



Dave Yost • Auditor of State

CITY OF NORTON
SUMMIT COUNTY
DECEMBER 31, 2017

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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 City 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, 2017, 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 19, 2018.

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.

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 report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Dave Yost". The signature is fluid and cursive, with a large loop at the end.

Dave Yost
Auditor of State
Columbus, Ohio

June 19, 2018

CITY OF

NORTON, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED—DECEMBER 31

2017

City of Norton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2017

Issued by:

City of Norton
Department of Finance

Ronald Messner
Director of Finance

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City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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Mayor Mike Zita

CITY OF NORTON

4060 Columbia Woods Drive
Norton, Ohio 44203

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

June 19, 2018

Members of City Council and
Citizens of Norton

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

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State rendered an opinion on the City's financial statements as of December 31, 2017, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

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

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

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

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

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

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

LOCAL ECONOMY

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

KDA Industries This entity was the first company to receive real property tax incentives from the newly formed CRA within the City of Norton for 10 years at 50 percent exemption. KDA constructed a new 35,000 square foot building on a 20 acre site on Cleveland-Massillon Road. The owner and president of KDA continues to invest in the operation and is hiring new employees as the business continues to grow. This growth will potentially create approximately 25 or more new jobs. The City looks forward to a long relationship with KDA, and we welcome them to the community.

CITY PROJECTS

Consolidation of Services Results in Efficiency In April of 2016, the City opted to contract with the City of Barberton to provide building services. The contract with the City of Barberton saves approximately \$100,000 in overhead, while still allowing the City of Norton to receive some revenue. The City of Norton's building revenue was \$3,171 for 2017. The zoning department maintained its office with the City and refocused on complaint driven zoning issues with the hiring of a part-time zoning inspector.

During 2016, the City approved an energy upgrade project with Gardiner, which included a complete LED lighting retrofit of all facilities, convert park lights to LED, convert all traffic signals to LED, convert administration building HVAC system to variable air volume, convert the service garage from all electrical to natural gas heating, install new heater at the park garage, upgrade demand side and supply side utility contracts and place a new HVAC unit at the Community Center. The agreement was signed in early 2017 and work began in January of 2017. The City improvements did not exceed \$556,000, and repayments on the ten year lease will begin in March of 2018. Guaranteed annual energy savings to the City make this project budget neutral.

Engineering

Professional Road Evaluation Completed An action list, which had been developed by Michael Benza and Associates, Incorporated, continued to be used as a strategic guideline for planning for the resurfacing of poor roads and general maintenance of good roads so that good roads continue to rate at a high standard. It is certainly recognized that many roads are in need of repair, but by using the Pavement Management System Report developed by Michael Benza and Associates, Incorporated, the City has a tool to assess and use as a strategic planning guide for a systematic rehabilitation methodology.

Cleveland-Massillon Road Widening Project

Phase I: Pleasant Road to Grenfall Road This project was awarded to Karvo Construction Company to lay the additional sewers from Grandpa's Cheese Barn down to Shellhart Road. Karvo Construction Company was also awarded the paving project. Phase I of this project was completed in September 2017.

Phase II and III: Pleasant Road to Shannon Avenue Plans for the second and third phases were combined and approved by Ohio Department of Transportation (ODOT). Trans Systems began the ODOT process to acquire necessary right-of-ways. These two phases go through the dense commercial development in the center of the City; therefore, there are many complex issues related to right of ways. The City administration works closely with Trans Systems and landowners to achieve the best resolution of all issues. Federal funding, which had caused a delay in the Phase II and III schedules, has been approved. There is a tentative schedule to begin the final phases of construction in late summer of 2018.

Silver Springs Road Stabilization and Reconstruction Repeated repairs that work well on most roads have not been successful on Silver Springs Road due to unusual water problems. Based on Summit County Engineer recommendations from similar projects, the City retained an experienced engineering team at GPD Group to perform necessary underground testing and analysis to develop a permanent stabilization and repair for this road. Preliminary plans were prepared to present to residents affected by the road problems. This project was subsequently approved by Council and construction was completed in spring of 2017.

MAJOR INITIATIVES

Fire Equipment 2017 was another productive year for the Norton Fire Division. As part of our 20-year capital equipment replacement program, the replacement of a 12-year old ambulance was purchased in the fall of 2017 by the division, which expects to take delivery in March of 2018. The strong point of this new piece of equipment is that the ambulance box can be re-mounted on a new chassis an unlimited number of times, greatly reducing replacement costs.

2017 Grant Success Grant success came in the form of a \$119,267 grant from the U.S. Department of Justice to hire one full time police officer for the City. A \$30,000 grant was also received for a multi-station alerting system in conjunction with Copley Township and the City of Barberton for a cost of only \$10,000. These communities provide mutual aid to each other quite frequently for structure fires. The City now has the ability to alert multiple stations at one time, reducing response times.

New projects on the horizon include a \$16 million (original estimate) expansion of Cleveland-Massillon Road, a main thoroughfare. Grants account for 90 percent of the project funding and engineering on the project continues and remains on track. The City concluded negotiation with the City of Barberton with a memorandum of understanding to purchase sanitary sewer assets within the City of Norton. The final agreement was signed in early January of 2017. In an effort to correct the ongoing issues within the Nash Heights project, bids were submitted and Rudzik Excavating was awarded the construction agreement by the City of Barberton. Work on this project commenced in April 2017 and was completed in April of 2018.

FINANCIAL PLANNING AND POLICIES

The City continues to target 15 to 25 percent carryover balances as a percentage of appropriations needed to cover accrued obligations and unexpected expenditures. Further, the healthy balances are intended to be attractive to financing sources when the City issues debt. The City received an AA+ bond rating in August 2017. It is also notable that the City received \$227,000 in entertainment device charges for services from seven skilled gaming locations in 2017.

NEW TAXES SUPPORT LOCAL GOVERNMENT

In November of 2004, the voters of Norton approved a half (1/2) percent increase for City income tax and then in 2005 out-sourced the collection to Central Collection Agency, a regional income tax collecting service in Cleveland. The annual income tax collections (cash basis) increased from \$2,657,039 in 2004 to \$4,014,015 in 2008 for an increase of 51.07 percent.

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. On a cash basis, 2017 income tax results for the general fund were \$6,257,100, of which \$628,343 was moved to other funds due to the change in the tax credit. The proceeds from this change are intended to be used on water and sewer improvements. The fund that accounts for this was established in 2009, and as of December 31, 2017, has an ending unencumbered cash balance of \$1,798,117.

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, 2016. 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 14 years. Nevertheless, we believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for review.

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

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

Respectfully submitted,



Mike Zita
Mayor



Ronald Messner
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Norton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

