	316,639	0	0	0
Accounts Receivable	33,998	797	0	0	0
Accrued Interest Receivable	72	0	0	0	0
Intergovernmental Receivable	260,389	298,213	49,397	75,742	0
Interfund Receivable	770,000	0	0	0	0
Prepaid Items	88,810	2,871	507	56,394	0
Income Taxes Receivable	1,101,067	0	0	0	0
Property Taxes Receivable	381,538	0	648,534	994,418	0
Special Assessments Receivable	0	0	0	0	2,408,577
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	7,033	0	0	0	0
Total Assets	$5,330,544	$1,159,753	$1,463,819	$1,759,489	$2,493,804
Liabilities					
Accounts Payable	$16,544	$3,228	$120	$588	$0
Accrued Wages	56,855	13,971	12,664	23,519	0
Intergovernmental Payable	125,793	26,081	18,199	33,861	0
Contracts Payable	7,953	6,500	3,950	0	0
Interfund Payable	0	0	0	500,000	270,000
Matured Compensated Absences Payable	5,501	0	1,927	3,577	0
Total Liabilities	212,646	49,780	36,860	561,545	270,000
Deferred Inflows of Resources					
Property Taxes	345,884	0	648,534	994,418	0
Unavailable Revenue	825,461	203,052	49,397	75,742	2,408,577
Total Deferred Inflows of Resources	1,171,345	203,052	697,931	1,070,160	2,408,577
Fund Balances					
Nonspendable	98,982	319,510	507	56,394	0
Restricted	3,308	587,411	728,521	71,390	0
Committed	288,560	0	0	0	0
Assigned	894,305	0	0	0	0
Unassigned (Deficit)	2,661,398	0	0	0	(184,773)
Total Fund Balances (Deficit)	3,946,553	906,921	729,028	127,784	(184,773)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$5,330,544	$1,159,753	$1,463,819	$1,759,489	$2,493,804

See accompanying notes to the basic financial statements

City of Norton, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2013

Other Governmental Funds	Total Governmental Funds			
		Total Governmental Fund Balances		$9,839,785
		Amounts reported for governmental activities in the statement of net position are different because:		
$4,253,300	$8,955,529	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,528,582
0	7,045	Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
0	319,778			
290,722	325,517			
0	72	Delinquent Property Taxes	211,545	
54,426	738,167	Municipal Income Tax	685,337	
0	770,000	Charges for Services	213,710	
7,103	155,685	Special Assessments	2,408,577	
142,093	1,243,160	Intergovernmental	551,389	
240,952	2,265,442			
0	2,408,577	Total		4,070,558
0	7,033	In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(23,761)
$4,988,596	$17,196,005			
$5,347	$25,827	Long-term liabilities, including notes, bonds, and capital leases payable are not due and payable in the current period and therefore are not reported in the funds:		
0	107,009	General Obligation Bonds	(4,267,401)	
1,603	205,537	Special Assessment Bonds	(2,409,719)	
93,984	112,387	Various Purpose Notes	(1,000,000)	
0	770,000	Capital Lease	(64,172)	
0	11,005	Compensated Absences	(757,595)	
100,934	1,231,765	Total		(8,498,887)
65,061	2,053,897	Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.		68,934
508,329	4,070,558			
573,390	6,124,455	*Net Position of Governmental Activities*		$28,985,211
7,103	482,496			
2,597,192	3,987,822			
1,472,771	1,761,331			
237,206	1,131,511			
0	2,476,625			
4,314,272	9,839,785			
$4,988,596	$17,196,005			

See accompanying notes to the basic financial statements

City of Norton, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2013

	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	2012 Fire/EMS Levy	Special Assessment Bond Retirement
Revenues					
Property Taxes	$350,733	$0	$657,624	$1,008,357	$0
Municipal Income Tax	4,391,775	0	0	0	0
Charges for Services	192,594	15,841	258,460	0	0
Special Assessments	0	0	0	0	220,208
Licenses, Permits and Fees	44,994	0	0	0	0
Fines and Forfeitures	67,817	0	0	0	0
Intergovernmental	526,870	621,484	100,214	153,662	0
Interest	6,561	329	0	0	0
Other	122,998	16,726	11,701	523	0
Total Revenues	5,704,342	654,380	1,027,999	1,162,542	220,208
Expenditures					
Current:					
General Government	1,868,231	0	0	0	9,896
Security of Persons and Property	2,108,066	0	577,308	989,418	0
Transportation	357,974	985,828	0	0	0
Community Environment	176,232	0	0	0	0
Public Health Services	996	0	0	0	0
Leisure Time Activities	68,996	0	0	0	0
Capital Outlay	0	64,172	0	0	0
Debt Service:					
Principal Retirement	510,000	0	400,000	0	203,000
Interest and Fiscal Charges	7,650	0	6,000	0	121,716
Total Expenditures	5,098,145	1,050,000	983,308	989,418	334,612
Excess of Revenues Over (Under) Expenditures	606,197	(395,620)	44,691	173,124	(114,404)
Other Financing Sources (Uses)					
General Obligation Notes Issued	480,000	0	335,000	0	0
Inception of Capital Lease	0	64,172	0	0	0
Transfers In	0	553,500	0	0	138,198
Transfers Out	(883,433)	0	(173,685)	0	0
Total Other Financing Sources (Uses)	(403,433)	617,672	161,315	0	138,198
Net Change in Fund Balances	202,764	222,052	206,006	173,124	23,794
Fund Balances (Deficit) Beginning of Year	3,743,789	684,869	523,022	(45,340)	(208,567)
Fund Balances (Deficit) End of Year	$3,946,553	$906,921	$729,028	$127,784	($184,773)

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, 2013

Other Governmental Funds	Total Governmental Funds			
		Net Change in Fund Balances - Total Governmental Funds		$1,079,757
		Amounts reported for governmental activities in the statement of activities are different because:		
$65,762	$2,082,476	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.		
694,664	5,086,439			
379,023	845,918			
0	220,208			
689	45,683	Capital Asset Additions	1,037,575	
19,385	87,202	Current Year Depreciation	(695,372)	
291,698	1,693,928	Total		342,203
30	6,920			
20,372	172,320	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
1,471,623	10,241,094			(108,325)
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
85,263	1,963,390	Delinquent Property Taxes	(34,538)	
144,110	3,818,902	Municipal Income Taxes	(49)	
46,000	1,389,802	Charges for Services	29,684	
0	176,232	Special Assessments	(84,292)	
90,733	91,729	Intergovernmental	53,329	
9,500	78,496	Total		(35,866)
648,134	712,306			
		Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.		
607,000	1,720,000	General Obligation Notes Issued	(1,000,000)	
139,286	274,652	Inception of Capital Lease	(64,172)	
1,770,026	10,225,509	Total		(1,064,172)
(298,403)	15,585			
		Repayment of bond and note principal is an expenditure or other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		
185,000	1,000,000			1,720,000
0	64,172			
370,035	1,061,733	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 the governmental funds.		
(4,615)	(1,061,733)			
550,420	1,064,172	Accrued Interest on Bonds	12,669	
		Amortization of Premium on Bonds	18,724	
252,017	1,079,757	Amortization of Deferred Charge on Refunding	(6,893)	
		Total		24,500
4,062,255	8,760,028			
$4,314,272	$9,839,785	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.		10,234
		Change in Net Position of Governmental Activities		$1,968,331

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
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$344,987	$345,148	$350,733	$5,585
Municipal Income Tax	3,731,429	3,733,172	4,352,652	619,480
Charges for Services	68,682	68,714	160,688	91,974
Licenses, Permits and Fees	42,398	42,418	47,107	4,689
Fines and Forfeitures	84,390	84,429	65,586	(18,843)
Intergovernmental	385,424	385,604	429,590	43,986
Interest	4,153	4,155	6,650	2,495
Other	11,443	11,449	53,804	42,355
Total Revenues	4,672,906	4,675,089	5,466,810	791,721
Expenditures				
Current:				
General Government	2,336,618	2,351,480	2,087,934	263,546
Security of Persons and Property	2,242,803	2,361,220	2,214,301	146,919
Community Environment	211,199	211,834	198,914	12,920
Leisure Time Activities	65,400	75,175	45,805	29,370
Debt Service:				
Principal Retirement	510,000	510,000	510,000	0
Interest and Fiscal Charges	7,650	7,650	7,650	0
Total Expenditures	5,373,670	5,517,359	5,064,604	452,755
Excess of Revenues Over (Under) Expenditures	(700,764)	(842,270)	402,206	1,244,476
Other Financing Sources (Uses)				
General Obligation Notes Issued	480,000	480,000	480,000	0
Advances In	855,000	855,000	355,000	(500,000)
Advances Out	(770,000)	(773,307)	(773,307)	0
Transfers Out	(907,033)	(911,033)	(911,033)	0
Total Other Financing Sources (Uses)	(342,033)	(349,340)	(849,340)	(500,000)
Net Change in Fund Balance	(1,042,797)	(1,191,610)	(447,134)	744,476
Fund Balance Beginning of Year	2,102,893	2,102,893	2,102,893	0
Prior Year Encumbrances Appropriated	213,136	213,136	213,136	0
Fund Balance End of Year	$1,273,232	$1,124,419	$1,868,895	$744,476

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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$16,528	$16,528	$15,044	($1,484)
Intergovernmental	1,125,762	1,125,762	618,356	(507,406)
Interest	239	239	329	90
Other	10,101	10,101	16,726	6,625
Total Revenues	1,152,630	1,152,630	650,455	(502,175)
Expenditures				
Current:				
Transportation	1,167,675	1,232,121	1,012,911	219,210
Excess of Revenues Under Expenditures	(15,045)	(79,491)	(362,456)	(282,965)
Other Financing Sources				
Transfers In	553,500	553,500	553,500	0
Net Change in Fund Balance	538,455	474,009	191,044	(282,965)
Fund Balance Beginning of Year	286,395	286,395	286,395	0
Prior Year Encumbrances Appropriated	30,097	30,097	30,097	0
Fund Balance End of Year	$854,947	$790,501	$507,536	($282,965)

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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$485,675	$488,464	$657,624	$169,160
Charges for Services	151,304	152,173	258,460	106,287
Intergovernmental	74,815	75,244	100,214	24,970
Other	450	454	11,701	11,247
Total Revenues	712,244	716,335	1,027,999	311,664
Expenditures				
Current:				
Security of Persons and Property	638,509	666,333	592,782	73,551
Debt Service:				
Principal Retirement	400,000	400,000	400,000	0
Interest and Fiscal Charges	6,000	6,000	6,000	0
Total Expenditures	1,044,509	1,072,333	998,782	73,551
Excess of Revenues Over (Under) Expenditures	(332,265)	(355,998)	29,217	385,215
Other Financing Sources (Uses)				
General Obligation Notes Issued	375,000	375,000	335,000	(40,000)
Transfers Out	(173,685)	(173,685)	(173,685)	0
Total Other Financing Sources (Uses)	201,315	201,315	161,315	(40,000)
Net Change in Fund Balance	(130,950)	(154,683)	190,532	345,215
Fund Balance Beginning of Year	538,171	538,171	538,171	0
Prior Year Encumbrances Appropriated	18,934	18,934	18,934	0
Fund Balance End of Year	$426,155	$402,422	$747,637	$345,215

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
2012 Fire/EMS Levy Fund
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$551,962	$996,404	$1,008,357	$11,953
Intergovernmental	76,792	138,624	153,662	15,038
Other	0	0	523	523
Total Revenues	628,754	1,135,028	1,162,542	27,514
Expenditures				
Current:				
Security of Persons and Property	1,544,456	1,149,519	1,043,685	105,834
Excess of Revenues Over (Under) Expenditures	(915,702)	(14,491)	118,857	133,348
Other Financing Sources				
Advances In	500,000	500,000	500,000	0
Net Change in Fund Balance	(415,702)	485,509	618,857	133,348
Fund Balance Beginning of Year	0	0	0	0
Fund Balance (Deficit) End of Year	($415,702)	$485,509	$618,857	$133,348

See accompanying notes to the basic financial statements

City of Norton, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2013

Assets	
Equity in Pooled Cash and Cash Equivalents	$118,913
Liabilities	
Undistributed Assets	$118,913

See accompanying notes to the basic financial statements

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City participates in one joint venture, the Southwest Summit Council of Governments. This organization is described in Note 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

> ***General Fund*** The general fund accounts for and reports all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Norton and/or the general laws of Ohio.
>
> ***Street Construction, Maintenance and Repair Special Revenue Fund*** The street construction, maintenance and repair fund accounts for and reports State gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the City as required by the Ohio Revised Code.
>
> ***Fire/EMS Levy Special Revenue Fund*** The fire/EMS levy fund accounts for and reports restricted property taxes for operations and capital purchases of the fire/EMS department. Thirty percent of revenues generated by the levy have been allocated for capital purchases.
>
> ***2012 Fire/EMS Levy Special Revenue Fund*** The 2012 fire/EMS levy fund accounts for and reports restricted real and personal property taxes for operations and pensions relating to the fire and EMS departments.

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

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 position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no enterprise or internal service funds.

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

Measurement Focus

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

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; 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 in the recording of deferred outflows/inflows of resources 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 Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, charges for services, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

Budgetary Process

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

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

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

Cash, Cash Equivalents and Investments

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

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

During 2013, investments were limited to a repurchase agreement, which is reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund and certain special revenue funds. Interest revenue credited to the general fund during 2013 amounted to $6,561, of which $4,512 was assigned from other City funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

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

Restricted Assets

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

Capital Assets

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

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

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

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

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

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balances

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.
>
> ***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).
>
> Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.
>
> ***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level formal action (ordinance or resolution, as both are equally legally binding) of City Council. Those committed amounts cannot be used for

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2014 appropriated budget. City Council also assigned fund balance for street maintenance, the community center, Greenwich Road property, and scrap tire.

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

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

Bond Premiums

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

Internal Activity

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

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

Net Position

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

Estimates

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

Deferred Charge on Refunding

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

Note 3 – Change in Accounting Principle

For 2013, the City implemented Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34." This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. The implementation of this statement did not result in any change in the City's financial statements.

Note 4 – Accountability and Compliance

Accountability

The deficit in the special assessment bond retirement fund of $184,773 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.

Compliance

Contrary to Ohio Revised Code Section 5705.39, the 2012 fire/EMS levy fund had original appropriations in excess of certified available resources by $415,702.

Note 5 – Fund Balances

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

Fund Balances	General	Street Construction, Maintenance and Repair	Fire/EMS Levy	2012 Fire/EMS Levy	Special Assessment Bond Retirement	Other Governmental Funds	Total
Nonspendable:							
Inventory	$3,139	$316,639	$0	$0	$0	$0	$319,778
Prepaids	88,810	2,871	507	56,394	0	7,103	155,685
Unclaimed Monies	7,033	0	0	0	0	0	7,033
Total Nonspendable	98,982	319,510	507	56,394	0	7,103	482,496
Restricted for:							
Police Department	0	0	0	0	0	80,285	80,285
Fire and EMS Department	0	0	728,521	71,390	0	350,921	1,150,832
Debt Service Retirement	0	0	0	0	0	147,492	147,492
Street Maintenance	0	587,411	0	0	0	22,257	609,668
Mayors Court	0	0	0	0	0	56,107	56,107
Recycling	3,308	0	0	0	0	0	3,308
Public Utilities	0	0	0	0	0	1,621,036	1,621,036
Capital Improvement	0	0	0	0	0	319,094	319,094
Total Restricted	3,308	587,411	728,521	71,390	0	2,597,192	3,987,822
Committed to:							
Cemetery	0	0	0	0	0	11,970	11,970
Public Utility Improvement	0	0	0	0	0	1,459,302	1,459,302
Purchases on Order	228,294	0	0	0	0	0	228,294
Water Line Maintenance	60,266	0	0	0	0	0	60,266
Other Purposes	0	0	0	0	0	1,499	1,499
Total Committed	288,560	0	0	0	0	1,472,771	1,761,331
Assigned to:							
2014 Appropriations	365,496	0	0	0	0	0	365,496
Capital Improvements	0	0	0	0	0	237,206	237,206
Street Maintenance	454,038	0	0	0	0	0	454,038
Community Center	27,734	0	0	0	0	0	27,734
Greenwich Road Property	2,544	0	0	0	0	0	2,544
Scrap Tire	643	0	0	0	0	0	643
Purchases on Order	43,850	0	0	0	0	0	43,850
Total Assigned	894,305	0	0	0	0	237,206	1,131,511
Unassigned (Deficit)	2,661,398	0	0	0	(184,773)	0	2,476,625
Total Fund Balances (Deficit)	$3,946,553	$906,921	$729,028	$127,784	($184,773)	$4,314,272	$9,839,785

Note 6 – Budgetary Basis of Accounting

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

encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general and major special revenue funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

2. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

3. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

4. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

5. Budgetary revenues and expenditures of the special permissive license plate tax, community center, Greenwich road, recycling, scrap tire, and Brentwood water funds are reclassified to the general fund for GAAP reporting.

6. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).

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	2012 Fire/EMS Levy
GAAP Basis	$202,764	$222,052	$206,006	$173,124
Net Adjustment for Revenue Accruals	(81,346)	(68,097)	0	0
Advances In	355,000	0	0	500,000
Beginning Unrecorded Cash	1,368	0	0	0
Ending Unrecorded Cash	(1,368)	0	0	0
Net Adjustment for Expenditure Accruals				
Net Adjustment for Expenditure Accruals	(48,791)	70,786	2,270	(40,189)
Advances Out	(773,307)	0	0	0
Perspective Differences:				
Special Permissive License Plate Tax Fund	191,648	0	0	0
Community Center Fund	(7,603)	0	0	0
Greenwich Road Fund	(773)	0	0	0
Recycling Fund	8,641	0	0	0
Scrap Tire Fund	222	0	0	0
Brentwood Water Fund	774	0	0	0
Encumbrances	(294,363)	(33,697)	(17,744)	(14,078)
Budget Basis	($447,134)	$191,044	$190,532	$618,857

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

5. Bonds and other obligations of the State of Ohio;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, 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.

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

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

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

3. Obligations of the City.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the bank balance was $3,157,659. Of the bank balance, $750,000 was covered by Federal Depository Insurance (FDIC) and $2,407,659 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2013, the City had an investment in a repurchase agreement with a fair value of $6,250,000. The underlying securities of the repurchase agreement are Federal Home Loan Mortgage Corporation 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 fair 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 Corporation 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 Corporation 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 Director of Finance or the Director of Finance's agent.

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

Note 8 – Receivables

Receivables at December 31, 2013, 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 $128,682, with the remaining $2,279,895 expected to be collected in more than one year. At December 31, 2013, the amount of delinquent special assessments was $89,621.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes were levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2013, was $9.50 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2013 property tax receipts were based are as follows:

	Assessed Values
Real Estate	
Residential/Agricultural	$203,623,800
Other Real Estate	35,486,820
Tangible Personal Property	
Public Utility	7,634,790
Total	$246,745,410

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2013, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Intergovernmental Receivables

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

	Amounts
Local Government	$171,773
Gasoline Tax	170,087
Homestead and Rollback	156,319
Cents Per Gallon	82,612
Motor Vehicle License Registration	53,831
Grants	53,203
Permissive Motor Vehicle License Tax	49,499
Miscellaneous	843
Total	$738,167

Income Tax

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

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

Note 9 – Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13
Governmental Activities				
Capital Assets, not being depreciated:				
Land	$1,397,908	$0	$0	$1,397,908
Construction in Progress	1,105,769	571,755	(150,364)	1,527,160
Total Capital Assets, not being depreciated	2,503,677	571,755	(150,364)	2,925,068
Capital Assets, being depreciated:				
Land Improvements	1,218,665	32,817	0	1,251,482
Buildings and Improvements	4,909,447	0	0	4,909,447
Equipment, Furniture and Fixtures	1,683,151	131,549	(159,625)	1,655,075
Vehicles	3,035,915	64,778	(218,781)	2,881,912
Infrastructure:				
Water Lines	6,297,339	53,925	0	6,351,264
Sanitary Sewer Lines	5,066,734	0	0	5,066,734
Roads	4,503,173	333,115	0	4,836,288
Total Capital Assets, being depreciated	26,714,424	616,184	(378,406)	26,952,202
Less Accumulated Depreciation:				
Land Improvements	(247,892)	(51,064)	0	(298,956)
Buildings and Improvements	(610,010)	(67,733)	0	(677,743)
Equipment, Furniture and Fixtures	(1,152,122)	(80,673)	87,794	(1,145,001)
Vehicles	(1,884,645)	(164,301)	182,287	(1,866,659)
Infrastructure:				
Water Lines	(638,400)	(63,513)	0	(701,913)
Sanitary Sewer Lines	(522,708)	(50,667)	0	(573,375)
Roads	(867,620)	(217,421)	0	(1,085,041)
Total Accumulated Depreciation	(5,923,397)	(695,372) *	270,081	(6,348,688)
Total Capital Assets being depreciated, net	20,791,027	(79,188)	(108,325)	20,603,514
Governmental Activities Capital Assets, Net	$23,294,704	$492,567	($258,689)	$23,528,582

* Depreciation expense was charged to governmental functions as follows:

General Government	$18,770
Security of Persons and Property	197,480
Transportation	309,951
Community Environment	17
Public Health Services	114,180
Leisure Time Activities	54,974
Total Depreciation Expense	$695,372

Note 10 – Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:				
2003 Various Purpose Bonds:				
Street Improvement	2003	2 - 4 %	$570,000	December 1, 2013
Police Radio System	2003	2 - 4	415,000	December 1, 2013
Road Program	2003	2 - 4	520,000	December 1, 2013
Ballfields	2003	2 - 4	260,000	December 1, 2013
Gardner Engineering	2003	2 - 4	215,000	December 1, 2013
Barber Road Sanitary Sewer	2003	2 - 4	1,496,940	December 1, 2013
2010 Various Purpose Bonds - Series A:				
Fire Station	2010	2 - 5	2,600,000	December 1, 2035
2012 Refunding Bonds:				
Street Improvement	2012	2 - 3	220,000	December 1, 2018
Police Radio System	2012	2 - 3	158,000	December 1, 2018
Road Program	2012	2 - 3	200,000	December 1, 2018
Ballfields	2012	2 - 3	157,000	December 1, 2023
Gardner Engineering	2012	2 - 3	115,000	December 1, 2023
Barber Road Sanitary Sewer	2012	2 - 3	871,182	December 1, 2023
Special Assessment Bonds with Governmental Commitment:				
1996 Special Assessments Bonds	1996	6.6	122,000	December 1, 2016
2003 Barber Road Bonds	2003	2 - 4	888,060	December 1, 2013
2010 Various Purpose Bonds - Series B:				December 1, 2030
Wadsworth, Berry, McGowan Waterlines	2010	2 - 5	294,399	
Cleveland-Massillon Road Waterline	2010	2 - 5	522,896	
Gardner Phase II	2010	2 - 5	224,042	
Hazelwood Connect	2010	2 - 5	102,019	
Johnson Meadows	2010	2 - 5	146,644	
2012 Various Purpose Bonds:				December 1, 2032
Greenwich Street Sewer	2012	2 - 4	232,000	
Gardner Street Waterline	2012	2 - 4	195,000	
Oak Street Sewer	2012	2 - 4	230,000	
2012 Refunding Bonds:				
Barber Road Special Assessments	2012	2 - 3	516,818	December 1, 2023
Long-Term Notes:				
2012 Land Acquisition, Water System and Fire/EMS Levy Notes	2012	1.5	1,315,000	August 22, 2013
2013 Land Acquisition, Water System and Fire/EMS Levy Notes	2013	1.0	1,000,000	August 21, 2014

A schedule of changes in bonds and other long-term obligations of the City during 2013 follows:

	Amounts Outstanding 12/31/12	Additions	Reductions	Amounts Outstanding 12/31/13	Amounts Due in One Year
General Obligation Bonds:					
2003 Various Purpose Bonds:					
Street Improvement	$40,000	$0	($40,000)	$0	$0
Police Radio System	30,000	0	(30,000)	0	0
Road Program	35,000	0	(35,000)	0	0
Ballfields	15,000	0	(15,000)	0	0
Gardner Engineering	10,000	0	(10,000)	0	0
Barber Road Sanitary Sewer	72,180	0	(72,180)	0	0
2010 Various Purpose Bonds - Series A:					
Fire Station - Serial	615,000	0	(70,000)	545,000	75,000
Fire Station - Term	1,845,000	0	0	1,845,000	0
Premium	80,305	0	(4,462)	75,843	0
2012 Refunding Bonds:					
Street Improvement	220,000	0	(1,000)	219,000	42,000
Police Radio System	158,000	0	0	158,000	31,000
Road Program	200,000	0	(1,000)	199,000	37,000
Ballfields	157,000	0	0	157,000	16,000
Gardner Engineering	115,000	0	0	115,000	10,000
Barber Road Sanitary Sewer	871,182	0	(3,138)	868,044	75,318
Premium	94,066	0	(8,552)	85,514	0
Total General Obligation Bonds	4,557,733	0	(290,332)	4,267,401	286,318
Special Assessment Bonds with Governmental Commitment:					
1996 Special Assessment Bonds	40,000	0	(10,000)	30,000	10,000
2003 Barber Road Bonds	42,820	0	(42,820)	0	0
2010 Various Purpose Bonds - Series B:					
Wadsworth, Berry, McGowan Waterlines - Serial	98,132	0	(11,411)	86,721	11,411
Cleveland-Massillon Waterline - Serial	174,300	0	(20,267)	154,033	20,267
Gardner Phase II - Serial	74,680	0	(8,684)	65,996	8,684
Hazelwood Connect - Serial	34,007	0	(3,954)	30,053	3,954
Johnson Meadows - Serial	48,881	0	(5,684)	43,197	5,684
Wadsworth, Berry, McGowan Waterlines - Term	173,444	0	0	173,444	0
Cleveland-Massillon Waterline - Term	308,063	0	0	308,063	0
Gardner Phase II - Term	131,994	0	0	131,994	0
Hazelwood Connect - Term	60,104	0	0	60,104	0
Johnson Meadows - Term	86,395	0	0	86,395	0
Premium	41,328	0	(1,797)	39,531	0
2012 Various Purpose Bonds:					
Greenwich Street Sewer - Serial	108,000	0	(7,000)	101,000	9,000
Gardner Street Waterline - Serial	91,000	0	(6,000)	85,000	8,000
Oak Street Sewer - Serial	108,000	0	(10,000)	98,000	7,000
Greenwich Street Sewer - Term	124,000	0	0	124,000	0
Gardner Street Waterline - Term	104,000	0	0	104,000	0
Oak Street Sewer - Term	122,000	0	0	122,000	0
Premium	26,900	0	(1,345)	25,555	0
2012 Refunding Bonds:					
Barber Road Bonds - Serial	516,818	0	(1,862)	514,956	44,682
Premium	28,245	0	(2,568)	25,677	0
Total Special Assessment Bonds with Governmental Commitment	2,543,111	0	(133,392)	2,409,719	128,682

(continued)

	Amounts Outstanding 12/31/12	Additions	Reductions	Amounts Outstanding 12/31/13	Amounts Due in One Year
Other Long-Term Liabilities:					
Various Purpose Notes:					
2012 Land Acquisition, Water System and Fire/EMS Levy	1,315,000	0	(1,315,000)	0	0
2013 Land Acquisition, Water System and Fire/EMS Levy	0	1,000,000	0	1,000,000	0
Capital Lease	0	64,172	0	64,172	10,008
Compensated Absences	767,829	204,423	(214,657)	757,595	257,071
Total Other Long-Term Liabilities	2,082,829	1,268,595	(1,529,657)	1,821,767	267,079
Total Long-Term Liabilities	$9,183,673	$1,268,595	($1,953,381)	$8,498,887	$682,079

General Obligation Bonds

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

In 2003, the City issued $3,531,940 in various purpose general obligation bonds to pay off short-term notes and finance several projects such as city street improvement, police radio system, police cruisers, Gardner and Barber road sanitary sewer improvements and ball fields. A portion of the bonds was paid for by the special assessment bond retirement fund and the land and land improvement fund, with the remainder being paid from general obligation bond retirement fund. These bonds were retired in 2013.

Various Purpose General Obligation Bond

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

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

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

	Issue	
Year	$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
Stated Maturity	*12/1/2030*	*12/1/2035*

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

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

Special Assessment Bonds

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

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

In 2003, the City issued $888,060 in various purpose special assessment bonds to finance the Barber road sanitary sewer improvements project. The bonds were paid for by the Barber road special assessments. These bonds were retired in 2013.

Various Purpose Special Assessment Bonds

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

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

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

	Issue	
Year	$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
Stated Maturity	*12/1/2026*	*12/1/2030*

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

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

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

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

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

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

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

The bonds were sold at a premium of $122,311. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the various purpose refunding bonds. As a result, $2,205,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. On December 31, 2013, $2,205,000 of the defeased bonds are still outstanding.

Various Purpose General Obligation Notes

On August 21, 2013, the City issued $1,000,000 in various purpose improvement notes to pay off the 2012 notes in anticipation of the issuance of bonds for fire station improvements, water line construction and improvements, and land acquisition for municipal purposes, at an interest rate of 1.0 percent. The notes will mature on August 21, 2014.

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

Compensated absences will be paid from the general fund and the street construction, maintenance and repair, Fire/EMS Levy, and 2012 Fire/EMS Levy special revenue funds, which are funds from which the employees' salaries are paid.

The City's overall debt margin was $20,949,716 and the unvoted legal debt margin was $8,612,446 at December 31, 2013.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2013, are as follows:

	Governmental Activities					
	General Obligation Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	$286,318	$147,245	$0	$0	$286,318	$147,245
2015	292,457	141,519	0	0	292,457	141,519
2016	298,340	135,482	0	0	298,340	135,482
2017	297,850	129,328	0	0	297,850	129,328
2018	310,361	120,767	0	0	310,361	120,767
2019-2023	775,718	240,874	270,000	252,275	1,045,718	493,149
2024-2028	0	0	550,000	322,125	550,000	322,125
2029-2033	0	0	700,000	172,750	700,000	172,750
2034-2035	0	0	325,000	22,050	325,000	22,050
Totals	$2,261,044	$915,215	$1,845,000	$769,200	$4,106,044	$1,684,415

	Governmental Activities					
	Special Assessment Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	$128,682	$80,637	$0	$0	$128,682	$80,637
2015	132,543	77,603	0	0	132,543	77,603
2016	136,660	74,366	0	0	136,660	74,366
2017	132,150	71,037	0	0	132,150	71,037
2018	134,639	67,347	0	0	134,639	67,347
2019-2023	544,282	175,651	190,000	95,696	734,282	271,347
2024-2028	0	0	570,000	137,671	570,000	137,671
2029-2032	0	0	350,000	24,723	350,000	24,723
Totals	$1,208,956	$546,641	$1,110,000	$258,090	$2,318,956	$804,731

Note 11 – Capital Lease

In 2013, the City entered into a lease agreement for an excavator. The lease meets the criteria for a capital lease and has been recorded on the government-wide statements. The asset acquired through the capital lease was capitalized at the present value of the minimum lease payments, plus the value of equipment trade-ins, at the time the lease was entered into.