City of Norton, Ohio

Principal Officials

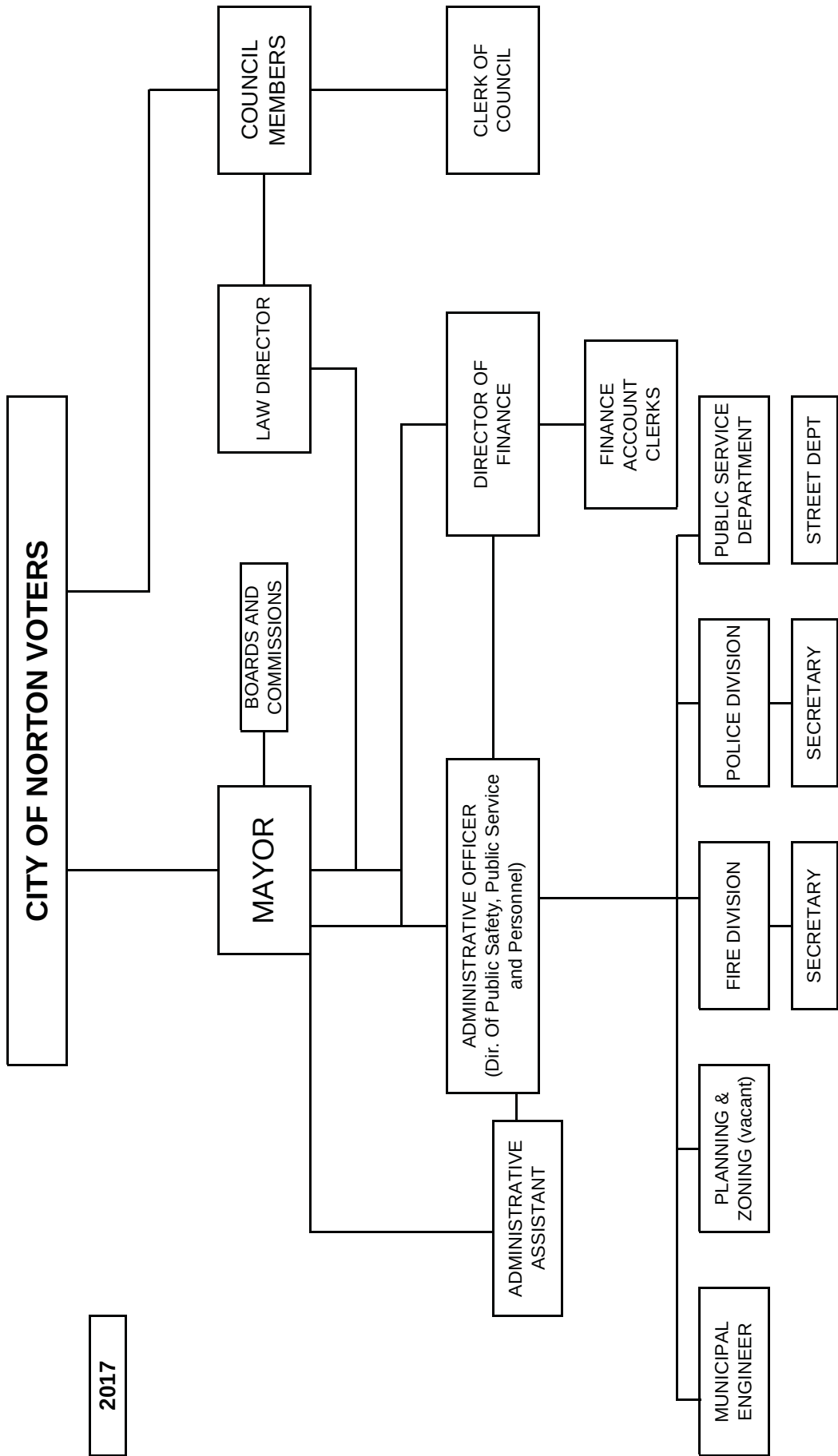
December 31, 2017

Elected Officials

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

Administrators

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



2017

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of
NORTON

Financial

Section



2017

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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 City 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, 2017, 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, Ohio, as of December 31, 2017, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Street Construction Maintenance and Repair, and Fire/EMS Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, 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 19, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Dave Yost". The signature is fluid and cursive, with the first name "Dave" and last name "Yost" clearly distinguishable.

Dave Yost
Auditor of State
Columbus, Ohio

June 19, 2018

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City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The discussion and analysis for the City of Norton's (City) financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2017. 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 2017 follows:

- The City issued \$100,000 in radio equipment bond anticipation notes to finance Motorola P-25 emergency radios for Fire/EMS, Police and Service Departments. This note will be paid off within the next year by December of 2018.
- During 2017, the City transferred its sewer lines and operations to the City of Barberton.

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. This report also contains required and other supplementary information in addition to the basic financial statements.

The statement of net position and statement of activities provide information from a summary perspective showing the effects of the operations for the year 2017 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 2017. 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.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

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

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

City of Norton, Ohio
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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 2017 as they compare to 2016.

Table 1
Net Position

	Governmental Activities		
	2017	2016	Change
<i>Assets</i>			
Current and Other Assets	\$18,492,902	\$16,802,552	\$1,690,350
Capital Assets, Net	22,473,324	27,213,297	(4,739,973)
Total Assets	40,966,226	44,015,849	(3,049,623)
<i>Deferred Outflows of Resources</i>			
Deferred Charges on Refunding Pension	41,360	48,254	(6,894)
	2,389,027	1,945,386	443,641
Total Deferred Outflows of Resources	2,430,387	1,993,640	436,747
<i>Liabilities</i>			
Current and Other Liabilities	638,267	628,242	(10,025)
Long-term Liabilities			
Due Within One Year	951,110	946,547	(4,563)
Due in More than One Year:			
Other Amounts	5,389,242	5,450,849	61,607
Net Pension Liability	6,510,535	5,410,978	(1,099,557)
Total Liabilities	13,489,154	12,436,616	(1,052,538)
<i>Deferred Inflows of Resources</i>			
Property Tax	1,995,196	1,992,222	(2,974)
Pension	114,950	172,525	57,575
Total Deferred Outflows of Resources	2,110,146	2,164,747	54,601
<i>Net Position</i>			
Net Investment in Capital Assets	18,234,870	21,366,802	(3,131,932)
Restricted:			
Capital Projects	384,597	419,111	(34,514)
Debt Service	1,174,698	2,030,745	(856,047)
Police	300,936	128,039	172,897
Fire/EMS	1,884,573	1,823,272	61,301
Transportation	675,219	721,503	(46,284)
Public Utilities	2,160,341	2,197,256	(36,915)
Unclaimed Monies	9,542	9,542	0
Unrestricted	2,972,537	2,711,856	260,681
Total Net Position	\$27,797,313	\$31,408,126	(\$3,610,813)

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For reasons discussed that follow, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

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

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

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

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

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Total assets have decreased from the prior year due primarily to a decrease in depreciable capital assets. The decrease in depreciable capital assets was due to the transfer of sewer operations and all sewer related capital assets to the City of Barberton. See Note 16 for more detail.

Long-term liabilities due in more than one year increased from the prior year due to an increase in the net pension liability. The net pension liability increase represents the City's proportionate share of the OPERS and OPF traditional plan's unfunded benefits. Changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

Table 2 shows the changes in net position for 2017 compared to 2016.

Table 2
Changes in Net Position

	Governmental Activities		
	2017	2016	Change
<i>Revenues:</i>			
Program Revenues:			
Charges for Services and Sales	\$1,376,376	\$987,541	\$388,835
Operating Grants and Contributions	1,083,744	1,100,873	(17,129)
Capital Grants and Contributions	610,681	314,191	296,490
Total Program Revenues	3,070,801	2,402,605	668,196
General Revenues:			
Property Taxes	2,020,586	1,984,177	36,409
Income Tax	6,312,094	5,928,063	384,031
Grants and Entitlements	491,771	394,364	97,407
Interest	54,646	14,469	40,177
Other	126,991	89,592	37,399
Total General Revenues	9,006,088	8,410,665	595,423
<i>Total Revenues</i>	<i>\$12,076,889</i>	<i>\$10,813,270</i>	<i>\$1,263,619</i>
<i>Program Expenses:</i>			
General Government	2,074,731	2,182,194	107,463
Security of Persons and Property	5,126,841	4,639,014	(487,827)
Transportation	1,827,182	1,864,094	36,912
Community Environment	61,897	50,195	(11,702)
Public Health Services	103,112	154,236	51,124
Leisure Time Activities	326,356	278,580	(47,776)
Interest and Fiscal Charges	218,080	216,860	(1,220)
<i>Total Expenses</i>	<i>9,738,199</i>	<i>9,385,173</i>	<i>(353,026)</i>
Special Item - Transfer of Operations	(5,949,503)	0	(5,949,503)
<i>Changes in Net Position</i>	<i>(3,610,813)</i>	<i>1,428,097</i>	<i>(5,038,910)</i>
<i>Net Position Beginning of Year</i>	<i>31,408,126</i>	<i>29,980,029</i>	<i>1,428,097</i>
<i>Net Position End of Year</i>	<i>\$27,797,313</i>	<i>\$31,408,126</i>	<i>(\$3,610,813)</i>

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Total revenues increased due to, in large part, increases in charges for services and sales, capital grants and contributions and income tax revenue. The increase in charges for services and sales is due to more ambulance services provided in 2017 and the increase in capital grants and contributions is due to increased grants received by the Cleveland-Massillon widening fund. There was an increase of \$384,031 in income tax revenue. This was due to increased salaries overall throughout the City during 2017.

Total security of persons and property increased from the prior year. This increase was related to the increase of OPF net pension liability. There was a special item loss on the transfer of operations in the amount of \$5,949,503, encompassing all sanitary sewer lines and other capital assets being transferred, to the City of Barberton, which is largely responsible for the decrease in net position of \$3,610,813.

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 about half of the total governmental activity expenses. The police service for the City of Norton is a full time, 24-hour per day, 365 days per year operation. The staff consists of a full time chief, four full time sergeants, eleven full time patrol officers, five part time patrol officers and one full time office manager. As of December 31, 2013, dispatch was run as a joint project with Copley Township. In January of 2014, the dispatch operations changed over to the Southwest Summit Council of Governments which includes the cities of Barberton, Norton, and Copley Township.

The fire/paramedic division is a full-time, 24-hour per day, 365-days per year operation utilizing one fire station. The staff consists of a full time chief and an assistant chief, nine full time fire/paramedics, six of which are Lieutenants and three are Captains, twenty-one part time fire/EMT/paramedics, 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 revenues and a decrease in expenditures. Historically, the City has maintained healthy carryover balances in operating funds and saves up carryover balances in capital funds.

Revenues and other financing sources exceeded expenditures and other financing uses overall by \$1,420,153, increasing the City-wide fund balance to \$11,642,860. Significant changes to the City's major funds are described as follows.

City of Norton, Ohio
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For the general fund, the carryover balance increased by \$576,418. This increase was mainly due to an inception of capital lease related to an energy conservation project in the City's buildings. Total revenues increased overall, which was mainly due to increased income tax.

The street construction, maintenance and repair fund had a decrease in fund balance of \$111,376. This decrease was due to increases in expenditures and other financing sources from the prior year. The increase in expenditures was due to and increase materials and supplies.

The fire/EMS fund had a decrease in fund balance of \$15,384. Although revenues increased and expenditures decreased from the prior year, the fire/EMS fund had a negative net change, which decreased fund balance.

The special assessment bond retirement fund increased its fund balance over the prior year by \$150,197, which was lower than the increase in fund balance for 2016. This was in part due to a \$270,000 transfer in from the general fund in 2016 that was not made in 2017.

The water and sewer improvements capital projects fund balance increased from the prior year by \$542,106. This was achieved by mostly a decrease in capital outlay expenditures during 2017.

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 \$7,004,869 and \$6,993,574, respectively. Original and final budgeted expenditures were \$5,704,764, respectively.

Actual revenue collections for the general fund were \$6,822,587, \$170,987 lower than final budgeted revenues, which is attributed to slightly lower actual revenues than anticipated for all revenues except for property and income tax. Actual expenditures were \$5,064,121. This reduction of \$640,643 from the final budget was due to efforts to control actual expenditures.

City of Norton, Ohio
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Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		
	2017	2016	Change
Land	\$1,373,148	\$1,397,908	(\$24,760)
Construction in Progress	2,870,153	4,768,807	(1,898,654)
Land Improvements	799,561	842,526	(42,965)
Building and Improvements	4,643,840	4,117,344	526,496
Equipment, Furniture and Fixtures	469,590	480,463	(10,873)
Vehicles	1,427,587	1,425,606	1,981
Infrastructure:			
Water Lines	5,652,321	5,741,775	(89,454)
Sanitary Sewer Lines	0	4,751,575	(4,751,575)
Roads	5,237,124	3,687,293	1,549,831
Totals	\$22,473,324	\$27,213,297	(\$4,739,973)

Capital assets have decreased over the prior year mainly due to the transfer of operation of sewer to the City of Barberton. For more information about the City's capital assets, see Notes 9, 12 and 16 in the basic financial statements.

Debt

As of December 31, 2017, the City of Norton had the following in outstanding debt:

Table 4
Outstanding Debt at Year End

	Governmental Activities		
	2017	2016	Change
General Obligation Bonds	\$3,039,200	\$3,350,373	(\$311,173)
Special Assessment Bonds	1,858,031	1,995,580	(137,549)
OPWC Loan	13,990	0	13,990
Capital Leases	795,231	359,992	435,239
Totals	\$5,706,452	\$5,705,945	\$507

City of Norton, Ohio
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The general obligation bonds outstanding are to finance various projects in the City, including fire station projects; street improvements, programs, and engineering; a police radio system; ballfields; and Barber Road sanitary sewer improvements. The bonds are paid from property taxes, cable franchise fees and monies transferred from the general fund.

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

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

Current Financial Related Issues

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

The Administration's commitment to its residents has always been one of full disclosure of the financial position of the City. Also offered for many years is information on the City of Norton's website regarding finances, services and other matters of interest to the residents. In December of 2017, the City began participation in Ohio Checkbook through the Treasurer State of Ohio Office. The Administration continues toward its goal of keeping all residents and other interested parties fully informed of all financial aspects of the City of Norton. The City has been awarded for a number of years the prestigious Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officer Association. In 2017, the City and Director of Finance also received the prestigious Ohio Auditor of State Award of Distinction. Less than five percent of Ohio municipalities receive this award.

Contacting the City of Norton's Finance Department

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

City of Norton, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$10,617,948
Materials and Supplies Inventory	294,744
Accounts Receivable	473,511
Accrued Interest Receivable	22,793
Intergovernmental Receivable	799,665
Prepaid Items	40,536
Income Taxes Receivable	1,738,916
Property Taxes Receivable	2,212,746
Loans Receivable	375,000
Special Assessments Receivable	1,917,043
Nondepreciable Capital Assets	4,243,301
Depreciable Capital Assets, Net	18,230,023
<i>Total Assets</i>	<u>40,966,226</u>
Deferred Outflows of Resources	
Deferred Charges on Refunding	41,360
Deferred Outflows - OPERS	772,247
Deferred Outflows - OPF	1,616,780
<i>Total Deferred Outflows of Resources</i>	<u>2,430,387</u>
Liabilities	
Accounts Payable	37,369
Accrued Wages	142,791
Intergovernmental Payable	270,380
Contracts Payable	32,307
Accrued Interest Payable	35,546
Notes Payable	100,000
Matured Compensated Absences Payable	19,874
Long-Term Liabilities:	
Due Within One Year	951,110
Due in More Than One Year	5,389,242
Net Pension Liability (See Note 14)	6,510,535
<i>Total Liabilities</i>	<u>13,489,154</u>
Deferred Inflows of Resources	
Property Taxes	1,995,196
Deferred Inflows - OPERS	104,641
Deferred Inflows - OPF	10,309
<i>Total Deferred Inflows of Resources</i>	<u>2,110,146</u>
Net Position	
Net Investment in Capital Assets	18,234,870
Restricted for:	
Capital Projects	384,597
Debt Service	1,174,698
Police	300,936
Fire/EMS	1,884,573
Transportation	675,219
Public Utilities	2,160,341
Unclaimed Monies	9,542
Unrestricted	2,972,537
<i>Total Net Position</i>	<u>\$27,797,313</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Activities
For the Year Ended December 31, 2017

		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	\$2,074,731	\$510,674	\$15,939	\$0	(\$1,548,118)
Security of Persons and Property	5,126,841	661,825	255,391	0	(4,209,625)
Transportation	1,827,182	15,568	810,800	570,681	(430,133)
Community Environment	61,897	3,807	0	0	(58,090)
Public Health Services	103,112	170,235	0	40,000	107,123
Leisure Time Activities	326,356	14,267	1,614	0	(310,475)
Interest and Fiscal Charges	218,080	0	0	0	(218,080)
Totals	\$9,738,199	\$1,376,376	\$1,083,744	\$610,681	(6,667,398)
General Revenues					
Property Taxes Levied for:					
General Purposes					344,233
Police and Fire Disability and Pension					64,544
Fire/EMS					1,611,809
Income Taxes Levied for:					
General Purposes					5,677,465
Water and Sewer Improvements					634,629
Grants and Entitlements not Restricted to Specific Programs					491,771
Interest					54,646
Other					126,991
Total General Revenues					9,006,088
Special Item - Loss on Transfer of Operations					(5,949,503)
Change in Net Position					(3,610,813)
Net Position Beginning of Year					31,408,126
Net Position End of Year					\$27,797,313

See accompanying notes to the basic financial statements

City of Norton, Ohio

Balance Sheet

Governmental Funds

December 31, 2017

	General	Street Construction, Maintenance and Repair	Fire/EMS	Special Assessment Bond Retirement	Water and Sewer Improvements
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,317,355	\$110,601	\$1,498,703	\$269,661	\$2,030,197
Materials and Supplies Inventory	4,988	289,756	0	0	0
Accounts Receivable	1,276	0	414,260	0	0
Accrued Interest Receivable	22,793	0	0	0	0
Intergovernmental Receivable	295,963	348,807	121,641	0	0
Prepaid Items	30,368	3,280	6,888	0	0
Income Taxes Receivable	1,540,158	0	0	0	198,758
Property Taxes Receivable	376,677	0	1,765,442	0	0
Loans Receivable	0	0	0	0	375,000
Special Assessments Receivable	0	0	0	1,917,043	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	9,542	0	0	0	0
Total Assets	\$5,599,120	\$752,444	\$3,806,934	\$2,186,704	\$2,603,955
Liabilities					
Accounts Payable	\$16,014	\$6,457	\$7,882	\$0	\$0
Accrued Wages	77,201	20,160	45,430	0	0
Intergovernmental Payable	144,087	10,638	89,608	0	4,060
Contracts Payable	13,074	0	0	0	5,383
Matured Compensated Absences Payable	19,874	0	0	0	0
Accrued Interest Payable	126	0	0	0	0
Notes Payable	100,000	0	0	0	0
Total Liabilities	370,376	37,255	142,920	0	9,443
Deferred Inflows of Resources					
Property Taxes	339,904	0	1,591,560	0	0
Unavailable Revenue	944,221	236,450	660,171	1,917,043	463,245
Total Deferred Inflows of Resources	1,284,125	236,450	2,251,731	1,917,043	463,245
Fund Balances					
Nonspendable	44,898	293,036	6,888	0	0
Restricted	0	185,703	1,405,395	269,661	375,000
Committed	215,625	0	0	0	1,756,267
Assigned	549,876	0	0	0	0
Unassigned (Deficit)	3,134,220	0	0	0	0
Total Fund Balances	3,944,619	478,739	1,412,283	269,661	2,131,267
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$5,599,120	\$752,444	\$3,806,934	\$2,186,704	\$2,603,955