The asset acquired through the capital lease is as follows:

	Governmental Activities
Asset:	
Equipment	$98,872
Less: Accumulated Depreciation	(4,944)
Total	$93,928

The lease provides for minimum, annual lease payments as follows:

	Governmental Activities
2014	$11,709
2015	11,709
2016	11,709
2017	11,709
2018	11,709
2019	11,709
Total Minumum Lease Payment	70,254
Less: Amount Representing Interest	(6,082)
Present Value of Minumum Lease Payment	$64,172

Note 12 – 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, 2013.

Litigation

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

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

In 2013, the City became a defendant in a legal action related to the implementation of a charter amendment to televise certain meetings. This matter is not expected to have a material effect on the financial statements.

Environmental Remediation

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

Note 13 – Risk Management

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

Company	Type of Coverage	Deductible	Coverage
Ohio Casualty Insurance Company	Bond - Mayor	$0	$50,000
	Bond - Finance Director	0	100,000
	Bond - Clerk of Mayor's Court	0	75,000
Hartford Fire Insurance Company	Bond - Administrator	0	50,000
Wichert Insurance Agency	Public Officials Liability	10,000	1,000,000
	Law Enforcement Liability	10,000	1,000,000
	Commercial Property	1,000	7,661,668
	Personal Property	1,000	955,143
	Inland Marine	1,000	1,454,047
	General Liability	10,000	250,000 - 1,000,000
	Commercial Crime - Employee Theft Per Loss	0 - 5,000	5,000 - 50,000
	Cyberrisk	0	1,000,000
	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.

Note 14 – Other Employee Benefits

Compensated Absences

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

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

Employee Health Insurance

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

Note 15 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional 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 visiting https://www.opers.org/investments/cafr.shtml, 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. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contribution allocated to health care was 1 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were $201,517, $153,400, and $154,940, respectively. For 2013, 89.16 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were zero made by the City and zero made by 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

Funding Policy – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013, through July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, through December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent for police officers and 24 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. For January 1, 2013, through May 31, 2013, the portion of employer contributions used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013, through December 31, 2013, the portion of employer contributions used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were $156,792 and $30,437 for the year ended December 31, 2013, $95,937 and $17,808 for the year ended December 31, 2012, and $118,597 and $14,029 for the year ended December 31, 2011, respectively. For 2013, 88.55 percent for police and 69.02 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 2012 and 2011.

Social Security System

As of December 31, 2013, 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.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not 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 visiting https://www.opers.org/investments/cafr.shtml, 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 administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement 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 2013, state and local employers contributed at a rate of 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

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. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 1 percent. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary.

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 to the Traditional and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were $15,501, $61,360, and $61,976, respectively. For 2013, 89.16 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Police and Firemen's Disability and Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides 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.

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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available of OP&F's website at www.op-f.org.

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 January 1, 2013, through May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013, through December 31, 2013, the employer contribution allocated to the health care plan was 2.85 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were $35,702 and $5,407 for the year ended December 31, 2013, $64,758 and $12,021 for the year ended December 31, 2012, and $62,786 and $5,490 for the year ended December 31, 2011. For 2013, 88.55 percent has been contributed for police and 69.02 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 2012 and 2011.

Note 17 – Interfund Transfers and Balances

Transfers

Interfund transfers for the year ended December 31, 2013, consisted of the following:

	Transfer From			
Transfer To	General	Fire/EMS Levy	Other Governmental Funds	Total
Street Construction, Maintenance and Repair	$553,500	$0	$0	$553,500
Special Assessment Bond Retirement	133,583	0	4,615	138,198
Other Governmental Funds	196,350	173,685	0	370,035
Total	$883,433	$173,685	$4,615	$1,061,733

Transfers from the general fund were used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, to provide additional resources for current operations, to pay debt, and to segregate money for anticipated capital projects. A transfer of $173,685 was also made out of the fire/EMS levy special revenue fund to the general obligation bond retirement fund in order to cover the payment on the bond related to a new fire station. A transfer of $4,615 was made out of the Gardner phase III capital projects fund to the special assessment bond retirement debt service fund to close out the Gardner phase III fund.

Balances

At December 31, 2013, the general fund had an interfund receivable of $770,000. $500,000 of this balance was made to support the 2012 Fire/EMS levy special revenue fund and $270,000 was made to support programs and projects in the special assessment bond retirement debt service fund pending the receipt of special assessments that will be used to repay the loans. These are expected to be paid within one year.

Note 18 – Joint Economic Development Zones

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

Note 19 – Joint Venture

The City participates in the Southwest Summit Council of Governments (the Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between the City of Norton, the City of Barberton, and Copley Township. The Council is controlled by an executive board which is composed of a President, Vice/President/Secretary, and Fiscal Officer who serve without compensation. Each member's control over the operation of the Council is limited to its representation on the board. Currently, the Mayor of the City of Norton serves as the President of the Council. The Council was formed to share services, promote cooperative arrangements, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. Continued existence of the Council is dependent on the City's continued participation; however, the City does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2013, the City contributed $110,901 to the Council. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

Note 20 – Significant Commitments

Encumbrances

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

General	$294,363
Street Construction, Maintenance and Repair	33,697
Fire/EMS Levy	17,744
2012 Fire/EMS Levy	14,078
Other Governmental Funds	639,732
Total	$999,614

Note 21 – Subsequent Event

On May 15, 2014, the City entered into a capital lease agreement with Mercedes-Benz Financial Services USA LLC for a dump truck with a value of $131,004. The City will make four annual payments of $34,290, which includes interest, with the first payment made in May of 2014. This lease has an interest rate of 3.15 percent and a maturity date of May 15, 2017.

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

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

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

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

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

Scrap Tire Fund To account for and report various assigned revenues to provide for a scrap tire management and recovery program. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

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

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

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

(continued)

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

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

Water and Sewer Improvements Fund To account for and report committed income tax revenues 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, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$2,070,545	$147,492	$2,035,263	$4,253,300
Accounts Receivable	289,879	0	843	290,722
Intergovernmental Receivable	50,758	0	3,668	54,426
Prepaid Items	6,103	0	1,000	7,103
Income Taxes Receivable	0	0	142,093	142,093
Property Taxes Receivable	240,952	0	0	240,952
Total Assets	$2,658,237	$147,492	$2,182,867	$4,988,596
Liabilities				
Accounts Payable	$5,347	$0	$0	$5,347
Intergovernmental Payable	1,603	0	0	1,603
Contracts Payable	6,053	0	87,931	93,984
Total Liabilities	13,003	0	87,931	100,934
Deferred Inflows of Resources				
Property Taxes	65,061	0	0	65,061
Unavailable Revenue	429,995	0	78,334	508,329
Total Deferred Inflows of Resources	495,056	0	78,334	573,390
Fund Balances				
Nonspendable	6,103	0	1,000	7,103
Restricted	2,130,606	147,492	319,094	2,597,192
Committed	13,469	0	1,459,302	1,472,771
Assigned	0	0	237,206	237,206
Total Fund Balances	2,150,178	147,492	2,016,602	4,314,272
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$2,658,237	$147,492	$2,182,867	$4,988,596

City of Norton, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	$65,762	$0	$0	$65,762
Municipal Income Tax	0	0	694,664	694,664
Charges for Services	277,779	0	101,244	379,023
Licenses, Permits and Fees	689	0	0	689
Fines and Forfeitures	19,385	0	0	19,385
Intergovernmental	76,768	0	214,930	291,698
Interest	30	0	0	30
Other	16,303	4,069	0	20,372
Total Revenues	456,716	4,069	1,010,838	1,471,623
Expenditures				
Current:				
General Government	81,865	3,398	0	85,263
Security of Persons and Property	144,110	0	0	144,110
Transportation	46,000	0	0	46,000
Public Health Services	90,733	0	0	90,733
Leisure Time Activities	9,500	0	0	9,500
Capital Outlay	0	0	648,134	648,134
Debt Service:				
Principal Retirement	235,000	187,000	185,000	607,000
Interest and Fiscal Charges	3,525	127,665	8,096	139,286
Total Expenditures	610,733	318,063	841,230	1,770,026
Excess of Revenues Over (Under) Expenditures	(154,017)	(313,994)	169,608	(298,403)
Other Financing Sources (Uses)				
General Obligation Notes Issued	185,000	0	0	185,000
Transfers In	4,000	291,035	75,000	370,035
Transfers Out	0	0	(4,615)	(4,615)
Total Other Financing Sources (Uses)	189,000	291,035	70,385	550,420
Net Change in Fund Balances	34,983	(22,959)	239,993	252,017
Fund Balances Beginning of Year	2,115,195	170,451	1,776,609	4,062,255
Fund Balances End of Year	$2,150,178	$147,492	$2,016,602	$4,314,272

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	State Highway Improvement	Fire	Emergency Medical Services	DARE Program
Assets				
Equity in Pooled Cash and Cash Equivalents	$14,541	$112,149	$200,728	$1,084
Accounts Receivable	0	0	257,433	0
Intergovernmental Receivable	24,181	0	0	21,053
Prepaid Items	0	1,611	2,957	0
Property Taxes Receivable	0	169,212	0	0
Total Assets	$38,722	$282,972	$461,118	$22,137
Liabilities				
Accounts Payable	$0	$1,619	$3,524	$0
Intergovernmental Payable	0	561	1,042	0
Contracts Payable	0	312	580	0
Total Liabilities	0	2,492	5,146	0
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	16,465	169,212	211,751	21,053
Total Deferred Inflows of Resources	16,465	169,212	211,751	21,053
Fund Balances				
Nonspendable	0	1,611	2,957	0
Restricted	22,257	109,657	241,264	1,084
Committed	0	0	0	0
Total Fund Balances	22,257	111,268	244,221	1,084
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$38,722	$282,972	$461,118	$22,137

Drug Law Enforcement	Law Enforcement	Law Enforcement Assistance	DWI Enforcement and Education	Cemetery	Special Events	Police and Fire Disability and Pension
$7,483	$4,092	$4,780	$22,593	$11,970	$1,499	$39,564
0	0	0	0	0	0	0
0	0	0	689	0	0	4,835
0	0	0	0	0	0	0
0	0	0	0	0	0	71,740
$7,483	$4,092	$4,780	$23,282	$11,970	$1,499	$116,139
$0	$0	$0	$0	$0	$0	$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	65,061
0	0	0	0	0	0	11,514
0	0	0	0	0	0	76,575
0	0	0	0	0	0	0
7,483	4,092	4,780	23,282	0	0	39,564
0	0	0	0	11,970	1,499	0
7,483	4,092	4,780	23,282	11,970	1,499	39,564
$7,483	$4,092	$4,780	$23,282	$11,970	$1,499	$116,139

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2013

	Mayor's Court	Water System	Sanitary Sewer	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$56,107	$660,695	$933,260	$2,070,545
Accounts Receivable	0	19,765	12,681	289,879
Intergovernmental Receivable	0	0	0	50,758
Prepaid Items	1,535	0	0	6,103
Property Taxes Receivable	0	0	0	240,952
Total Assets	$57,642	$680,460	$945,941	$2,658,237
Liabilities				
Accounts Payable	$0	$204	$0	$5,347
Intergovernmental Payable	0	0	0	1,603
Contracts Payable	0	5,161	0	6,053
Total Liabilities	0	5,365	0	13,003
Deferred Inflows of Resources				
Property Taxes	0	0	0	65,061
Unavailable Revenue	0	0	0	429,995
Total Deferred Inflows of Resources	0	0	0	495,056
Fund Balances				
Nonspendable	1,535	0	0	6,103
Restricted	56,107	675,095	945,941	2,130,606
Committed	0	0	0	13,469
Total Fund Balances	57,642	675,095	945,941	2,150,178
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$57,642	$680,460	$945,941	$2,658,237

City of Norton, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	State Highway Improvement	Fire	Emergency Medical Services	DARE Program	Drug Law Enforcement
Revenues					
Property Taxes	$0	$0	$0	$0	$0
Charges for Services	0	0	8,612	0	0
Licenses, Permits and Fees	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	3,554
Intergovernmental	49,182	0	0	15,731	0
Interest	30	0	0	0	0
Other	0	2,658	6,646	0	0
Total Revenues	49,212	2,658	15,258	15,731	3,554
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	47,574	79,928	15,764	0
Transportation	46,000	0	0	0	0
Public Health Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	46,000	47,574	79,928	15,764	0
Excess of Revenues Over (Under) Expenditures	3,212	(44,916)	(64,670)	(33)	3,554
Other Financing Sources					
General Obligation Notes Issued	0	0	0	0	0
Transfers In	0	0	0	0	0
Total Other Financing Sources	0	0	0	0	0
Net Change in Fund Balances	3,212	(44,916)	(64,670)	(33)	3,554
Fund Balances Beginning of Year	19,045	156,184	308,891	1,117	3,929
Fund Balances End of Year	$22,257	$111,268	$244,221	$1,084	$7,483

(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, 2013

	Law Enforcement	Law Enforcement Assistance	DWI Enforcement and Education	Cemetery	Special Events
Revenues					
Property Taxes	$0	$0	$0	$0	$0
Charges for Services	0	0	0	986	0
Licenses, Permits and Fees	0	0	689	0	0
Fines and Forfeitures	300	0	8,490	0	0
Intergovernmental	0	0	0	0	0
Interest	0	0	0	0	0
Other	0	0	0	0	6,999
Total Revenues	300	0	9,179	986	6,999
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	844	0	0
Transportation	0	0	0	0	0
Public Health Services	0	0	0	52	0
Leisure Time Activities	0	0	0	0	9,500
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	0	0	844	52	9,500
Excess of Revenues Over (Under) Expenditures	300	0	8,335	934	(2,501)
Other Financing Sources					
General Obligation Notes Issued	0	0	0	0	0
Transfers In	0	0	0	0	4,000
Total Other Financing Sources	0	0	0	0	4,000
Net Change in Fund Balances	300	0	8,335	934	1,499
Fund Balances Beginning of Year	3,792	4,780	14,947	11,036	0
Fund Balances End of Year	$4,092	$4,780	$23,282	$11,970	$1,499

Police and Fire Disability and Pension	Mayor's Court	Water System	Sanitary Sewer	Total Nonmajor Special Revenue Funds
$65,762	$0	$0	$0	$65,762
0	0	164,722	103,459	277,779
0	0	0	0	689
0	7,041	0	0	19,385
11,855	0	0	0	76,768
0	0	0	0	30
0	0	0	0	16,303
77,617	7,041	164,722	103,459	456,716
79,892	1,973	0	0	81,865
0	0	0	0	144,110
0	0	0	0	46,000
0	0	72,998	17,683	90,733
0	0	0	0	9,500
0	0	235,000	0	235,000
0	0	3,525	0	3,525
79,892	1,973	311,523	17,683	610,733
(2,275)	5,068	(146,801)	85,776	(154,017)
0	0	185,000	0	185,000
0	0	0	0	4,000
0	0	185,000	0	189,000
(2,275)	5,068	38,199	85,776	34,983
41,839	52,574	636,896	860,165	2,115,195
$39,564	$57,642	$675,095	$945,941	$2,150,178

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	Land and Land Improvements	Buildings	Streets, Highways and Bridges
Assets			
Equity in Pooled Cash and Cash Equivalents	$210,696	$14,964	$324,899
Accounts Receivable	843	0	0
Intergovernmental Receivable	0	0	3,668
Prepaid Items	0	0	0
Income Taxes Receivable	0	0	0
Total Assets	$211,539	$14,964	$328,567
Liabilities			
Contracts Payable	$0	$0	$9,473
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Fund Balances			
Nonspendable	0	0	0
Restricted	0	0	319,094
Committed	0	0	0
Assigned	211,539	14,964	0
Total Fund Balances	211,539	14,964	319,094
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$211,539	$14,964	$328,567