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, 2017*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$11,642,860
		Amounts reported for governmental activities in the statement of net position are different because:	
\$3,381,889	\$10,608,406	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,473,324
0	294,744		
57,975	473,511		
0	22,793		
33,254	799,665	Other long-term assets are not available to pay for current- period expenditures and therefore are reported as unavailable revenue in the funds:	
0	40,536	Delinquent Property Taxes	217,550
0	1,738,916	Municipal Income Tax	772,050
70,627	2,212,746	Charges for Services	364,648
0	375,000	Special Assessments	1,917,043
0	1,917,043	Intergovernmental	605,708
		Consideration on Transfer of Operations	375,000
0	9,542		
<u>\$3,543,745</u>	<u>\$18,492,902</u>	Total	4,251,999
		In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(35,420)
\$7,016	\$37,369		
0	142,791		
21,987	270,380	Long-term liabilities, including notes, bonds, capital leases payable, and compensated absences are not due and payable in the current period and therefore are not reported in the funds:	
13,850	32,307	General Obligation Bonds	(3,039,200)
0	19,874	Special Assessment Bonds	(1,858,031)
0	126	OPWC Loan	(13,990)
0	100,000	Capital Leases	(795,231)
		Compensated Absences	(633,900)
42,853	602,847		
		Total	(6,340,352)
63,732	1,995,196		
30,869	4,251,999	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.	41,360
94,601	6,247,195		
0	344,822	The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
3,105,684	5,341,443	Deferred Outflows - Pension	2,389,027
21,547	1,993,439	Net Pension Liability	(6,510,535)
296,859	846,735	Deferred Inflows - Pension	(114,950)
(17,799)	3,116,421		
3,406,291	11,642,860	Total	(4,236,458)
<u>\$3,543,745</u>	<u>\$18,492,902</u>	Net Position of Governmental Activities	<u>\$27,797,313</u>

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Street Construction, Maintenance and Repair	Fire/EMS	Special Assessment Bond Retirement	Water and Sewer Improvements
Revenues					
Property Taxes	\$341,133	\$0	\$1,597,096	\$0	\$0
Municipal Income Tax	5,875,571	0	0	0	660,195
Charges for Services	275,568	15,568	292,244	0	0
Special Assessments	0	0	0	357,932	0
Licenses, Permits and Fees	37,581	0	0	0	0
Fines and Forfeitures	19,914	0	0	0	0
Intergovernmental	492,621	656,983	243,642	0	0
Contributions and Donations	0	0	0	0	0
Interest	53,153	1,129	0	0	0
Other	66,998	17,324	40,412	0	0
<i>Total Revenues</i>	<u>7,162,539</u>	<u>691,004</u>	<u>2,173,394</u>	<u>357,932</u>	<u>660,195</u>
Expenditures					
Current:					
General Government	2,618,751	0	0	4,605	0
Security of Persons and Property	2,429,965	0	2,101,633	0	0
Transportation	851,759	1,385,399	0	0	0
Community Environment	59,318	0	0	0	0
Public Health Services	0	0	0	0	0
Leisure Time Activities	242,472	0	0	0	0
Capital Outlay	0	0	0	0	16,164
Debt Service:					
Principal Retirement	0	89,644	31,117	131,840	83,160
Interest and Fiscal Charges	3,626	6,256	4,028	71,290	18,765
<i>Total Expenditures</i>	<u>6,205,891</u>	<u>1,481,299</u>	<u>2,136,778</u>	<u>207,735</u>	<u>118,089</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>956,648</u>	<u>(790,295)</u>	<u>36,616</u>	<u>150,197</u>	<u>542,106</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	21,180	521	0	0	0
Inception of Capital Lease	556,000	0	0	0	0
OPWC Loan Issued	0	0	0	0	0
Transfers In	65,500	691,898	0	0	0
Transfers Out	(1,022,910)	(13,500)	(52,000)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(380,230)</u>	<u>678,919</u>	<u>(52,000)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>576,418</u>	<u>(111,376)</u>	<u>(15,384)</u>	<u>150,197</u>	<u>542,106</u>
<i>Fund Balances Beginning of Year</i>	<u>3,368,201</u>	<u>590,115</u>	<u>1,427,667</u>	<u>119,464</u>	<u>1,589,161</u>
<i>Fund Balances End of Year</i>	<u>\$3,944,619</u>	<u>\$478,739</u>	<u>\$1,412,283</u>	<u>\$269,661</u>	<u>\$2,131,267</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$1,420,153
		<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
\$63,962	\$2,002,191	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:	
0	6,535,766	Capital Asset Additions	2,326,601
363,569	946,949	Current Year Depreciation	<u>(702,125)</u>
0	357,932		
0	37,581		
20,272	40,186		
683,320	2,076,566		
250	250		
364	54,646		
2,257	126,991		
		Total	1,624,476
1,133,994	12,179,058	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.	(6,364,449)
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
1,123	2,624,479	Delinquent Property Taxes	18,395
106,991	4,638,589	Municipal Income Taxes	<u>(223,672)</u>
11,087	2,248,245	Charges for Services	124,766
0	59,318	Special Assessments	<u>(131,038)</u>
13,658	13,658	Intergovernmental	109,380
0	242,472	Consideration on Transfer of Operations	<u>375,000</u>
742,635	758,799		
		Total	272,831
215,000	550,761	Repayment of bond and capital lease principal is an expenditure or other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	550,761
110,310	214,275		
1,200,804	11,350,596	Some expenses reported in the statement of activities do not require the use expenditures in the governmental funds:	
(66,810)	828,462	Accrued Interest on Bonds	(15,633)
		Amortization of Premium on Bonds	18,722
0	21,701	Amortization of Deferred Charges on Refunding	<u>(6,894)</u>
0	556,000		
13,990	13,990		
331,012	1,088,410		
0	(1,088,410)		
		Total	(3,805)
345,002	591,691	Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	57,551
278,192	1,420,153		
3,128,099	10,222,707	Other financing sources, such as an inception of capital lease and proceeds of loans, 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.	
\$3,406,291	\$11,642,860	Capital Lease Issued	(556,000)
		OPWC Loan Issued	<u>(13,990)</u>
		Total	(569,990)
		Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	475,224
		Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(1,073,565)
		Change in Net Position of Governmental Activities	<u>(\$3,610,813)</u>

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$337,824	\$341,100	\$341,133	\$33
Municipal Income Tax	5,600,000	5,600,000	5,628,757	28,757
Charges for Services	398,224	398,224	275,568	(122,656)
Licenses, Permits and Fees	54,308	54,308	37,581	(16,727)
Fines and Forfeitures	26,896	26,896	18,612	(8,284)
Intergovernmental	434,743	420,048	415,024	(5,024)
Interest	71,371	71,371	49,388	(21,983)
Other	81,503	81,627	56,524	(25,103)
<i>Total Revenues</i>	<u>7,004,869</u>	<u>6,993,574</u>	<u>6,822,587</u>	<u>(170,987)</u>
Expenditures				
Current:				
General Government	2,511,174	2,504,953	2,229,483	275,470
Security of Persons and Property	2,830,619	2,835,198	2,506,575	328,623
Community Environment	57,861	59,503	59,503	0
Leisure Time Activities	267,110	267,110	230,560	36,550
Debt Service:				
Principal Retirement	38,000	38,000	38,000	0
<i>Total Expenditures</i>	<u>5,704,764</u>	<u>5,704,764</u>	<u>5,064,121</u>	<u>640,643</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,300,105</u>	<u>1,288,810</u>	<u>1,758,466</u>	<u>469,656</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	21,180	21,180
Advances Out	(36,000)	(36,000)	(17,300)	18,700
Transfers In	2,300,000	2,300,000	0	(2,300,000)
Transfers Out	(845,941)	(3,281,941)	(1,936,000)	1,345,941
<i>Total Other Financing Sources (Uses)</i>	<u>1,418,059</u>	<u>(1,017,941)</u>	<u>(1,932,120)</u>	<u>(914,179)</u>
<i>Net Change in Fund Balance</i>	<u>2,718,164</u>	<u>270,869</u>	<u>(173,654)</u>	<u>(444,523)</u>
<i>Fund Balance Beginning of Year</i>	<u>2,576,409</u>	<u>2,576,409</u>	<u>2,576,409</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>94,860</u>	<u>94,860</u>	<u>94,860</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,389,433</u>	<u>\$2,942,138</u>	<u>\$2,497,615</u>	<u>(\$444,523)</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$40,845	\$40,845	\$15,568	(\$25,277)
Intergovernmental	1,687,297	1,687,297	643,103	(1,044,194)
Interest	2,962	2,962	1,129	(1,833)
Other	44,345	44,345	17,658	(26,687)
<i>Total Revenues</i>	<u>1,775,449</u>	<u>1,775,449</u>	<u>677,458</u>	<u>(1,097,991)</u>
Expenditures				
Current:				
Transportation	<u>1,592,298</u>	<u>1,882,196</u>	<u>1,334,849</u>	<u>547,347</u>
Debt Service:				
Principal Retirement	99,644	99,644	99,644	0
Interest and Fiscal Charges	<u>9,756</u>	<u>9,756</u>	<u>9,756</u>	<u>0</u>
Total Debt Service	<u>109,400</u>	<u>109,400</u>	<u>109,400</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,701,698</u>	<u>1,991,596</u>	<u>1,444,249</u>	<u>547,347</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>73,751</u>	<u>(216,147)</u>	<u>(766,791)</u>	<u>(550,644)</u>
Other Financing Sources				
Sale of Capital Assets	0	0	521	521
Transfers In	<u>0</u>	<u>691,898</u>	<u>691,898</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>691,898</u>	<u>692,419</u>	<u>521</u>
<i>Net Change in Fund Balance</i>	73,751	475,751	(74,372)	(550,123)
<i>Fund Balance Beginning of Year</i>	107,172	107,172	107,172	0
Prior Year Encumbrances Appropriated	<u>5,731</u>	<u>5,731</u>	<u>5,731</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$186,654</u>	<u>\$588,654</u>	<u>\$38,531</u>	<u>(\$550,123)</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,583,827	\$1,596,936	\$1,597,096	\$160
Charges for Services	586,568	586,568	287,273	(299,295)
Intergovernmental	241,618	243,618	243,642	24
Other	83,957	83,957	41,118	(42,839)
<i>Total Revenues</i>	<u>2,495,970</u>	<u>2,511,079</u>	<u>2,169,129</u>	<u>(341,950)</u>
Expenditures				
Current:				
Security of Persons and Property	<u>2,768,651</u>	<u>2,768,651</u>	<u>2,165,321</u>	<u>603,330</u>
Debt Service:				
Principal Retirement	83,117	83,117	83,117	0
Interest and Fiscal Charges	<u>4,028</u>	<u>4,028</u>	<u>4,028</u>	<u>0</u>
Total Debt Service	<u>87,145</u>	<u>87,145</u>	<u>87,145</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,855,796</u>	<u>2,855,796</u>	<u>2,252,466</u>	<u>603,330</u>
<i>Net Change in Fund Balance</i>	(359,826)	(344,717)	(83,337)	261,380
<i>Fund Balance Beginning of Year</i>	1,442,465	1,442,465	1,442,465	0
Prior Year Encumbrances Appropriated	<u>23,039</u>	<u>23,039</u>	<u>23,039</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,105,678</u>	<u>\$1,120,787</u>	<u>\$1,382,167</u>	<u>\$261,380</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

Assets

Equity in Pooled Cash and Cash Equivalents	<u>\$91,706</u>
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Liabilities

Undistributed Assets	<u>\$91,706</u>
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See accompanying notes to the basic financial statements

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 21 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 as follows.

Basis of Presentation

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

Fund Accounting

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

Measurement Focus

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

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

Basis of Accounting

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include pension, property taxes, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 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, loans, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 14.)

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Budgetary Process

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

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

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

The law enforcement assistance and scrap tire special revenue funds and the buildings, storm sewer, and sanitary sewer capital projects funds do not have any budgetary activity in 2017; therefore, budgetary information is not provided.

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".

During 2017, investments were limited to a repurchase agreement and government securities. Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating the 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 2017 amounted to \$53,153, of which \$36,178 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, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 acquisition 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	10 - 30 years
Building and Improvements	10 - 75 years
Equipment, Furniture and Fixtures	5 - 30 years
Vehicles	2 - 50 years
Infrastructure	100 years

The City's infrastructure consists of water 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

Pensions

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balances

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

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Internal Activity

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

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

Net Position

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

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 Charges 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.

Special Item

Special items are transactions or events that are within the control of Council that are either unusual in nature or infrequent in occurrence. In 2017, the City reported a loss on transfer of operations in the amount of \$5,949,503 in the transfer of sewer operations to the City of Barberton. See Note 16 for additional information.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 3 – Change in Accounting Principle

For 2017, the City implemented the Governmental Accounting Standards Board's (GASB) Implementation Guide No. 2016-1. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability and Compliance

Accountability

At December 31, 2017, the DWI enforcement and education special revenue fund had a fund deficit of \$17,799.

The deficit resulted from the recognition of accrued liabilities. The general fund is responsible to cover deficit fund balances by means of a transfer. However, this is done when cash is needed rather than when accruals occur.

Compliance

Contrary to Ohio Revised Code Section 5705.39, the DARE program and historical Greenwich Road special revenue funds and the Newpark Drive Reconstruction capital project fund had final appropriations in excess of certified available resources, as of December 31, 2017, in the amounts of \$15,916, \$11,383, and \$100,000, respectively.

Contrary to Ohio Revised Code Section 5705.41(B), the following funds had expenditures plus encumbrances in excess of final appropriations as of December 31, 2017:

	Final	Actual	Variance
<i>Special Revenue Funds:</i>			
Law Enforcement:			
Security of Persons and Property:			
Capital Outlay	\$1,500	\$10,760	(\$9,260)
Police Equipment:			
Security of Persons and Property:			
Capital Outlay	0	58,570	(58,570)
<i>Capital Projects Fund:</i>			
Water and Sewer Improvements:			
Capital Outlay:			
Purchased Services	0	138	(138)
Principal Retirement	76,386	83,160	(6,774)
Interest and Fiscal Charges	17,534	18,765	(1,231)
Cleveland-Massillon Widening:			
Capital Outlay:			
Capital Outlay	627,715	672,790	(45,075)

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

Note 5 – 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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; and with certain limitations bonds and other obligations of political subdivisions 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 and two hundred seventy days, respectively, in an amount not to exceed 40 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 fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations and reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. 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

The City has no deposit 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 the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

In April of 2018, one of the City's financial institutions participating in OPCS was approved for a reduced collateral floor of 50 percent. At the time the reduced floor became effective, \$284,413 of the City's bank balance of \$568,826 was exposed to custodial credit risk.

Investments

Investments are reported at fair value. As of December 31, 2017, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Cost:				
Repurchase Agreement	\$4,277,350	Less than 30 days	AA+	64.71 %
Fair Value:				
Federal National Mortgage Association	466,081	Less than two years	AA+	7.05
Federal National Mortgage Association	344,186	Less than three years	AA+	5.21
Federal Farm Credit Bank	497,820	Less than five years	AA+	7.53
Federal Home Loan Mortgage Corporation	481,371	Less than three years	AA+	7.28
Federal Home Loan Mortgage Corporation	542,987	Less than four years	AA+	8.22
Total	<u>\$6,609,795</u>			<u>100.00 %</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2017. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk The City has no investment policy that addresses interest rate risk beyond the requirement in State statute which 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.

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

Concentration of Credit Risk With the exception of U.S. Treasury securities, federal government agency securities, STAR Ohio and authorized pools, no more than 40 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

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. 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.
3. Investments are reported at cost (budget) rather than fair value (GAAP).

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Net Change in Fund Balances

	General	Street Construction, Maintenance and Repair	Fire/EMS
GAAP Basis	\$576,418	(\$111,376)	(\$15,384)
Net Adjustment for Revenue Accruals	66,096	(13,546)	(4,265)
Beginning Unrecorded Cash	2,500	0	200
Ending Unrecorded Cash	(2,500)	0	(200)
Ending Fair Value Adjustment for Investments	(22,691)	0	0
Net Adjustment for Expenditure Accruals	(359,744)	122,620	52,648
Advances Out	(17,300)	0	0
Perspective Differences:			
Special Permissive License Plate Tax Fund	(51,384)	0	0
Community Center Fund	4,702	0	0
Greenwich Road Fund	(1,100)	0	0
Recycling Fund	(5,818)	0	0
Encumbrances	(362,833)	(72,070)	(116,336)
Budget Basis	<u>(\$173,654)</u>	<u>(\$74,372)</u>	<u>(\$83,337)</u>

Note 7 – Receivables

Receivables at December 31, 2017, consisted of municipal income taxes, property taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest, accounts receivable and loans.

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Special assessments expected to be collected in one year amount to \$134,320, with the remaining \$1,782,723 expected to be collected in more than one year. At December 31, 2017, the amount of delinquent special assessments was \$126,937.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes were levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

	Assessed Values
Real Estate	
Residential/Agricultural	\$195,907,930
Other Real Estate	39,153,740
Tangible Personal Property	
Public Utility	9,481,250
Total	<u>\$244,542,920</u>

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, 2017, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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. See Note 20 for information regarding the Joint Economic Development Zones with the City of Barberton.

Intergovernmental Receivables

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

	<u>Amounts</u>
Gasoline Tax and Cents Per Gallon	\$277,385
Homestead and Rollback	152,053
Local Government	133,417
COPS Grants	99,939
Motor Vehicle License Registration	79,791
Permissive Motor Vehicle License Tax	55,585
Miscellaneous	<u>1,495</u>
Total	<u><u>\$799,665</u></u>

Loans Receivable

During 2017, a memorandum of understanding (MOU) was signed between the City and the City of Barberton. As part of the agreement, the City of Barberton will pay the City \$375,000 in annual installments of \$75,000 over a five year period beginning in 2018. The loan is related to the transfer of all sewer lines throughout the City to the City of Barberton in a transfer of operations. See Note 16 for details of the transfer.