Sanitary Sewers	Water and Sewer Improvements	Total Nonmajor Capital Projects Funds
$10,703	$1,474,001	$2,035,263
0	0	843
0	0	3,668
0	1,000	1,000
0	142,093	142,093
$10,703	$1,617,094	$2,182,867
$0	$78,458	$87,931
0	78,334	78,334
0	1,000	1,000
0	0	319,094
0	1,459,302	1,459,302
10,703	0	237,206
10,703	1,460,302	2,016,602
$10,703	$1,617,094	$2,182,867

City of Norton, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2013

	Land and Land Improvements	Buildings	Streets, Highways and Bridges
Revenues			
Municipal Income Tax	$0	$0	$0
Charges for Services	101,244	0	0
Intergovernmental	0	0	214,930
Total Revenues	101,244	0	214,930
Expenditures			
Capital Outlay	0	0	248,284
Debt Service:			
Principal Retirement	15,000	0	0
Interest and Fiscal Charges	5,545	0	0
Total Expenditures	20,545	0	248,284
Excess of Revenues Over (Under) Expenditures	80,699	0	(33,354)
Other Financing Sources (Uses)			
Transfers In	0	0	75,000
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	0	0	75,000
Net Change in Fund Balances	80,699	0	41,646
Fund Balances Beginning of Year	130,840	14,964	277,448
Fund Balances End of Year	$211,539	$14,964	$319,094

Sanitary Sewers	Gardner Phase III	Water and Sewer Improvements	Total Nonmajor Capital Projects Funds
$0	$0	$694,664	$694,664
0	0	0	101,244
0	0	0	214,930
0	0	694,664	1,010,838
0	0	399,850	648,134
0	170,000	0	185,000
0	2,551	0	8,096
0	172,551	399,850	841,230
0	(172,551)	294,814	169,608
0	0	0	75,000
0	(4,615)	0	(4,615)
0	(4,615)	0	70,385
0	(177,166)	294,814	239,993
10,703	177,166	1,165,488	1,776,609
$10,703	$0	$1,460,302	$2,016,602

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, 2013

	Beginning Balance 12/31/12	Additions	Deductions	Ending Balance 12/31/13
General Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	$137,951	$101,436	$120,576	$118,811
Liabilities				
Undistributed Assets	$137,951	$101,436	$120,576	$118,811
Building Standards				
Assets				
Equity in Pooled Cash and Cash Equivalents	$119	$489	$506	$102
Liabilities				
Undistributed Assets	$119	$489	$506	$102
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	$138,070	$101,925	$121,082	$118,913
Liabilities				
Undistributed Assets	$138,070	$101,925	$121,082	$118,913

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

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$344,987	$345,148	$350,733	$5,585
Municipal Income Tax	3,731,429	3,733,172	4,352,652	619,480
Charges for Services	68,682	68,714	160,688	91,974
Licenses, Permits and Fees	42,398	42,418	47,107	4,689
Fines and Forfeitures	84,390	84,429	65,586	(18,843)
Intergovernmental	385,424	385,604	429,590	43,986
Interest	4,153	4,155	6,650	2,495
Other	11,443	11,449	53,804	42,355
Total Revenues	4,672,906	4,675,089	5,466,810	791,721
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	29,450	31,530	31,046	484
Fringe Benefits	14,617	13,139	12,067	1,072
Purchased Services	3,069	2,850	1,999	851
Materials and Supplies	108	100	36	64
Capital Outlay	162	150	85	65
Other	302	280	84	196
Total Mayor	47,708	48,049	45,317	2,732
City Council:				
Salaries and Wages	96,100	100,260	100,162	98
Fringe Benefits	33,017	36,870	33,781	3,089
Purchased Services	32,165	37,185	32,206	4,979
Materials and Supplies	5	5	5	0
Capital Outlay	951	1,100	1,050	50
Other	1,414	1,635	1,057	578
Total City Council	163,652	177,055	168,261	8,794
Mayor's Court:				
Salaries and Wages	58,000	58,000	57,171	829
Fringe Benefits	21,067	19,457	18,445	1,012
Purchased Services	7,574	6,990	5,990	1,000
Materials and Supplies	158	150	3	147
Other	523	495	311	184
Total Mayor's Court	$87,322	$85,092	$81,920	$3,172

(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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Finance Office:				
Salaries and Wages	$221,900	$179,768	$160,229	$19,539
Fringe Benefits	114,188	91,498	71,267	20,231
Purchased Services	24,905	20,514	16,303	4,211
Materials and Supplies	607	500	417	83
Capital Outlay	3,846	2,550	1,459	1,091
Other	2,530	2,084	1,660	424
Total Finance Office	367,976	296,914	251,335	45,579
Income Tax:				
Salaries and Wages	4,900	5,393	4,653	740
Fringe Benefits	2,156	2,221	1,864	357
Purchased Services	591,224	588,547	500,448	88,099
Materials and Supplies	94	100	0	100
Capital Outlay	608	650	0	650
Other	515	550	21	529
Total Income Tax	599,497	597,461	506,986	90,475
Law Director:				
Salaries and Wages	10,712	10,712	10,712	0
Fringe Benefits	2,381	2,381	2,017	364
Purchased Services	104,706	104,706	104,393	313
Total Law Director	117,799	117,799	117,122	677
Engineer:				
Fringe Benefits	528	528	416	112
Purchased Services	69,949	69,949	57,642	12,307
Materials and Supplies	300	300	0	300
Capital Outlay	912	912	0	912
Other	3	3	3	0
Total Engineer	71,692	71,692	58,061	13,631
Administrative Officer:				
Salaries and Wages	79,632	88,680	85,107	3,573
Fringe Benefits	29,747	37,068	35,271	1,797
Purchased Services	21,064	27,900	25,769	2,131
Materials and Supplies	151	200	57	143
Capital Outlay	377	500	85	415
Other	778	1,030	721	309
Total Administrative Officer	$131,749	$155,378	$147,010	$8,368

(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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Planning Commission:				
Purchased Services	$3,740	$3,740	$2,179	$1,561
Materials and Supplies	150	150	6	144
Capital Outlay	200	200	0	200
Other	200	200	49	151
Total Planning Commission	4,290	4,290	2,234	2,056
Other General Government:				
Salaries and Wages	57,020	57,020	55,068	1,952
Fringe Benefits	31,299	32,840	30,995	1,845
Purchased Services	407,100	441,794	409,710	32,084
Materials and Supplies	62,958	68,779	62,982	5,797
Capital Outlay	5,284	5,773	0	5,773
Other	111,102	121,374	118,206	3,168
Total Other General Government	674,763	727,580	676,961	50,619
Parks and Recreation Board:				
Purchased Services	2,300	2,300	1,340	960
Building and Zoning Board:				
Purchased Services	1,600	1,600	810	790
Other	250	250	31	219
Total Building and Zoning Board	1,850	1,850	841	1,009
Health Advisory Board:				
Purchased Services	720	720	540	180
Civil Service Commission:				
Purchased Services	2,580	2,580	1,070	1,510
Materials and Supplies	140	140	0	140
Other	20	20	0	20
Total Civil Service Commission	2,740	2,740	1,070	1,670
Storm Sewer:				
Purchased Services	3,062	3,062	2,826	236
Materials and Supplies	29,938	29,938	10,981	18,957
Capital Outlay	29,560	29,560	15,129	14,431
Total Storm Sewer	62,560	62,560	28,936	33,624
Total General Government	$2,336,618	$2,351,480	$2,087,934	$263,546

(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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Security of Persons and Property:				
Police:				
Salaries and Wages	$1,305,541	$1,375,780	$1,291,946	$83,834
Fringe Benefits	591,646	618,362	575,271	43,091
Purchased Services	118,430	127,233	114,778	12,455
Materials and Supplies	84,258	86,180	81,066	5,114
Capital Outlay	142,273	152,954	150,643	2,311
Other	655	711	597	114
Total Security of Persons and Property	2,242,803	2,361,220	2,214,301	146,919
Community Environment:				
Community Development:				
Salaries and Wages	4,200	875	875	0
Fringe Benefits	776	1,869	1,869	0
Purchased Services	1,744	4,200	2,276	1,924
Other	6,229	14,999	14,999	0
Total Community Development	12,949	21,943	20,019	1,924
Building:				
Salaries and Wages	68,932	74,100	72,418	1,682
Fringe Benefits	44,230	38,343	37,159	1,184
Purchased Services	79,680	72,731	65,334	7,397
Materials and Supplies	4,338	3,850	3,352	498
Capital Outlay	509	355	120	235
Other	561	512	512	0
Total Building	198,250	189,891	178,895	10,996
Total Community Environment	211,199	211,834	198,914	12,920
Leisure Time Activities:				
Recreation Center:				
Salaries and Wages	24,000	24,000	4,946	19,054
Fringe Benefits	3,236	4,000	1,484	2,516
Purchased Services	16,342	20,200	16,497	3,703
Materials and Supplies	21,822	26,975	22,878	4,097
Total Leisure Time Activities	$65,400	$75,175	$45,805	$29,370

(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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Debt Service:				
Principal Retirement	$510,000	$510,000	$510,000	$0
Interest and Fiscal Charges	7,650	7,650	7,650	0
Total Debt Service	517,650	517,650	517,650	0
Total Expenditures	5,373,670	5,517,359	5,064,604	452,755
Excess of Revenues Over (Under) Expenditures	(700,764)	(842,270)	402,206	1,244,476
Other Financing Sources (Uses)				
General Obligation Notes Issued	480,000	480,000	480,000	0
Advances In	855,000	855,000	355,000	(500,000)
Advances Out	(770,000)	(773,307)	(773,307)	0
Transfers Out	(907,033)	(911,033)	(911,033)	0
Total Other Financing Sources (Uses)	(342,033)	(349,340)	(849,340)	(500,000)
Net Change in Fund Balance	(1,042,797)	(1,191,610)	(447,134)	744,476
Fund Balance Beginning of Year	2,102,893	2,102,893	2,102,893	0
Prior Year Encumbrances Appropriated	213,136	213,136	213,136	0
Fund Balance End of Year	$1,273,232	$1,124,419	$1,868,895	$744,476

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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$16,528	$16,528	$15,044	($1,484)
Intergovernmental	1,125,762	1,125,762	618,356	(507,406)
Interest	239	239	329	90
Other	10,101	10,101	16,726	6,625
Total Revenues	1,152,630	1,152,630	650,455	(502,175)
Expenditures				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	456,956	456,956	401,120	55,836
Fringe Benefits	202,462	218,884	182,370	36,514
Purchased Services	55,240	62,068	41,519	20,549
Materials and Supplies	432,643	471,321	369,494	101,827
Capital Outlay	8,312	9,339	9,339	0
Other	12,062	13,553	9,069	4,484
Total Expenditures	1,167,675	1,232,121	1,012,911	219,210
Excess of Revenues Under Expenditures	(15,045)	(79,491)	(362,456)	(282,965)
Other Financing Sources				
Transfers In	553,500	553,500	553,500	0
Net Change in Fund Balance	538,455	474,009	191,044	(282,965)
Fund Balance Beginning of Year	286,395	286,395	286,395	0
Prior Year Encumbrances Appropriated	30,097	30,097	30,097	0
Fund Balance End of Year	$854,947	$790,501	$507,536	($282,965)

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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final Budget	Actual	
Revenues				
Property Taxes	$485,675	$488,464	$657,624	$169,160
Charges for Services	151,304	152,173	258,460	106,287
Intergovernmental	74,815	75,244	100,214	24,970
Other	450	454	11,701	11,247
Total Revenues	712,244	716,335	1,027,999	311,664
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Salaries and Wages	370,349	396,117	378,306	17,811
Fringe Benefits	107,718	109,695	103,219	6,476
Purchased Services	55,169	52,568	39,338	13,230
Materials and Supplies	36,092	35,953	27,629	8,324
Capital Outlay	46,121	48,000	27,364	20,636
Other	23,060	24,000	16,926	7,074
Total Security of Persons and Property	638,509	666,333	592,782	73,551
Debt Service:				
Principal Retirement	400,000	400,000	400,000	0
Interest and Fiscal Charges	6,000	6,000	6,000	0
Total Debt Service	406,000	406,000	406,000	0
Total Expenditures	1,044,509	1,072,333	998,782	73,551
Excess of Revenues Over (Under) Expenditures	(332,265)	(355,998)	29,217	385,215
Other Financing Sources (Uses)				
General Obligation Notes Issued	375,000	375,000	335,000	(40,000)
Transfers Out	(173,685)	(173,685)	(173,685)	0
Total Other Financing Sources (Uses)	201,315	201,315	161,315	(40,000)
Net Change in Fund Balance	(130,950)	(154,683)	190,532	345,215
Fund Balance Beginning of Year	538,171	538,171	538,171	0
Prior Year Encumbrances Appropriated	18,934	18,934	18,934	0
Fund Balance End of Year	$426,155	$402,422	$747,637	$345,215

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
2012 Fire/EMS Levy Fund
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final Budget	Actual	
Revenues				
Property Taxes	$551,962	$996,404	$1,008,357	$11,953
Intergovernmental	76,792	138,624	153,662	15,038
Other	0	0	523	523
Total Revenues	628,754	1,135,028	1,162,542	27,514
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Salaries and Wages	687,792	735,274	702,813	32,461
Fringe Benefits	410,677	198,585	179,460	19,125
Purchased Services	94,322	45,610	24,149	21,461
Materials and Supplies	40,326	19,500	11,345	8,155
Capital Outlay	237,304	114,750	99,750	15,000
Other	74,035	35,800	26,168	9,632
Total Expenditures	1,544,456	1,149,519	1,043,685	105,834
Excess of Revenues Over (Under) Expenditures	(915,702)	(14,491)	118,857	133,348
Other Financing Sources				
Advances In	500,000	500,000	500,000	0
Net Change in Fund Balance	(415,702)	485,509	618,857	133,348
Fund Balance Beginning of Year	0	0	0	0
Fund Balance (Deficit) End of Year	($415,702)	$485,509	$618,857	$133,348

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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final Budget	Actual	
Revenues				
Special Assessments	$298,916	$298,916	$220,208	($78,708)
Expenditures				
Current:				
General Government:				
Other	8,500	15,000	9,896	5,104
Debt Service:				
Principal Retirement:				
1996 Special Assessment Bonds	10,000	10,000	10,000	0
2003 Barber Road General Obligation Bonds	72,180	72,180	72,180	0
2003 Barber Road Special Assessment Bonds	42,820	42,820	42,820	0
2010 Various Purpose Bonds - Series B	50,000	50,000	50,000	0
2012 Various Purpose Special Assessment Bonds	23,000	23,000	23,000	0
2012 Barber Road General Obligation Refunding Bonds	3,138	3,138	3,138	0
2012 Barber Road Special Assessment Refunding Bonds	1,862	1,862	1,862	0
Total Principal Retirement	203,000	203,000	203,000	0
Interest and Fiscal Charges:				
1996 Special Assessment Bonds	2,640	2,640	2,640	0
2003 Barber Road General Obligation Bonds	2,202	2,202	2,202	0
2003 Barber Road Special Assessment Bonds	1,305	1,305	1,305	0
2010 Various Purpose Bonds - Series B	45,654	45,654	45,654	0
2012 Various Purpose Special Assessment Bonds	24,483	24,483	24,483	0
2012 Barber Road General Obligation Refunding Bonds	28,516	28,516	28,516	0
2012 Barber Road Special Assessment Refunding Bonds	16,916	16,916	16,916	0
Total Interest and Fiscal Charges	121,716	121,716	121,716	0
Total Debt Service	324,716	324,716	324,716	0
Total Expenditures	333,216	339,716	334,612	5,104
Excess of Revenues Under Expenditures	(34,300)	(40,800)	(114,404)	(73,604)
Other Financing Sources (Uses)				
Advances In	270,000	270,000	270,000	0
Advances Out	(285,000)	(285,000)	(285,000)	0
Transfers In	138,198	138,198	138,198	0
Total Other Financing Sources (Uses)	123,198	123,198	123,198	0
Net Change in Fund Balance	88,898	82,398	8,794	(73,604)
Fund Balance Beginning of Year	76,434	76,434	76,434	0
Fund Balance End of Year	$165,332	$158,832	$85,228	($73,604)