Note 8 – Tax Abatements

As of December 31, 2017, the City provides tax abatements through a community reinvestment area.

Pursuant to Ohio Revised Code Chapter 5709, the City established the community reinvestment area (CRA) to provide property tax abatements to encourage employment growth within the City. Abatements are obtained if the entity meets the established level of employment and builds a facility within two years. The value of the taxes being abated are 50 percent of all real estate taxes that the entity would have to pay for 10 years. There were deductions in the City's property taxes during 2017 related to this abatement in the amount of \$1,936.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 9 – Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/16	Additions	Reductions	Balance 12/31/17
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,397,908	\$0	(\$24,760) ^	\$1,373,148
Construction in Progress	4,768,807	1,299,543	(3,198,197) ^	2,870,153
<i>Total Capital Assets, not being depreciated</i>	<u>6,166,715</u>	<u>1,299,543</u>	<u>(3,222,957)</u>	<u>4,243,301</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,298,901	12,445	0	1,311,346
Buildings and Improvements	5,007,338	618,792	0	5,626,130
Equipment, Furniture and Fixtures	1,321,423	45,737	(25,769)	1,341,391
Vehicles	3,433,947	177,892	(72,829)	3,539,010
Infrastructure:				
Water Lines	6,642,978	0	(27,740)	6,615,238
Sanitary Sewer Lines	5,489,439	910,058	(6,399,497) ^	0
Roads	5,495,186	1,841,766	(34,241)	7,302,711
<i>Total Capital Assets, being depreciated</i>	<u>28,689,212</u>	<u>3,606,690</u>	<u>(6,560,076)</u>	<u>25,735,826</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(456,375)	(55,410)	0	(511,785)
Buildings and Improvements	(889,994)	(92,296)	0	(982,290)
Equipment, Furniture and Fixtures	(840,960)	(55,585)	24,744	(871,801)
Vehicles	(2,008,341)	(161,292)	58,210	(2,111,423)
Infrastructure:				
Water Lines	(901,203)	(66,152)	4,438	(962,917)
Sanitary Sewer Lines	(737,864)	0	737,864 ^	0
Roads	(1,807,893)	(271,390)	13,696	(2,065,587)
<i>Total Accumulated Depreciation</i>	<u>(7,642,630)</u>	<u>(702,125) *</u>	<u>838,952</u>	<u>(7,505,803)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>21,046,582</u>	<u>2,904,565</u>	<u>(5,721,124)</u>	<u>18,230,023</u>
Governmental Activities Capital Assets, Net	<u>\$27,213,297</u>	<u>\$4,204,108</u>	<u>(\$8,944,081)</u>	<u>\$22,473,324</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$42,210
Security of Persons and Property	191,973
Transportation	343,612
Community Environment	17
Public Health Services	66,152
Leisure Time Activities	58,161
Total Depreciation Expense	<u>\$702,125</u>

^ The City of Norton entered into an agreement with the City of Barbarton to transfer all sewer assets and operations during 2017. The assets transferred included \$618,565 of construction in progress that had not been placed in service, \$23,760 of land, and sanitary sewer lines net of depreciation in the amount of \$5,682,178. See Note 16 for further details of the transfer of operations.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 10 – Short-Term Obligations

A summary of note transactions for the year ended December 31, 2017 follows:

	Balance 12/31/16	Additions	Reductions	Balance 12/31/17
Governmental Activities				
2016 Series BAN	\$200,000	\$0	(\$200,000)	\$0
2017 Series BAN	0	100,000	0	100,000
<i>Total Short-Term Obligations</i>	<u>\$200,000</u>	<u>\$100,000</u>	<u>(\$200,000)</u>	<u>\$100,000</u>

On December 12, 2016, the City refinanced \$200,000 in bond anticipation notes to purchase Motorola P-25 emergency radios for the Fire, Police, and Service Departments at an interest rate of 1.75 percent. The notes matured on December 12, 2017.

On December 11, 2017, the City refinanced \$100,000 in bond anticipation notes to purchase Motorola P-25 emergency radios for the Fire, Police, and Service Departments at an interest rate of 2.30 percent. The notes will mature on December 10, 2018.

Note 11 – Long-Term Obligations

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

	Year of Issuance	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:				
2010 Various Purpose Bonds - Series A:				
Fire Station	2010	2 - 5%	\$2,600,000	December 1, 2035
2012 Refunding Bonds:				
Street Improvement	2012	2 - 3	220,000	December 1, 2018
Police Radio System	2012	2 - 3	158,000	December 1, 2018
Road Program	2012	2 - 3	200,000	December 1, 2018
Ballfields	2012	2 - 3	157,000	December 1, 2023
Gardner Engineering	2012	2 - 3	115,000	December 1, 2023
Barber Road Sanitary Sewer	2012	2 - 3	871,182	December 1, 2023
Special Assessment Bonds				
with Governmental Commitment:				
2010 Various Purpose Bonds - Series B:				
Wadsworth, Berry, McGowan Waterlines	2010	2 - 5	294,399	December 1, 2030
Cleveland-Massillon Waterline	2010	2 - 5	522,896	December 1, 2030
Gardner Phase II	2010	2 - 5	224,042	December 1, 2030
Hazelwood Connect	2010	2 - 5	102,019	December 1, 2030
Johnson Meadows	2010	2 - 5	146,644	December 1, 2030
2012 Various Purpose Bonds:				
Greenwich Street Sewer	2012	2 - 4	232,000	December 1, 2032
Gardner Street Waterline	2012	2 - 4	195,000	December 1, 2032
Oak Street Sewer	2012	2 - 4	230,000	December 1, 2032
2012 Refunding Bonds:				
Barber Road	2012	2 - 3	516,818	December 1, 2023
OPWC Loan:				
Newpark Drive Reconstruction - Phase I	2017	N/A	13,990	July 1, 2047

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

A schedule of changes in bonds and other long-term obligations of the City during 2017 following:

	Amounts Outstanding 12/31/16	Additions	Reductions	Amounts Outstanding 12/31/17	Amounts Due in One Year
General Obligation Bonds:					
2010 Various Purpose Bonds - Series A:					
Fire Station - Serial	\$320,000	\$0	(\$75,000)	\$245,000	\$80,000
Fire Station - Term	1,845,000	0	0	1,845,000	0
Premium	62,459	0	(4,462)	57,997	0
Total 2010 Various Purpose Bonds	2,227,459	0	(79,462)	2,147,997	80,000
2012 Refunding Bonds:					
Street Improvement	90,000	0	(45,000)	45,000	45,000
Police Radio System	65,000	0	(30,000)	35,000	35,000
Road Program	80,000	0	(40,000)	40,000	40,000
Ballfields	110,000	0	(15,000)	95,000	15,000
Gardner Engineering	85,000	0	(10,000)	75,000	10,000
Barber Road Sanitary Sewer	633,054	0	(83,160)	549,894	85,680
Premium	59,860	0	(8,551)	51,309	0
Total 2012 Refunding Bonds	1,122,914	0	(231,711)	891,203	230,680
Total General Obligation Bonds	3,350,373	0	(311,173)	3,039,200	310,680
Special Assessment Bonds					
with Governmental Commitment:					
2010 Various Purpose Bonds - Series B:					
Wadsworth, Berry, McGowan Waterlines - Serial	51,347	0	(12,552)	38,795	12,552
Cleveland-Massillon Waterline - Serial	91,205	0	(22,294)	68,911	22,294
Gardner Phase II - Serial	39,076	0	(9,552)	29,524	9,552
Hazelwood Connect - Serial	17,795	0	(4,350)	13,445	4,350
Johnson Meadows - Serial	25,577	0	(6,252)	19,325	6,252
Wadsworth, Berry, McGowan Waterlines - Term	173,444	0	0	173,444	0
Cleveland-Massillon Waterline - Term	308,063	0	0	308,063	0
Gardner Phase II - Term	131,994	0	0	131,994	0
Hazelwood Connect - Term	60,104	0	0	60,104	0
Johnson Meadows - Term	86,395	0	0	86,395	0
Premium	34,140	0	(1,796)	32,344	0
Total 2010 Various Purpose Bonds	1,019,140	0	(56,796)	962,344	55,000
2012 Various Purpose Bonds:					
Greenwich Street Sewer - Serial	74,000	0	(10,000)	64,000	10,000
Gardner Street Waterline - Serial	61,000	0	(8,000)	53,000	8,000
Oak Street Sewer - Serial	75,000	0	(10,000)	65,000	11,000
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	21,520	0	(1,345)	20,175	0
Total 2012 Various Purpose Bonds	581,520	0	(29,345)	552,175	29,000
2012 Refunding Bonds:					
Barber Road - Serial	376,946	0	(48,840)	328,106	50,320
Premium	17,974	0	(2,568)	15,406	0
Total 2012 Refunding Bonds	394,920	0	(51,408)	343,512	50,320
Total Special Assessment Bonds	1,995,580	0	(137,549)	1,858,031	134,320
Other Long-Term Liabilities:					
OPWC Newpark Drive Reconstruction - Phase I Loan	0	13,990	0	13,990	13,990
Capital Leases	359,992	556,000	(120,761)	795,231	136,101
Compensated Absences	691,451	338,235	(395,786)	633,900	356,019
Total Other Long-Term Liabilities	1,051,443	908,225	(516,547)	1,443,121	506,110
Net Pension Liability:					
OPERS	1,595,462	437,385	0	2,032,847	0
OPF	3,815,516	662,172	0	4,477,688	0
Total Net Pension Liability	5,410,978	1,099,557	0	6,510,535	0
Total Long-Term Liabilities	\$11,808,374	\$2,007,782	(\$965,269)	\$12,850,887	\$951,110