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$47,700	$48,928	$1,228
Interest	20	30	10
Total Revenues	47,720	48,958	1,238
Expenditures			
Current:			
Transportation:			
State Highway:			
Materials and Supplies	46,000	46,000	0
Net Change in Fund Balance	1,720	2,958	1,238
Fund Balance Beginning of Year	11,583	11,583	0
Fund Balance End of Year	$13,303	$14,541	$1,238

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	$500	$2,658	$2,158
Expenditures			
Current:			
Security of Persons and Property:			
Fire Department:			
Fringe Benefits	6,020	6,020	0
Purchased Services	39,289	35,623	3,666
Materials and Supplies	6,205	5,826	379
Capital Outlay	4,400	2,672	1,728
Other	69	55	14
Total Expenditures	55,983	50,196	5,787
Net Change in Fund Balance	(55,483)	(47,538)	7,945
Fund Balance Beginning of Year	151,694	151,694	0
Prior Year Encumbrances Appropriated	3,685	3,685	0
Fund Balance End of Year	$99,896	$107,841	$7,945

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	$0	$693	$693
Intergovernmental	0	6,646	6,646
Total Revenues	0	7,339	7,339
Expenditures			
Current:			
Security of Persons and Property:			
Emergency Medical Services:			
Fringe Benefits	6,797	6,797	0
Purchased Services	68,123	54,618	13,505
Materials and Supplies	31,647	24,329	7,318
Capital Outlay	3,832	3,832	0
Other	126	126	0
Total Expenditures	110,525	89,702	20,823
Net Change in Fund Balance	(110,525)	(82,363)	28,162
Fund Balance Beginning of Year	262,163	262,163	0
Prior Year Encumbrances Appropriated	12,429	12,429	0
Fund Balance End of Year	$164,067	$192,229	$28,162

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$21,053	$15,731	($5,322)
Expenditures			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Salaries and Wages	21,054	15,731	5,323
Materials and Supplies	1,100	33	1,067
Total Expenditures	22,154	15,764	6,390
Net Change in Fund Balance	(1,101)	(33)	1,068
Fund Balance Beginning of Year	1,117	1,117	0
Fund Balance End of Year	$16	$1,084	$1,068

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	$4,876	$5,116	$240
Expenditures			
Current:			
Security of Persons and Property:			
Drug Law Enforcement:			
Purchased Services	500	0	500
Capital Outlay	6,742	6,742	0
Total Expenditures	7,242	6,742	500
Net Change in Fund Balance	(2,366)	(1,626)	740
Fund Balance Beginning of Year	2,367	2,367	0
Fund Balance End of Year	$1	$741	$740

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	$2,000	$300	($1,700)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Capital Outlay	4,057	4,025	32
Net Change in Fund Balance	(2,057)	(3,725)	(1,668)
Fund Balance Beginning of Year	3,792	3,792	0
Fund Balance End of Year	$1,735	$67	($1,668)

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$2,400	$0	($2,400)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	2,400	0	2,400
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	4,780	4,780	0
Fund Balance End of Year	$4,780	$4,780	$0

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DWI Enforcement and Education Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	$12,700	$8,490	($4,210)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	13,500	844	12,656
Net Change in Fund Balance	(800)	7,646	8,446
Fund Balance Beginning of Year	14,947	14,947	0
Fund Balance End of Year	$14,147	$22,593	$8,446

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	$500	$986	$486
Expenditures			
Current:			
Public Health Services:			
Cemetery:			
Materials and Supplies	400	52	348
Other	100	0	100
Total Expenditures	500	52	448
Net Change in Fund Balance	0	934	934
Fund Balance Beginning of Year	11,036	11,036	0
Fund Balance End of Year	$11,036	$11,970	$934

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Events Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	$5,500	$6,999	$1,499
Expenditures			
Current:			
Leisure Time Activities:			
Special Events:			
Purchased Services	9,500	9,500	0
Excess of Revenues Under Expenditures	(4,000)	(2,501)	1,499
Other Financing Sources			
Transfers In	4,000	4,000	0
Net Change in Fund Balance	0	1,499	1,499
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	$0	$1,499	$1,499

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	$62,419	$65,762	$3,343
Intergovernmental	11,604	11,855	251
Total Revenues	74,023	77,617	3,594
Expenditures			
Current:			
General Government:			
Police and Fire Disability and Pension:			
Fringe Benefits	78,199	78,199	0
Other	2,400	1,693	707
Total Expenditures	80,599	79,892	707
Net Change in Fund Balance	(6,576)	(2,275)	4,301
Fund Balance Beginning of Year	41,839	41,839	0
Fund Balance End of Year	$35,263	$39,564	$4,301

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	$15,000	$7,041	($7,959)
Expenditures			
Current:			
General Government:			
Mayor's Court:			
Purchased Services	17,000	1,535	15,465
Materials and Supplies	350	273	77
Capital Outlay	4,060	195	3,865
Total Expenditures	21,410	2,003	19,407
Net Change in Fund Balance	(6,410)	5,038	11,448
Fund Balance Beginning of Year	50,909	50,909	0
Prior Year Encumbrances Appropriated	160	160	0
Fund Balance End of Year	$44,659	$56,107	$11,448

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	$235,000	$163,174	($71,826)
Expenditures			
Current:			
Public Health Services:			
Waterline Improvement:			
Purchased Services	47,343	20,490	26,853
Capital Outlay	119,729	56,229	63,500
Other	167	167	0
Total Public Health Services	167,239	76,886	90,353
Debt Service:			
Principal Retirement	235,000	235,000	0
Interest and Fiscal Charges	3,525	3,525	0
Total Debt Service	238,525	238,525	0
Total Expenditures	405,764	315,411	90,353
Excess of Revenues Under Expenditures	(170,764)	(152,237)	18,527
Other Financing Sources			
General Obligation Notes Issued	185,000	185,000	0
Net Change in Fund Balance	14,236	32,763	18,527
Fund Balance Beginning of Year	556,683	556,683	0
Prior Year Encumbrances Appropriated	65,739	65,739	0
Fund Balance End of Year	$636,658	$655,185	$18,527

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	$85,000	$102,813	$17,813
Expenditures			
Current:			
Public Health Services:			
Sewerline Improvement:			
Purchased Services	93,730	23,436	70,294
Capital Outlay	100,000	0	100,000
Other	3,200	0	3,200
Total Expenditures	196,930	23,436	173,494
Net Change in Fund Balance	(111,930)	79,377	191,307
Fund Balance Beginning of Year	818,413	818,413	0
Prior Year Encumbrances Appropriated	33,460	33,460	0
Fund Balance End of Year	$739,943	$931,250	$191,307

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Permissive License Plate Tax Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$118,000	$86,556	($31,444)
Interest	140	436	296
Other	630	63,844	63,214
Total Revenues	118,770	150,836	32,066
Expenditures			
Current:			
Transportation:			
Special Permissive License Plate Tax:			
Purchased Services	55,000	7,329	47,671
Materials and Supplies	20,000	9,078	10,922
Capital Outlay	427,359	425,624	1,735
Total Expenditures	502,359	442,031	60,328
Net Change in Fund Balance	(383,589)	(291,195)	92,394
Fund Balance Beginning of Year	603,621	603,621	0
Prior Year Encumbrances Appropriated	16,618	16,618	0
Fund Balance End of Year	$236,650	$329,044	$92,394

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	$31,500	$5,350	($26,150)
Expenditures			
Current:			
Leisure Time Activities:			
Community Recreation:			
Salaries and Wages	4,000	2,830	1,170
Fringe Benefits	760	452	308
Purchased Services	21,100	17,550	3,550
Materials and Supplies	4,000	2,255	1,745
Total Expenditures	29,860	23,087	6,773
Excess of Revenues Over (Under) Expenditures	1,640	(17,737)	(19,377)
Other Financing Sources			
Transfers In	25,000	25,000	0
Net Change in Fund Balance	26,640	7,263	(19,377)
Fund Balance Beginning of Year	20,131	20,131	0
Fund Balance End of Year	$46,771	$27,394	($19,377)

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Greenwich Road Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	$0	$0	$0
Expenditures			
Current:			
Leisure Time Activities:			
Historical Greenwich Road:			
Purchased Services	2,600	1,827	773
Excess of Revenues Under Expenditures	(2,600)	(1,827)	773
Other Financing Sources			
Transfers In	3,801	2,600	(1,201)
Net Change in Fund Balance	1,201	773	(428)
Fund Balance Beginning of Year	1,771	1,771	0
Fund Balance End of Year	$2,972	$2,544	($428)

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	$0	$0	$0
Expenditures			
Current:			
Community Environment:			
Recycling:			
Purchased Services	8,721	8,641	80
Excess of Revenues Under Expenditures	(8,721)	(8,641)	80
Other Financing Sources			
Advances In	8,722	3,307	(5,415)
Net Change in Fund Balance	1	(5,334)	(5,335)
Fund Balance Beginning of Year	5,416	5,416	0
Fund Balance End of Year	$5,417	$82	($5,335)

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Scrap Tire Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	$0	$0	$0
Expenditures			
Current:			
Community Environment:			
Scrap Tires:			
Purchased Services	466	222	244
Net Change in Fund Balance	(466)	(222)	244
Fund Balance Beginning of Year	865	865	0
Fund Balance End of Year	$399	$643	$244

City of Norton, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Brentwood Water Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	$0	$0	$0
Expenditures			
Current:			
Public Health Services:			
Brentwood Waterlines:			
Purchased Services	7,000	774	6,226
Net Change in Fund Balance	(7,000)	(774)	6,226
Fund Balance Beginning of Year	61,040	61,040	0
Fund Balance End of Year	$54,040	$60,266	$6,226

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	$4,069	$4,069	$0
Expenditures			
Current:			
General Government:			
Purchased Services	30,000	3,311	26,689
Other	210	87	123
Total General Government	30,210	3,398	26,812
Debt Service:			
Principal Retirement:			
2003 Various Purpose Bonds	115,000	115,000	0
2010 Various Purpose Bonds - Series A	70,000	70,000	0
2012 General Obligation Refunding Bonds	2,000	2,000	0
Total Principal Retirement	187,000	187,000	0
Interest and Fiscal Charges:			
2003 Various Purpose Bonds	3,508	3,508	0
2010 Various Purpose Bonds - Series A	103,685	103,685	0
2012 General Obligation Refunding Bonds	20,472	20,472	0
Total Interest and Fiscal Charges	127,665	127,665	0
Total Debt Service	314,665	314,665	0
Total Expenditures	344,875	318,063	26,812
Excess of Revenues Under Expenditures	(340,806)	(313,994)	26,812
Other Financing Sources			
Transfers In	725,651	291,035	(434,616)
Net Change in Fund Balance	384,845	(22,959)	(407,804)
Fund Balance Beginning of Year	170,451	170,451	0
Fund Balance End of Year	$555,296	$147,492	($407,804)

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	$130,000	$134,987	$4,987
Expenditures			
Capital Outlay:			
Purchased Services	200	0	200
Capital Outlay	100,000	0	100,000
Total Capital Outlay	100,200	0	100,200
Debt Service:			
Principal Retirement	15,000	15,000	0
Interest and Fiscal Charges	5,546	5,545	1
Total Debt Service	20,546	20,545	1
Total Expenditures	120,746	20,545	100,201
Net Change in Fund Balance	9,254	114,442	105,188
Fund Balance Beginning of Year	96,253	96,253	0
Fund Balance End of Year	$105,507	$210,695	$105,188

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	$0	$0	$0
Expenditures			
Capital Outlay:			
Capital Outlay	14,964	0	14,964
Net Change in Fund Balance	(14,964)	0	14,964
Fund Balance Beginning of Year	14,964	14,964	0
Fund Balance End of Year	$0	$14,964	$14,964

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$610,000	$213,824	($396,176)
Expenditures			
Capital Outlay:			
Capital Outlay	350,289	350,289	0
Excess of Revenues Over (Under) Expenditures	259,711	(136,465)	(396,176)
Other Financing Sources			
Transfers In	75,000	75,000	0
Net Change in Fund Balance	334,711	(61,465)	(396,176)
Fund Balance Beginning of Year	225,219	225,219	0
Prior Year Encumbrances Appropriated	52,086	52,086	0
Fund Balance End of Year	$612,016	$215,840	($396,176)

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	$0	$0	$0
Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	10,703	10,703	0
Fund Balance End of Year	$10,703	$10,703	$0

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	$31,805	$0	($31,805)
Expenditures			
Debt Service:			
Principal Retirement	170,000	170,000	0
Interest and Fiscal Charges	2,551	2,551	0
Total Expenditures	172,551	172,551	0
Excess of Revenues Under Expenditures	(140,746)	(172,551)	(31,805)
Other Financing Sources (Uses)			
Advances Out	(70,000)	(70,000)	0
Transfers In	31,806	0	(31,806)
Transfers Out	(4,615)	(4,615)	0
Total Other Financing Sources (Uses)	(42,809)	(74,615)	(31,806)
Net Change in Fund Balance	(183,555)	(247,166)	(63,611)
Fund Balance Beginning of Year	247,166	247,166	0
Fund Balance End of Year	$63,611	$0	($63,611)

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Tax	$500,000	$689,673	$189,673
Expenditures			
Capital Outlay:			
Purchased Services	124,824	124,824	0
Capital Outlay	628,200	595,169	33,031
Other	1,600	1,600	0
Total Expenditures	754,624	721,593	33,031
Net Change in Fund Balance	(254,624)	(31,920)	222,704
Fund Balance Beginning of Year	912,096	912,096	0
Prior Year Encumbrances Appropriated	194,624	194,624	0
Fund Balance End of Year	$852,096	$1,074,800	$222,704

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Statistical Section

2013

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.

Contents **Page(s)**

Financial Trends **S2-S11**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **S12-S20**

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.