City of Norton, Ohio
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For the Year Ended December 31, 2017

General Obligation Bonds

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

Various Purpose General Obligation Bond

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

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

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

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

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

In 2012, the City issued various purpose general obligation refunding bonds, in the amount of \$1,721,182, to refund a portion of the 2003 various purpose general obligation bonds. The bonds were issued with interest rates varying from 2 to 3 percent. The bonds were issued for a 12 year period with a final maturity on

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

December 1, 2023. A portion of the bonds was paid for by the water and sewer improvement fund and land and land improvement funds, 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.

Various Purpose Special Assessment Bonds

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 bonds were originally issued for capital purposes, but due to the transfer of operations the outstanding bonds are not capital related any longer. See Note 16 for more detail of the transfer of operations.

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

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

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

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

In 2012, the City issued various purpose special assessment refunding bonds, in the amount of \$516,818, to refund a portion of the 2003 various purpose special assessment bonds. The bonds were issued at an interest rate of 2 to 3 percent. The bonds were issued for a 12 year period with a final maturity on December 1, 2023. The bonds are being retired from the special assessment bond retirement debt service fund. The bonds were originally issued for capital purposes, but due to the transfer of operations the outstanding bonds are not capital related any longer. See Note 16 for more detail of the transfer of operations.

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, 2017, \$1,170,000 of the defeased bonds are still outstanding.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The Ohio Public Works Commission (OPWC) loan will be paid from Newpark Drive reconstruction capital projects fund. While the stated maturity for this loan is July 1, 2047, the City intends to pay off the full amount of the loan in 2018. The capital leases will be paid from the general fund and street construction, maintenance and repair and fire/EMS special revenue funds.

Compensated absences will be paid from the general fund and the street construction, maintenance and repair, and fire/EMS special revenue funds, which are funds from which the employees' salaries are paid. There is no repayment schedule for the net pension liability; however, employer pension contributions are made from the general fund and the street construction, maintenance and repair, and fire/EMS special revenue funds, as well. For additional information related to the net pension liability see Note 14.

The City's overall debt margin was \$22,633,106 and the unvoted legal debt margin was \$10,405,960 at December 31, 2017.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017, are as follows:

General Obligation Bonds						
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$310,680	\$120,829	\$0	\$0	\$310,680	\$120,829
2019	191,940	111,749	0	0	191,940	111,749
2020	201,980	105,991	0	0	201,980	105,991
2021	123,870	11,506	85,000	88,425	208,870	99,931
2022	126,390	7,790	90,000	84,175	216,390	91,965
2023-2027	130,034	3,998	525,000	348,375	655,034	352,373
2028-2032	0	0	665,000	204,625	665,000	204,625
2033-2035	0	0	480,000	43,650	480,000	43,650
Totals	<u>\$1,084,894</u>	<u>\$361,863</u>	<u>\$1,845,000</u>	<u>\$769,250</u>	<u>\$2,929,894</u>	<u>\$1,131,113</u>

Special Assessment Bonds						
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$134,320	\$67,285	\$0	\$0	\$134,320	\$67,285
2019	133,060	63,421	0	0	133,060	63,421
2020	143,020	59,429	0	0	143,020	59,429
2021	86,130	20,155	60,000	34,982	146,130	55,137
2022	88,610	17,572	65,000	31,982	153,610	49,554
2023-2027	94,966	14,914	510,000	148,908	604,966	163,822
2028-2032	0	0	475,000	42,218	475,000	42,218
Totals	<u>\$680,106</u>	<u>\$242,776</u>	<u>\$1,110,000</u>	<u>\$258,090</u>	<u>\$1,790,106</u>	<u>\$500,866</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 12 – Capital Leases

During 2017, the City entered into a lease agreement for an energy conservation project in the City's buildings. In prior years, the City entered into lease agreements for an excavator, a dump truck, loader, back hoe, and an ambulance. The leases meet the criteria for capital leases and have been recorded on the government-wide statements. The assets acquired through the capital leases were capitalized at the present value of the minimum lease payments, plus the value of equipment trade-ins, at the time the leases were entered into.

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Equipment	\$205,372
Vehicles	421,908
Building Improvements	556,000
Less: Accumulated Depreciation	(127,393)
Total	<u>\$1,055,887</u>

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

	Principal	Interest	Total
2018	\$136,101	\$22,639	\$158,740
2019	144,758	15,472	160,230
2020	109,372	11,564	120,936
2021	54,000	9,113	63,113
2022	55,000	7,898	62,898
2023-2027	296,000	20,249	316,249
Totals	<u>\$795,231</u>	<u>\$86,935</u>	<u>\$882,166</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 13 – Risk Management

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

Company	Type of Coverage	Deductible	Coverage
Ohio Casualty Insurance Company	Bond - Mayor	\$0	\$50,000
	Bond - Finance Director	0	100,000
	Bond - Administrator	0	50,000
Wichert Insurance Agency	Public Officials Liability	10,000	1,000,000
	Law Enforcement Liability	10,000	1,000,000
	Commercial Property	1,000	11,155,772
	Personal Property	1,000	10,695,856
	Inland Marine	1,000	1,834,319
	General Liability	0	100,000 - 2,000,000
	Commercial Crime - Employee Theft Per Loss	0 - 5,000	250,000 - 1,000,000
	Cyberrisk	0	1,000,000
	Automobile Liability	0	1,000,000
	Automobile Uninsured Motorists	0	50,000
	Automobile Underinsured Motorists	0	50,000
	Umbrella Liability	0	10,000,000

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 four years.

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

Note 14 – Defined Benefit Pension Plans

Net Pension Liability

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

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

City of Norton, Ohio
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For the Year Ended December 31, 2017

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

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

	<u>State and Local</u>
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0</u>
Total Employer	<u><u>14.0 %</u></u>
Employee	<u><u>10.0 %</u></u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$144,320 for 2017. Of this amount, \$25,155 is reported as an intergovernmental payable.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OPF CAFR referenced previously for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.)

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percent increase in the consumer price index, if any, over the 12-month period ends on thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

	<u>Police</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$330,904 for 2017. Of this amount \$51,362 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OPF</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.00895200%	0.07069400%	
Prior Measurement Date	<u>0.00921100%</u>	<u>0.05931100%</u>	
Change in Proportionate Share	<u>-0.00025900%</u>	<u>0.01138300%</u>	
Proportionate Share of the Net Pension Liability	\$2,032,847	\$4,477,688	<u>Total</u> \$6,510,535
Pension Expense	\$360,125	\$713,440	\$1,073,565

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,755	\$1,267	\$4,022
Changes of assumptions	322,434	0	322,434
Net difference between projected and actual earnings on pension plan investments	302,738	435,436	738,174
Changes in proportion and differences between City contributions and proportionate share of contributions	0	849,173	849,173
City contributions subsequent to the measurement date	<u>144,320</u>	<u>330,904</u>	<u>475,224</u>
Total Deferred Outflows of Resources	<u><u>\$772,247</u></u>	<u><u>\$1,616,780</u></u>	<u><u>\$2,389,027</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$12,099	\$10,309	\$22,408
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>92,542</u>	<u>0</u>	<u>92,542</u>
Total Deferred Inflows of Resources	<u><u>\$104,641</u></u>	<u><u>\$10,309</u></u>	<u><u>\$114,950</u></u>

\$475,224 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2018	\$183,035	\$346,006	\$529,041
2019	242,412	346,006	588,418
2020	106,714	306,546	413,260
2021	(8,875)	151,089	142,214
2022	0	115,809	115,809
Thereafter	<u>0</u>	<u>10,111</u>	<u>10,111</u>
Total	<u><u>\$523,286</u></u>	<u><u>\$1,275,567</u></u>	<u><u>\$1,798,853</u></u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented as follows.

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the previously described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

City of Norton, Ohio
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For the Year Ended December 31, 2017

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table as follows displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Norton, Ohio
Notes to the Basic Financial Statements
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Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$3,105,628	\$2,032,847	\$1,138,873

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are as follows:

Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
	plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class,

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016, are as follows:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	0.00 %	0.00 %
Domestic Equity	16.00	4.46	5.21
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation Protected Securities*	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Real Assets	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$5,963,748	\$4,477,688	\$3,218,230

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Changes Between Measurement Date and Report Date

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

Social Security System

As of December 31, 2017, the City's part-time firefighters have elected to be covered by Social Security rather than OPERS. The City's liability is 6.2 percent of wages paid.