Debt Capacity **S21-S25**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information **S26-S28**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **S30-S37**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

City of Norton, Ohio

Net Position By Component

Last Ten Years

(Accrual Basis of Accounting)

	2013	2012	2011	2010
Governmental Activities				
Net Investment in Capital Assets	$15,997,153	$15,103,220	$15,529,859	$14,229,214
Restricted:				
Capital Projects	319,094	454,614	325,017	949,705
Debt Service	2,206,606	2,269,790	399,345	383,156
Police	87,313	62,123	83,564	66,161
Fire and EMS	1,600,748	1,338,729	1,186,143	1,632,559
Transportation	1,035,559	780,096	647,652	504,317
Sewerline/Waterline Maintenance	1,621,036	1,497,061	851,439	717,047
Other Purposes	60,950	57,990	52,709	113,047
Unclaimed Monies	7,033	6,633	5,320	5,320
Unrestricted	6,049,719	5,446,624	4,212,600	2,972,863
Total Governmental Activities Net Position	$28,985,211	$27,016,880	$23,293,648	$21,573,389

2009	2008	2007	2006	2005	2004
$12,983,587	$10,673,140	$9,834,555	$7,828,844	$6,350,813	$6,015,088
966,739	768,494	423,673	979,920	2,146,426	1,877,579
682,976	820,130	918,452	955,831	861,303	915,517
33,363	45,893	36,217	34,637	46,168	58,012
922,576	735,962	186,546	315,989	340,123	198,162
992,559	1,012,433	1,063,984	1,593,221	557,757	463,227
1,304,656	1,146,715	881,202	655,415	484,483	238,163
160,556	393,029	180,234	48,876	20,960	33,510
0	0	0	0	0	0
1,570,092	1,365,408	2,070,283	2,185,965	1,662,417	666,646
$19,617,104	$16,961,204	$15,595,146	$14,598,698	$12,470,450	$10,465,904

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

	2013	2012	2011	2010
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$361,645	$2,264,295	$302,108	$276,251
Security of Persons and Property	452,148	410,342	598,990	297,053
Transportation	45,147	5,346	97,791	19,669
Community Environment	11,415	13,861	9,913	11,201
Public Health Services	269,186	335,691	98,585	583,767
Leisure Time Activities	4,862	3,977	8,123	113,014
Subtotal - Charges for Services	1,144,403	3,033,512	1,115,510	1,300,955
Operating Grants and Contributions:				
General Government	15,076	0	0	0
Security of Persons and Property	285,302	236,940	245,158	431,812
Transportation	776,227	759,919	776,542	1,040,826
Community Environment	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Operating Grants and Contributions	1,076,605	996,859	1,021,700	1,472,638
Capital Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	214,930	145,167	257,935	3,971
Public Health Services	0	0	8,388	377,076
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	214,930	145,167	266,323	381,047
Total Governmental Activities Program Revenues	2,435,938	4,175,538	2,403,533	3,154,640
Expenses				
Governmental Activities:				
General Government	1,936,401	2,024,702	1,867,424	2,162,226
Security of Persons and Property	4,046,180	3,404,024	3,894,241	4,596,289
Transportation	1,585,557	1,369,735	1,361,018	942,026
Community Environment	176,888	205,175	136,519	207,963
Public Health Services	88,571	90,538	336,423	0
Leisure Time Activities	153,148	132,009	173,648	151,742
Interest and Fiscal Charges	250,152	355,527	280,450	241,181
Total Governmental Activities Expenses	8,236,897	7,581,710	8,049,723	8,301,427
Net (Expense)/Revenue	($5,800,959)	($3,406,172)	($5,646,190)	($5,146,787)

2009	2008	2007	2006	2005	2004
$300,905	$301,207	$227,855	$252,100	$369,512	$193,091
360,415	396,414	408,448	460,447	427,016	384,907
17,867	44,801	15,047	12,295	19,795	40,639
9,121	14,141	19,018	32,387	0	0
229,682	313,884	321,192	214,416	317,382	229,228
9,285	7,983	9,893	1,349	47,823	58,631
927,275	1,078,430	1,001,453	972,994	1,181,528	906,496
33,741	1,520	9,030	48,886	29,435	13,221
293,797	190,692	57,822	89,332	139,065	35,910
861,965	835,367	751,886	908,733	635,167	635,810
0	0	4,293	0	2,878	0
0	0	0	7,353	0	0
1,189,503	1,027,579	823,031	1,054,304	806,545	684,941
0	27,549	47,346	0	0	0
0	0	125,852	0	0	0
1,156,369	12,282	0	512,808	134,890	671,481
597,946	53,216	0	503,239	60,701	697,612
247,550	0	146,993	0	0	0
2,001,865	93,047	320,191	1,016,047	195,591	1,369,093
4,118,643	2,199,056	2,144,675	3,043,345	2,183,664	2,960,530
2,125,361	1,960,544	1,797,290	2,258,088	1,657,936	1,496,946
3,663,609	3,635,906	3,486,686	3,697,437	2,749,595	2,907,755
1,350,060	1,890,748	1,305,616	1,105,515	1,168,903	1,306,330
215,613	264,377	266,813	310,737	245,311	251,646
149,466	134,428	167,598	101,908	128,117	86,907
130,210	187,932	172,172	230,960	179,714	149,725
219,038	130,774	174,121	169,150	166,384	167,244
7,853,357	8,204,709	7,370,296	7,873,795	6,295,960	6,366,553
($3,734,714)	($6,005,653)	($5,225,621)	($4,830,450)	($4,112,296)	($3,406,023)

(continued)

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

	2013	2012	2011	2010
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	$334,169	$382,368	$337,450	$379,153
Fire	121,265	325,315	326,262	320,570
EMS	0	258,942	232,241	266,321
Police and Fire Disability and Pension	62,650	63,078	71,888	88,107
Fire/EMS	1,529,854	630,836	745,316	699,056
Municipal Income Taxes levied for				
General Purposes	4,391,800	4,316,218	4,227,715	3,745,475
Debt Service	0	0	80,000	113,273
Capital Projects	0	0	0	0
Street Repair and Maintenance	0	0	0	0
Water and Sewer Improvements	694,590	549,706	406,234	310,855
Grants and Entitlements not Restricted to				
Specific Programs	455,722	409,661	753,015	908,884
Interest	6,920	6,069	6,412	9,242
Gain on Sale of Capital Assets	0	0	0	0
Other	172,320	187,211	179,916	262,136
Total Governmental Activities	7,769,290	7,129,404	7,366,449	7,103,072
Change in Net Position	$1,968,331	$3,723,232	$1,720,259	$1,956,285

2009	2008	2007	2006	2005	2004
$378,213	$357,431	$430,607	$420,666	$391,304	$364,278
319,334	423,795	422,687	368,796	387,997	358,948
261,571	371,831	319,338	306,426	301,426	289,622
70,915	67,018	81,662	77,621	73,369	68,302
700,260	530,585	0	0	0	0
3,461,568	3,903,789	2,759,385	3,383,613	2,548,525	2,483,503
0	0	252,565	337,550	259,260	67,904
0	0	157,456	79,365	60,989	16,050
0	0	542,585	784,923	602,001	147,741
135,842	0	0	0	0	0
811,264	1,577,087	953,675	857,119	1,278,637	1,096,348
75,019	101,997	282,650	276,651	113,769	55,784
0	0	0	0	0	26,184
176,628	38,178	19,459	65,968	99,565	112,326
6,390,614	7,371,711	6,222,069	6,958,698	6,116,842	5,086,990
$2,655,900	$1,366,058	$996,448	$2,128,248	$2,004,546	$1,680,967

City of Norton, Ohio

Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010
General Fund				
Nonspendable	$98,982	$44,748	$32,783	$27,921
Restricted	3,308	5,416	5,416	10,736
Committed	288,560	119,975	253,670	217,314
Assigned	894,305	419,152	91,109	97,352
Unassigned	2,661,398	3,154,498	2,403,847	1,130,346
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	3,946,553	3,743,789	2,786,825	1,483,669
All Other Governmental Funds				
Nonspendable	383,514	329,246	260,680	247,239
Restricted	3,984,514	3,607,869	2,476,805	3,254,262
Committed	1,472,771	1,176,524	767,541	372,084
Assigned	237,206	156,507	91,777	211,448
Unassigned (Deficit)	(184,773)	(253,907)	(236,462)	(184,108)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds (Deficit)	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	5,893,232	5,016,239	3,360,341	3,900,925
Total Governmental Funds	$9,839,785	$8,760,028	$6,147,166	$5,384,594

Note:

Due to the implementation of GASB Statement No. 54, in 2009-2013 the special permissive license plate tax, community center, Greenwich Road, recycling, scrap tire and Brentwood water funds are included with general fund on a GAAP basis. In 2008 and prior years, these fund balances were included in all other governmental funds.

2009	2008	2007	2006	2005	2004
$27,037	N/A	N/A	N/A	N/A	N/A
10,736	N/A	N/A	N/A	N/A	N/A
218,844	N/A	N/A	N/A	N/A	N/A
552,453	N/A	N/A	N/A	N/A	N/A
384,481	N/A	N/A	N/A	N/A	N/A
N/A	$152,340	$29,733	$153,661	$192,524	$44,672
N/A	1,534,583	1,871,927	1,795,049	787,233	750,252
1,193,551	1,686,923	1,901,660	1,948,710	979,757	794,924
273,409	N/A	N/A	N/A	N/A	N/A
2,208,636	N/A	N/A	N/A	N/A	N/A
62,195	N/A	N/A	N/A	N/A	N/A
208,707	N/A	N/A	N/A	N/A	N/A
(1,759,933)	N/A	N/A	N/A	N/A	N/A
N/A	342,587	219,485	269,137	1,140,679	1,158,506
N/A	2,122,723	1,830,304	2,041,482	1,269,915	859,357
N/A	63,349	61,381	40,203	56,643	65,404
N/A	(182,235)	38,243	333,382	283,899	(45,352)
993,014	2,346,424	2,149,413	2,684,204	2,751,136	2,037,915
$2,186,565	$4,033,347	$4,051,073	$4,632,914	$3,730,893	$2,832,839

City of Norton, Ohio

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010
Revenues				
Property Taxes	$2,082,476	$1,686,380	$1,683,465	$1,730,639
Municipal Income Taxes	5,086,439	4,837,150	4,645,951	4,182,044
Charges for Services	845,918	889,126	665,220	919,612
Special Assessments	220,208	189,719	160,343	270,117
Licenses, Permits and Fees	45,683	47,727	33,694	73,657
Fines and Forfeitures	87,202	90,768	170,662	145,257
Intergovernmental	1,693,928	1,659,832	2,256,857	2,660,564
Interest	6,920	6,069	6,412	9,242
Other	172,320	187,211	179,916	262,136
Total Revenues	10,241,094	9,593,982	9,802,520	10,253,268
Expenditures				
Current:				
General Government	1,963,390	1,798,467	2,039,058	2,237,251
Security of Persons and Property	3,818,902	3,222,091	3,763,267	6,642,568
Transportation	1,389,802	1,163,451	1,382,450	1,715,431
Community Environment	176,232	181,650	136,317	209,513
Public Health Services	91,729	112,933	69,907	1,037,150
Leisure Time Activities	78,496	92,904	140,871	133,830
Capital Outlay	712,306	392,174	365,560	516,896
Debt Service:				
Principal Retirement	1,720,000	1,675,000	2,312,000	225,000
Principal Retirement - Current Refunding	0	0	0	0
Interest and Fiscal Charges	274,652	237,315	296,328	221,843
Bond Issuance Costs	0	183,519	0	126,198
Total Expenditures	10,225,509	9,059,504	10,505,758	13,065,680
Excess of Revenues Over (Under) Expenditures	15,585	534,478	(703,238)	(2,812,412)
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Inception of Capital Lease	64,172	0	0	0
Refunding Bonds Issued	0	2,238,000	0	0
General Obligation Bonds Issued	0	0	0	3,890,000
Special Assessment Bonds Issued	0	657,000	0	0
Premium on Bonds	0	149,211	0	136,235
Notes Issued	1,000,000	1,315,000	1,315,000	1,967,000
Premium on Notes	0	0	0	17,206
Current Refunding	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	(2,240,740)	0	0
Refunded Bonds Redeemed	0	(40,087)	0	0
Transfers In	1,061,733	928,519	1,010,988	655,094
Transfers Out	(1,061,733)	(928,519)	(860,178)	(655,094)
Total Other Financing Sources (Uses)	1,064,172	2,078,384	1,465,810	6,010,441
Net Change in Fund Balances	$1,079,757	$2,612,862	$762,572	$3,198,029
Debt Service as a Percentage of Noncapital Expenditures	21.7%	23.0%	27.5%	4.6%

2009	2008	2007	2006	2005	2004
$1,690,813	$1,758,595	$1,164,082	$1,172,254	$1,102,775	$1,088,710
3,738,028	3,995,958	3,880,264	3,949,257	3,365,754	2,641,551
706,886	819,646	720,637	497,209	768,912	560,027
75,171	76,111	71,790	40,373	100,833	55,660
74,823	102,918	102,217	99,401	125,671	66,295
115,799	109,155	170,967	228,170	160,972	256,268
2,533,500	2,543,424	1,925,630	2,378,753	1,667,640	1,761,685
75,019	101,997	282,650	276,651	113,769	55,784
176,628	38,178	19,459	65,968	99,565	112,326
9,186,667	9,545,982	8,337,696	8,708,036	7,505,891	6,598,306
2,577,602	2,004,444	1,819,921	1,828,117	1,543,564	1,449,123
3,716,697	4,056,371	3,198,169	2,959,561	2,780,456	2,779,708
1,708,913	1,758,624	2,155,630	1,003,741	1,174,789	1,102,624
221,965	258,713	256,666	310,102	254,385	287,058
230,224	54,164	92,725	42,742	35,125	59,445
251,167	171,382	159,719	51,096	165,894	137,530
1,878,003	975,903	802,520	1,006,410	181,315	324,995
229,364	232,931	262,917	260,033	260,311	577,835
0	0	0	0	50,000	0
219,514	131,176	171,270	175,213	161,998	170,754
0	0	0	0	0	0
11,033,449	9,643,708	8,919,537	7,637,015	6,607,837	6,889,072
(1,846,782)	(97,726)	(581,841)	1,071,021	898,054	(290,766)
0	80,000	0	0	0	26,184
0	0	0	16,000	0	6,000
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	185,000	235,000
0	0	0	0	0	0
0	0	0	(185,000)	(185,000)	0
0	0	0	0	0	0
0	0	0	0	0	0
1,043,419	1,627,890	613,230	682,724	460,251	1,433,843
(1,043,419)	(1,627,890)	(613,230)	(682,724)	(460,251)	(1,433,843)
0	80,000	0	(169,000)	0	267,184
($1,846,782)	($17,726)	($581,841)	$902,021	$898,054	($23,582)
5.0%	4.7%	6.2%	6.6%	7.3%	11.4%

City of Norton, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

	Real Property			Tangible Personal Property	
				Public Utility	
	Assessed Value		Estimated		Estimated
Collection Year	Residential/ Agricultural	Commercial Industrial/PU	Actual Value	Assessed Value	Actual Value
2013	$203,623,800	$35,486,820	$683,173,200	$7,634,790	$8,675,898
2012	203,018,390	36,257,850	683,646,400	6,104,960	6,937,455
2011	220,399,790	43,550,250	754,142,971	5,777,560	6,565,409
2010	220,322,280	43,993,900	755,189,086	5,582,820	6,344,114
2009	219,772,920	43,273,710	751,561,800	5,339,870	6,068,034
2008	218,888,440	41,757,830	744,703,629	5,144,670	5,846,216
2007	216,297,250	40,422,950	733,486,286	6,507,780	7,395,205
2006	212,333,270	40,000,130	720,952,571	6,507,780	7,395,205
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

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

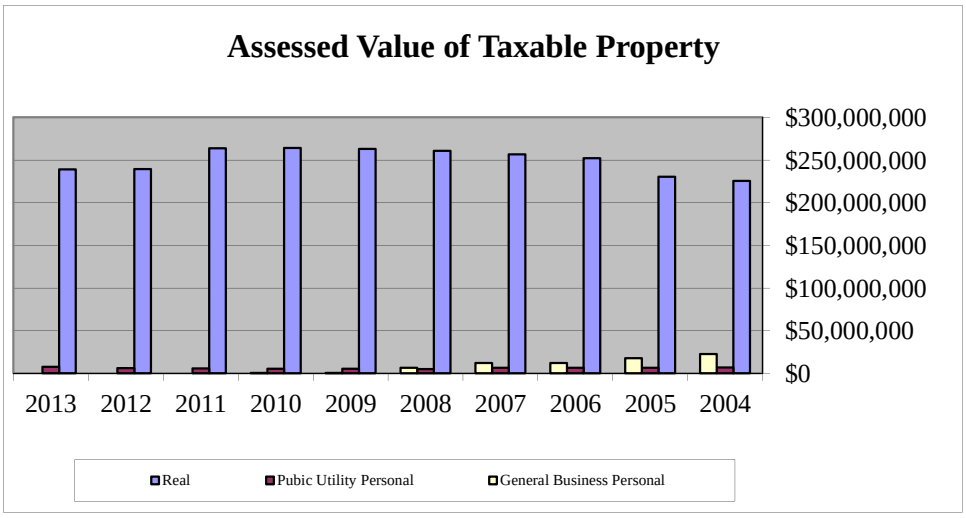
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Summit County, Fiscal Officer

Tangible Personal Property

General Business		Total			Full Tax Rate	
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Per $1,000 of Assessed Valuation	Weighted Average Tax Rate
$0	$0	$246,745,410	$691,849,098	35.66%	$9.5000	$9.5000
0	0	245,381,200	690,583,855	35.53	9.5000	9.5000
0	0	269,727,600	760,708,381	35.46	9.5000	7.5866
238,565	3,817,040	270,137,565	765,350,239	35.30	9.5000	7.3184
480,359	7,685,744	268,866,859	765,315,578	35.13	9.5000	7.3157
6,536,255	104,580,080	272,327,195	855,129,924	31.85	9.5000	7.3518
12,197,400	97,579,200	275,425,380	838,460,690	32.85	6.5000	4.4009
12,197,400	65,052,800	271,038,580	793,400,576	34.16	6.5000	4.4212
17,925,833	71,703,332	254,956,303	737,641,028	34.56	6.5000	4.6551
22,835,501	91,342,004	255,184,471	743,189,312	34.34	6.5000	4.7073



City of Norton, Ohio

Property Tax Rates - Direct and Overlapping Governments

(Per $1,000 of Assessed Valuation)

Last Ten Years

	2013	2012	2011	2010
Unvoted Millage				
Operating	$1.6000	$1.6000	$1.6000	$1.6000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	1.9000	1.9000	1.9000	1.9000
Voted Millage by Levy				
1988 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.0000	0.4622	0.4233
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.6722	0.5599
General Business and Public Utility Personal	0.0000	0.0000	1.0000	1.0000
1988 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.7395	0.6772
Commercial/Industrial and Public Utility Real	0.0000	0.0000	1.0755	0.8958
General Business and Public Utility Personal	0.0000	0.0000	1.6000	1.6000
1996 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.0000	0.6313	0.5781
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.9049	0.7537
General Business and Public Utility Personal	0.0000	0.0000	1.0000	1.0000
1996 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.6313	0.5781
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.9049	0.7537
General Business and Public Utility Personal	0.0000	0.0000	1.0000	1.0000
2007 Fire				
Residential/Agricultural Real	3.0000	3.0000	3.0000	3.0000
Commercial/Industrial and Public Utility Real	3.0000	3.0000	3.0000	2.9765
General Business and Public Utility Personal	3.0000	3.0000	3.0000	3.0000
2012 Fire				
Residential/Agricultural Real	4.6000	4.6000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	4.6000	4.6000	0.0000	0.0000
General Business and Public Utility Personal	4.6000	4.6000	0.0000	0.0000
Total Voted Millage by type of property				
Residential/Agricultural Real	$7.6000	$7.6000	$5.4643	$5.2567
Commercial/Industrial and Public Utility Real	7.6000	7.6000	6.5575	5.9396
General Business and Public Utility Personal	7.6000	7.6000	7.6000	7.6000
Total Millage by type of property				
Residential/Agricultural Real	$9.5000	$9.5000	$7.3643	$7.1567
Commercial/Industrial and Public Utility Real	9.5000	9.5000	8.4575	7.8396
General Business and Public Utility Personal	9.5000	9.5000	9.5000	9.5000
Total Weighted Average Tax Rate	$9.5000	$9.5000	$7.5866	$7.3184
Overlapping Rates by Taxing District				
Norton City School District				
Residential/Agricultural Real	$37.1794	$33.2344	$31.3055	$29.2630
Commercial/Industrial and Public Utility Real	48.7633	44.8455	42.5417	37.1239
General Business and Public Utility Personal	65.6900	61.8000	59.9000	59.9000
Summit County				
Residential/Agricultural Real	12.6216	12.6205	12.6193	12.5601
Commercial/Industrial and Public Utility Real	12.6974	12.6935	12.6843	12.2165
General Business and Public Utility Personal	12.7000	12.7000	12.7000	12.7000
Akron/Summit Library				
Residential/Agricultural Real	2.1100	2.1400	2.1000	2.1000
Commercial/Industrial and Public Utility Real	2.1100	2.1400	2.1000	2.0972
General Business and Public Utility Personal	2.1100	2.1400	2.1000	2.1000
Summit Metropolitan Park District				
Residential/Agricultural Real	1.4600	1.4600	1.4600	1.4600
Commercial/Industrial and Public Utility Real	1.4600	1.4600	1.4600	1.4075
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.

2009	2008	2007	2006	2005	2004
$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
0.4226	0.4219	0.4180	0.4203	0.4590	0.4627
0.5606	0.5572	0.5643	0.5741	0.5884	0.5825
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.6762	0.6751	0.6688	0.6724	0.7344	0.7403
0.8970	0.8915	0.9029	0.9186	0.9415	0.9320
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
0.5772	0.5763	0.5709	0.5740	0.6269	0.6320
0.7547	0.7501	0.7596	0.7728	0.7921	0.7841
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5772	0.5763	0.5709	0.5740	0.6269	0.6320
0.7547	0.7501	0.7596	0.7728	0.7921	0.7841
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3.0000	3.0000	0.0000	0.0000	0.0000	0.0000
2.9805	2.9622	0.0000	0.0000	0.0000	0.0000
3.0000	3.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
$5.2532	$5.2496	$2.2286	$2.2407	$2.4472	$2.4670
5.9475	5.9111	2.9864	3.0383	3.1141	3.0827
7.6000	7.6000	4.6000	4.6000	4.6000	4.6000
$7.1532	$7.1496	$4.1286	$4.1407	$4.3472	$4.3670
7.8475	7.8111	4.8864	4.9383	5.0141	4.9827
9.5000	9.5000	6.5000	6.5000	6.5000	6.5000
$7.3157	$7.3518	$4.4009	$4.4212	$4.6551	$4.7073
$29.2311	$29.1958	$28.8335	$28.9406	$31.1576	$26.4282
37.1675	36.9567	37.2881	37.8347	38.6235	33.4429
59.9000	59.9000	59.9000	59.9000	59.9000	55.0000
12.5592	12.5574	10.5997	9.0633	9.6107	9.6343
12.2347	12.1034	11.4020	10.0247	10.3113	10.2999
12.7000	12.7000	13.1100	12.2200	12.2200	12.2200
2.0170	1.9921	1.9206	1.9333	2.1358	0.7800
2.0199	1.9799	1.9896	1.9907	2.1400	0.7800
2.1000	2.0800	2.0300	2.0400	2.1400	0.7800
1.4600	1.4600	1.4573	0.6959	0.7517	0.7540
1.4102	1.3914	1.4600	0.7470	0.7743	0.7730
1.4600	1.4600	1.4600	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
2013	$2,344,094	$2,271,743	96.91%	$83,778	$2,355,521
2012	1,859,759	1,779,092	95.66	125,306	1,904,398
2011	1,973,642	1,867,333	94.61	88,101	1,955,434
2010	1,974,665	1,873,101	94.86	71,363	1,944,464
2009	1,960,075	1,855,966	94.69	59,685	1,915,651
2008	1,940,960	1,859,423	95.80	33,625	1,893,048
2007	1,132,826	1,085,632	95.83	30,202	1,115,834
2006	1,119,491	1,071,160	95.68	33,666	1,104,826
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

Source: Summit County Fiscal Officer

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

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

Percentage of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
100.49%	$144,566	6.17%
102.40	155,992	8.39
99.08	200,631	10.17
98.47	182,423	9.24
97.73	152,552	7.78
97.53	108,128	5.57
98.50	60,217	5.32
98.69	65,655	5.86
98.57	60,368	5.62
95.87	45,331	4.13

City of Norton, Ohio

Income Tax Revenue Base and Collections (1)

Last Ten Years

Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Individual Payments	Percentage of Taxes from Individual Payments	Taxes from Withholding	Percentage of Taxes from Withholding
2013	2.00 %	$5,042,325	$1,369,495	27.16 %	$3,069,767	60.88 %
2012	2.00	4,848,364	1,398,753	28.85	2,988,047	61.63
2011	2.00	4,577,929	1,323,479	28.91	2,860,290	62.48
2010	2.00	4,094,388	782,847	19.12	3,057,280	74.67
2009	2.00	3,757,159	707,473	18.83	2,641,283	70.30
2008	2.00	4,014,015	726,135	18.09	2,888,084	71.95
2007	2.00	3,979,767	626,813	15.75	2,873,790	72.21
2006	2.00	3,956,398	676,940	17.11	2,814,582	71.14
2005	2.00	3,492,901	468,049	13.40	2,639,236	75.56
2004	1.50	2,566,505	397,038	15.47	1,834,538	71.48

(1) Cash Basis

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

Taxes from Net Profits	Percentage of Taxes from Net Profits
$603,062	11.96 %
461,564	9.52
394,160	8.61
254,261	6.21
408,403	10.87
399,796	9.96
479,164	12.04
464,877	11.75
385,616	11.04
334,929	13.05

City of Norton, Ohio

Principal Real Estate Property Taxpayers

2013 and 2004

	2013	
Taxpayer	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Albrecht, Incorporated	$2,459,600	1.03 %
Columbia Woods Apartments, LLC	2,241,520	0.94
World Real Estate Services, LTD	1,250,010	0.52
Seal Real Estate Holdings, LLC	1,065,420	0.45
J R Engineering, Incorporated	992,270	0.41
Pittsburgh Plate Glass Company	978,630	0.41
Falkenstein, Albert J. Trustee	827,820	0.35
Barber Road Storage, LLC	796,680	0.33
Strachan, Wyman ET AIL	605,300	0.25
Newpark Drive Limited Partnership	551,890	0.23
Trinity Broadcasting Network, Incorporated	544,100	0.23
Total	$12,313,240	5.15 %
Total Real Assessed Valuation	$239,110,620	

	2004	
Taxpayer	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	$3,458,660	1.53 %
B&C Corporation	2,197,210	0.97
Albrecht, Incorporated	2,176,420	0.97
Seal Mack W.	1,998,730	0.89
Pittsburgh Plate Glass Company	1,098,010	0.49
Falkenstein, Albert J. Trustee	973,800	0.43
Newpark Drive Limited Partnership	846,270	0.37
Brookside Land Company	760,550	0.34
Strachan, Wyman ET AIL	723,890	0.32
Norton Energy Storage, LLC	648,300	0.29
Total	$14,881,840	6.60 %
Total Real Assessed Valuation	$225,371,380	

Source: Summit County Fiscal Officer

City of Norton, Ohio

Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita

Last Ten Years

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

Sources:

(1) U. S. Bureau of Census, 2004-2009 - 2000 Census of Population; 2010-2013 - 2010 Census of Population.

(2) Summit County Fiscal Officer

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

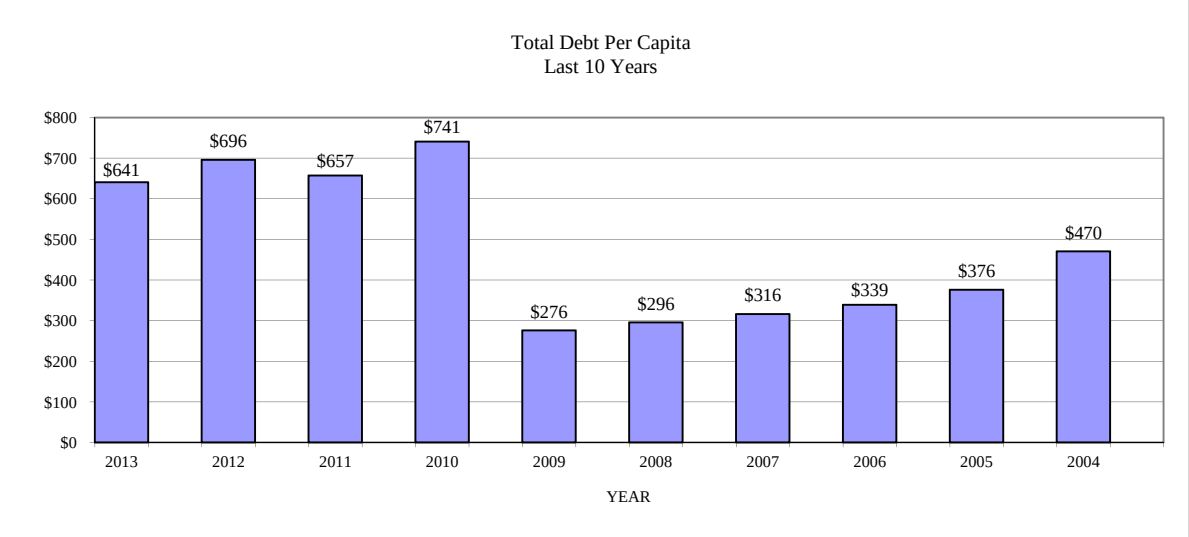
Note: Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Norton, Ohio

Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

Year	General Obligation Bonds	Long-Term Notes	Special Assessment Bonds	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
2013	$4,267,401	$1,000,000	$2,409,719	$64,172	$7,741,292	2.46%	$641
2012	4,557,733	1,315,000	2,543,111	0	8,415,844	2.67	696
2011	4,717,669	1,315,000	1,910,222	0	7,942,891	2.52	657
2010	4,972,443	1,979,422	2,006,706	0	8,958,571	2.84	741
2009	2,464,119	0	715,881	0	3,180,000	1.34	276
2008	2,641,884	0	758,116	9,364	3,409,364	1.43	296
2007	2,829,649	0	800,351	12,295	3,642,295	1.53	316
2006	3,012,414	35,000	842,586	15,212	3,905,212	1.64	339
2005	3,192,041	255,000	882,959	4,245	4,334,245	1.82	376
2004	3,371,668	1,116,000	923,332	9,556	5,420,556	2.28	470

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



City of Norton, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2013

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
General Obligation Bonds	$4,267,401	100.00%	$4,267,401
Special Assessment Bonds	2,409,719	100.00	2,409,719
Capital Leases	64,172	100.00	64,172
General Obligation Notes	1,000,000	100.00	1,000,000
Total Direct Debt	7,741,292		7,741,292
Overlapping			
Summit County			
General Obligation Bonds	71,461,000	2.15	1,536,412
Akron-Summit County Library System			
General Obligation Bonds	31,630,000	3.06	967,878
Metro Regional Transit Authority			
General Obligation Bonds	105,000	2.15	2,258
Total Overlapping Debt	103,196,000		2,506,548
Total	$110,937,292		$10,247,840

Source: County Fiscal Officer

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

City of Norton, Ohio
Legal Debt Margin
Last Ten Years

	2013	2012	2011	2010
Total Assessed Property Value	$246,745,410	$245,381,200	$269,727,600	$270,137,565
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	$25,908,268	$25,765,026	$28,321,398	$28,364,444
Debt Outstanding:				
General Obligation Bonds	4,106,044	4,383,362	4,632,903	4,883,216
Special Assessment Bonds	2,318,956	2,446,638	1,867,097	1,961,784
Manuscript Notes	0	0	0	0
Notes	1,000,000	1,315,000	1,445,000	1,979,422
Total Gross Indebtedness	7,425,000	8,145,000	7,945,000	8,824,422
Less:				
Special Assessment Bonds	(2,318,956)	(2,446,638)	(1,867,097)	(1,961,784)
Amount Available in Debt Service	(147,492)	(170,451)	(36,221)	(29,397)
Total Net Debt Applicable to Debt Limit	4,958,552	5,527,911	6,041,682	6,833,241
Legal Debt Margin Within 10 ½ % Limitations	$20,949,716	$20,237,115	$22,279,716	$21,531,203
Legal Debt Margin as a Percentage of the Debt Limit	80.86%	78.54%	78.67%	75.91%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	$13,570,998	$13,495,966	$14,835,018	$14,857,566
Total Gross Indebtedness	7,425,000	8,145,000	7,945,000	8,824,422
Less:				
Special Assessment Bonds	(2,318,956)	(2,446,638)	(1,867,097)	(1,961,784)
Amount Available in Debt Service	(147,492)	(170,451)	(36,221)	(29,397)
Net Debt Within 5 ½ % Limitations	4,958,552	5,527,911	6,041,682	6,833,241
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$8,612,446	$7,968,055	$8,793,336	$8,024,325
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	63.46%	59.04%	59.27%	54.01%

Source: City Financial Records

2009	2008	2007	2006	2005	2004
$268,866,859	$272,327,195	$275,425,380	$271,038,580	$254,956,303	$255,184,471
$28,231,020	$28,594,355	$28,919,665	$28,459,051	$26,770,412	$26,794,369
2,464,119	2,641,884	2,829,649	3,012,414	3,192,041	3,371,668
715,881	758,116	800,351	842,586	882,959	923,332
0	560,000	806,000	0	0	0
3,139,099	563,000	0	220,000	840,800	1,116,000
6,319,099	4,523,000	4,436,000	4,075,000	4,915,800	5,411,000
(715,881)	(758,116)	(800,351)	(842,586)	(882,959)	(923,332)
(6,753)	0	(30,914)	(16,888)	(46,698)	(56,402)
5,596,465	3,764,884	3,604,735	3,215,526	3,986,143	4,431,266
$22,634,555	$24,829,471	$25,314,930	$25,243,525	$22,784,269	$22,363,103
80.18%	86.83%	87.54%	88.70%	85.11%	83.46%
$14,787,677	$14,977,996	$15,148,396	$14,907,122	$14,022,597	$14,035,146
6,319,099	4,523,000	4,436,000	4,075,000	4,915,800	5,411,000
(715,881)	(758,116)	(800,351)	(842,586)	(882,959)	(923,332)
(6,753)	0	(30,914)	(16,888)	(46,698)	(56,402)
5,596,465	3,764,884	3,604,735	3,215,526	3,986,143	4,431,266
$9,191,212	$11,213,112	$11,543,661	$11,691,596	$10,036,454	$9,603,880
62.15%	74.86%	76.20%	78.43%	71.57%	68.43%

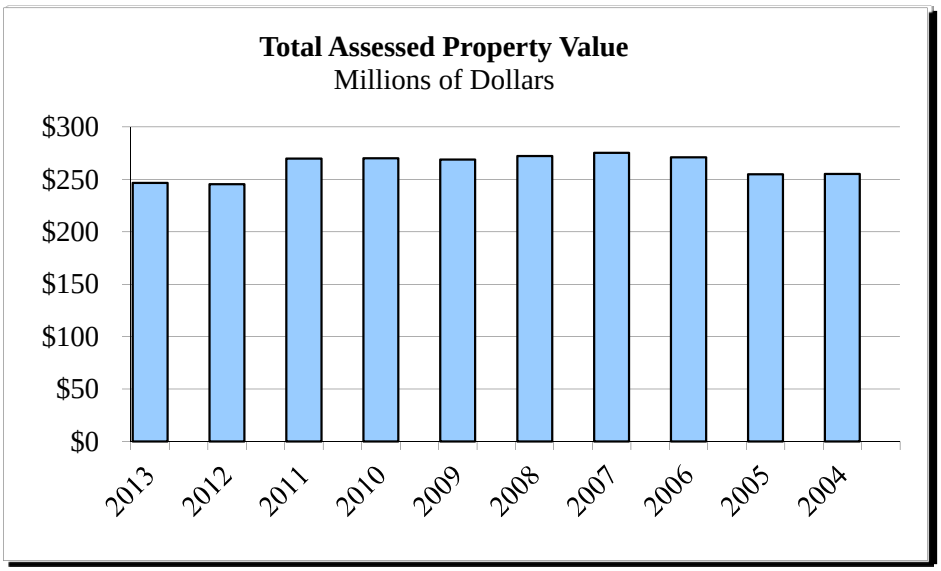
City of Norton, Ohio

Demographic and Economic Statistics

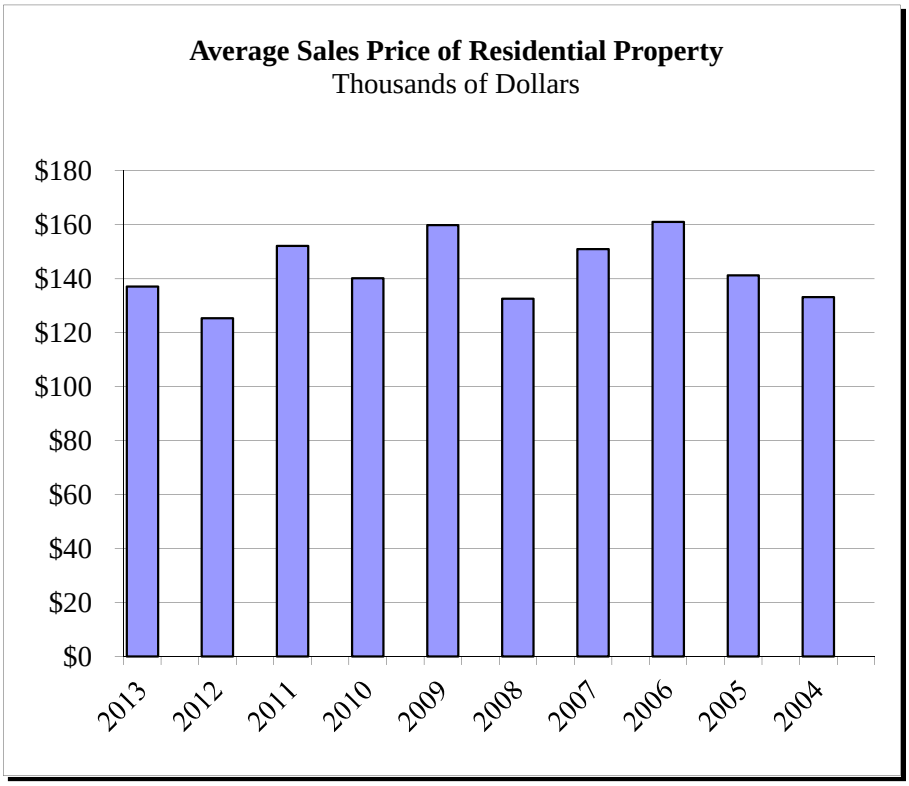
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2013	12,085	$314,923,015	$26,059	$56,645	43.7
2012	12,085	314,923,015	26,059	56,645	43.7
2011	12,085	314,923,015	26,059	56,645	43.7
2010	12,085	314,923,015	26,059	56,645	43.7
2009	11,523	238,076,703	20,661	47,085	40.3
2008	11,523	238,076,703	20,661	47,085	40.3
2007	11,523	238,076,703	20,661	47,085	40.3
2006	11,523	238,076,703	20,661	47,085	40.3
2005	11,523	238,076,703	20,661	47,085	40.3
2004	11,523	238,076,703	20,661	47,085	40.3

(1) Source: U. S. Census, 2004-2009 - 2000 Census of Population;
2010-2013 - 2010 Census of Population
(2) Source: Ohio Department of Education Website: "**http://www.ode.state.oh.us**"
(3) Source: U.S. Bureau of Labor Statistics
(4) Source: Summit County Fiscal Officer
(5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
18.90 %	2,579	7.20 %	$137,112	$246,745,410
18.90	2,582	6.80	125,430	245,381,200
18.90	2,586	8.50	152,129	269,727,600
18.90	2,642	10.00	140,246	270,137,565
17.10	2,682	9.80	159,827	268,866,859
17.10	2,587	6.10	132,566	272,327,195
17.10	2,585	5.40	150,956	275,425,380
17.10	2,501	5.20	161,104	271,038,580
17.10	2,434	5.70	141,264	254,956,303
17.10	2,448	6.00	133,257	255,184,471



City of Norton, Ohio
Principal Employers
2013 and 2004

2013 (1)

Employers	
Awken LTD	
City of Norton	
Fred Martin Motor Company	
Fred W Albrecht Grocery Company	
Ganley Ford	
Golden Alliance Norton, Incorporated	
JR Engineering	
Macs Convenience Stores LLC	
Norton City School District	
S.A. Comunale Company	
Total Employees of Top Ten Employers	2,570
Percentage of Total City Employment at Top Ten Employers	37.39%
Total Estimated Employment within the City	6,874

2004

Employers	
Albert Screenprint, Incorporated	
B&C Corporation	
Fred Martin Motor Company	
Fred W. Albrecht Grocery, Incorporated	
Ganley Ford, Incorporated	
Lenic, Incorporated	
Norton City School District	
Perkinelmer Life Sciences, Incorporated	
PPG Industries	
S.A. Comunale Company	
Total Employees of Top Employers	3,667
Total Estimated 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.

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

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

Function/Program	2013	2012	2011	2010
General Government				
Council and Clerk				
Number of Ordinances	72	68	58	101
Number of Resolutions	39	36	39	18
Number of Planning Commission docket items	37	49	45	16
Zoning Board of Appeals docket items	17	26	13	11
Park and Cemetery Board docket items	1	3	9	1
Finance Department				
Number of checks/ vouchers issued	1,680	1,545	1,700	2,172
General Fund Interest earnings for fiscal year (cash basis)	$6,650	$5,643	$6,111	$9,494
Agency Ratings - Fitch	A+	A+	A+	A+
Health Insurance Costs (cash basis in thousands)	$607	$571	$564	$538
Health Insurance Costs vs General Fund Expenditures %	9.0%	9.2%	9.7%	9.5%
General Fund Receipts (cash basis in thousands)	$6,302	$6,467	$6,738	$6,173
General Fund Expenditures (cash basis in thousands)	$6,749	$6,178	$5,788	$5,689
General Fund Cash Balances (in thousands)	$1,869	$2,103	$1,655	$545
Municipal Court				
Number of Misdemeanor Cases	61	51	98	108
Number of OVI cases	81	43	71	63
Number of Traffic cases	878	845	1,766	1,195
Building Department Indicators				
Residential/Commercial Permits Issued	106	119	119	144
Zoning Permits	56	64	49	65
Electric Permits	72	90	76	110
Heating Permits	55	77	53	68
Number of permits issued	289	350	297	387
Permit Revenue	$22,808	$27,987	$20,631	$32,477

2009	2008	2007	2006	2005	2004
77	79	72	74	72	85
38	31	19	29	32	53
71	47	27	21	23	40
25	35	25	23	26	27
38	16	35	N/A	N/A	N/A
2,397	1,841	1,797	1,927	1,896	1,769
$57,073	$116,367	$272,512	$228,507	$92,392	$30,597
A	A	A	A	A	A
$694	$666	$700	$571	$498	$608
10.8%	14.1%	9.9%	13.9%	10.3%	14.1%
$6,603	$5,827	$5,892	$5,328	$5,238	$4,416
$6,425	$4,728	$7,090	$4,122	$4,856	$4,302
$719	$767	$156	$1,584	$438	$191
83	99	124	175	178	139
14	22	25	52	51	64
1,401	1,280	1,473	2,935	2,135	2,689
203	356	189	241	269	306
64	65	66	84	78	79
107	150	162	206	206	211
61	77	58	74	108	120
435	648	475	605	661	716
$29,216	$53,652	$48,397	$61,643	$69,236	$80,614

(continued)

City of Norton, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2013	2012	2011	2010
Security of Persons & Property				
Police				
Felony Arrests	69	100	110	75
Misdemeanor Arrests	220	287	380	498
Arson	0	2	2	1
Assault	13	19	31	36
Residential Burglary	37	21	45	41
Domestic Violence	46	54	75	78
Drug Offense	73	57	101	101
Homicide	0	0	0	0
Larceny	202	222	227	255
Vandalism/Criminal Damaging	66	69	75	46
Robbery	3	3	1	2
Sex Offense	5	13	3	2
Auto Theft/Stolen Plates	7	23	17	18
Traffic Crashes	315	294	339	374
Traffic Fatalities	0	4	0	0
Driving While Intoxicated	82	144	159	269
Traffic Citations Issued	1,376	1,533	2,972	2,702
Warrant Arrests	161	219	217	182
Fire				
EMS Calls	1,004	876	980	1,046
Ambulance Billing Collections (GROSS)	$257,198	$230,169	$291,695	$264,759
Revenue per run	256	263	298	253
Fire Calls	369	451	378	379
Public Health and Welfare				
Cemetery burials	2	1	6	1
Cemetery foundations	1	1	5	0
Cemetery (re)sale of lots	1	2	7	4
Cemetery receipts	$2,200	$512	$2,765	$2,546
Health Advisory Board docket items	1	1	15	0

N/A = Information is not available

Source: City Records

2009	2008	2007	2006	2005	2004
111	130	106	114	131	138
559	507	521	754	683	763
1	1	2	1	2	1
45	65	65	67	56	63
43	54	30	39	39	44
76	107	84	119	140	121
46	44	28	70	48	12
0	0	0	0	1	0
232	296	269	312	311	330
63	42	75	77	80	77
2	3	4	5	5	11
15	13	10	19	13	15
31	58	41	50	42	50
388	490	487	448	551	528
2	1	2	1	2	4
102	67	95	163	144	175
2,666	2,064	2,603	4,860	3,870	4,341
254	291	303	408	457	386
1,005	966	968	934	942	928
$292,858	$273,510	$200,624	$199,799	$231,593	$208,873
291	283	207	214	246	225
378	373	332	233	287	215
0	1	3	1	0	1
1	3	0	1	1	2
12	0	8	0	0	3
$4,130	$1,150	$4,355	$666	$155	$1,825
29	19	19	N/A	N/A	N/A

City of Norton, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2013	2012	2011	2010
General Government				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	0	0	0	0
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage of Building	3,600	3,600	3,600	3,600
Vehicles	10	11	12	9
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	13	15	15	15
City Cemeteries	2	2	2	2
Wastewater				
Sanitary Sewers (miles)	9.00	9.00	9.00	8.40
Water Department				
Water Lines (miles)	14.80	14.80	14.80	14.50

Source: City Records

2009	2008	2007	2006	2005	2004
4,080	4,080	4,080	4,080	4,080	4,080
0	1	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	8	10	10	10	10
2	2	2	2	2	2
7	7	7	7	7	7
4	4	4	4	4	4
5	5	5	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	6,800
260	260	260	260	260	260
15	13	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

City Government Employees by Function/Program

Last Ten Years

Function/Program	2013	2012	2011	2010
General Government				
Mayor	2	2	2	2
Council	8	8	8	8
Finance	3	3	3	3
City Administrator	1	1	1	1
Law	2	2	2	1
Administration	2	2	2	2
Engineer	0	0	1	0
Planning	0	1	0	0
Civil Service	0	0	0	0
Court	2	2	2	2
Security of Persons and Property				
Police	28	28	27	30
Fire Full Time	3	3	2	4
Fire Part Time	25	29	32	30
Fire - Secretary - Other	1	1	1	1
Community Development				
Building	1	1	1	1
Transportation				
Service	8	8	9	10
Totals:	86	91	93	95

Source: City Payroll Department

Method: Using 1.0 for each employee at December 31

2009	2008	2007	2006	2005	2004
2	2	2	2	2	2
8	8	8	8	8	8
5	5	4	5	5	5
1	1	1	1	1	1
1	1	1	1	1	1
2	2	3	3	3	3
0	1	1	1	1	1
0	0	1	1	1	1
0	0	1	1	1	1
3	3	3	3	3	3
30	30	30	30	30	30
3	3	4	4	4	4
29	27	33	30	30	30
1	1	1	1	1	1
2	2	2	2	2	2
11	12	12	12	13	14
98	98	107	105	106	107

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