Note 15 – Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

City of Norton, Ohio
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For the Year Ended December 31, 2017

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was one percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was four percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contributions for the years ended December 31, 2017, 2016, and 2015 were \$11,101, \$23,145, and \$28,884, respectively. For 2017, 82.57 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was .5 percent

City of Norton, Ohio
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of covered payroll. The amount of employer contributions allocated to health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OPF for the years ended December 31, 2017, 2016, and 2015, which were allocated to fund post-employment health care benefits for police and firefighters, were \$5,657 and \$2,466, \$5,064 and \$2,326, and \$5,264 and \$1,805, respectively. For 2017, 84.91 and 83.68 percent has been contributed for police and firefighters, respectively, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Note 16 – Special Item – Transfer of Operations

In January of 2017, a memorandum of understanding (MOU) was effective between the City and the City of Barberton that a transfer of sewer operation from the City to the City of Barberton would occur. The City of Barberton now controls all sanitary sewer line operations and owns all sewer lines within the City. Environmental remediation mandates from the Ohio Environmental Protection Agency (EPA) also transferred from the City to the City of Barberton. No revenue or expenditures related to the sewer operation were reported by the City of Norton in 2017.

The City was notified by the Ohio EPA that a number of discharging and/or failing septic systems in the Nash Heights subdivision of the City were contributing to elevated bacteria in the City's Municipal Separate Storm Sewer System (MS4) and the Wolf Creek Watershed. The City worked 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 ended on May 30, 2017. If the City failed 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. Based on the MOU, the City of Barberton assumed all responsibility for the EPA orders and supervision of construction by Rudzik Excavating. Rudzik Excavating began construction in April of 2017 and is expected to be completed by April of 2018. The Ohio EPA has mandated that the construction must be completed by July 1, 2018 to avoid penalties. Once construction is completed and the total cost of the project is determined, assessments will be determined to charge to the applicable residents. The City will be responsible for making annual payments for the project to the City of Barberton over a 30 year period, paying a portion of the loans upon completion of the project.

The City will receive payment of \$375,000 from the City of Barberton (See Note 7). The City transferred assets with a carrying amount of \$6,324,503 to the City of Barberton (See Note 9). As a result of the transfer, the City incurred a loss of \$5,949,503 in the transfer of sewer operations to the City of Barberton due to the transfer of all sanitary sewer lines from the City's records.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 17 - 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, 2017.

Litigation

In early 2013, the City became the defendant in a legal action for all City residents that pay a particular sewer charge. This matter was referred to the 9th District Court, and arguments were heard in November of 2016. The 9th District Court subsequently ruled in favor of the City in 2017. There has been no appeal by the residents as of the date of these financial statements.

Note 18 – 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 19 – Interfund Transfers

Interfund transfers for the year ended December 31, 2017, consisted of the following:

Transfer To	Transfer From			Total
	General	Street, Construction, Maintenance, and Repair	Fire/EMS	
General	\$0	\$13,500	\$52,000	\$65,500
Street Construction, Maintenance and Repair	691,898	0	0	691,898
Other Governmental Funds	331,012	0	0	331,012
Total	<u>\$1,022,910</u>	<u>\$13,500</u>	<u>\$52,000</u>	<u>\$1,088,410</u>

City of Norton, Ohio
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Transfers from the general fund were used to move unrestricted revenues collected in the general fund to finance various programs accounted for in the street construction, maintenance and repair special revenue fund and other governmental funds in accordance with budgetary authorizations, to provide additional resources for current operations, to pay debt, and to segregate money for anticipated capital projects. The street maintenance and fire/EMS funds transferred to the general fund to reclassify short-term obligations proceeds and payments.

Note 20 – 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 21 – 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 2017, the City contributed \$367,405 to the Council for dispatch services and \$49,200 for information technology services. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

Note 22 – 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	\$362,833
Street Construction, Maintenance and Repair	72,070
Fire/EMS	116,336
Water and Sewer Improvements	232,080
Other Governmental Funds	<u>281,154</u>
Total	<u><u>\$1,064,473</u></u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 23 – 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	Special Assessment Bond Retirement	Water and Sewer Improvements	Other Governmental Funds	Total
<u>Nonspendable:</u>							
Inventory	\$4,988	\$289,756	\$0	\$0	\$0	\$0	\$294,744
Prepays	30,368	3,280	6,888	0	0	0	40,536
Unclaimed Monies	9,542	0	0	0	0	0	9,542
<i>Total Nonspendable</i>	<u>44,898</u>	<u>293,036</u>	<u>6,888</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>344,822</u>
<u>Restricted for:</u>							
Police Department	0	0	0	0	0	289,239	289,239
Fire/EMS Department	0	0	1,405,395	0	0	0	1,405,395
Street Maintenance	0	185,703	0	0	0	90,946	276,649
Public Utilities	0	0	0	0	375,000	2,354,735	2,729,735
Capital Improvement	0	0	0	0	0	370,747	370,747
Debt Service Retirement	0	0	0	269,661	0	17	269,678
<i>Total Restricted</i>	<u>0</u>	<u>185,703</u>	<u>1,405,395</u>	<u>269,661</u>	<u>375,000</u>	<u>3,105,684</u>	<u>5,341,443</u>
<u>Committed to:</u>							
City Administration	146,144	0	0	0	0	0	146,144
Special Events	0	0	0	0	0	5,209	5,209
Police Department	65,632	0	0	0	0	0	65,632
Cemetery	0	0	0	0	0	16,338	16,338
Public Utilities	0	0	0	0	1,756,267	0	1,756,267
Parks	3,849	0	0	0	0	0	3,849
<i>Total Committed</i>	<u>215,625</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,756,267</u>	<u>21,547</u>	<u>1,993,439</u>
<u>Assigned to:</u>							
Community Center	25,905	0	0	0	0	0	25,905
Greenwich Road Property	2,231	0	0	0	0	0	2,231
Recycling	15,140	0	0	0	0	0	15,140
Scrap Tire	643	0	0	0	0	0	643
Street Maintenance	453,121	0	0	0	0	0	453,121
Purchases on Order:							
City Administration	24,956	0	0	0	0	0	24,956
Police Department	17,579	0	0	0	0	0	17,579
Building	316	0	0	0	0	0	316
Parks	1,111	0	0	0	0	0	1,111
Storm Sewer	8,874	0	0	0	0	0	8,874
Capital Improvements	0	0	0	0	0	296,859	296,859
<i>Total Assigned</i>	<u>549,876</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>296,859</u>	<u>846,735</u>
Unassigned (Deficit)	<u>3,134,220</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(17,799)</u>	<u>3,116,421</u>
Total Fund Balances	<u><u>\$3,944,619</u></u>	<u><u>\$478,739</u></u>	<u><u>\$1,412,283</u></u>	<u><u>\$269,661</u></u>	<u><u>\$2,131,267</u></u>	<u><u>\$3,406,291</u></u>	<u><u>\$11,642,860</u></u>

Required Supplementary Information

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.00895200%	0.00921100%	0.01085700%	0.01085700%
City's Proportionate Share of the Net Pension Liability	\$2,032,847	\$1,595,462	\$1,309,476	\$1,279,899
City's Covered Payroll	\$1,157,242	\$1,146,400	\$1,331,017	\$1,550,131
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.66%	139.17%	98.38%	82.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each fiscal year were determined as of the City's measurement date, which is the prior year end.

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.07069400%	0.05931100%	0.04933120%	0.04933120%
City's Proportionate Share of the Net Pension Liability	\$4,477,688	\$3,815,516	\$2,555,560	\$2,402,584
City's Covered Payroll	\$1,477,940	\$1,187,377	\$1,051,452	\$1,136,466
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	302.97%	321.34%	243.05%	211.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each fiscal year were determined as of the City's measurement date, which is the prior year end.

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

	2017	2016	2015	2014	2013
Contractually Required Contribution	\$144,320	\$138,869	\$137,568	\$159,722	\$201,517
Contributions in Relation to the Contractually Required Contribution	(144,320)	(138,869)	(137,568)	(159,722)	(201,517)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,110,154	\$1,157,242	\$1,146,400	\$1,331,017	\$1,550,131
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

	2017	2016	2015	2014
Contractually Required Contribution	\$330,904	\$301,741	\$238,670	\$206,448
Contributions in Relation to the Contractually Required Contribution	(330,904)	(301,741)	(238,670)	(206,448)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered Payroll	\$1,624,772	\$1,477,940	\$1,187,377	\$1,051,452
Contributions as a Percentage of Covered Payroll	20.37%	20.42%	20.10%	19.63%

2013	2012	2011	2010	2009	2008
\$187,229	\$113,745	\$132,626	\$155,561	\$155,546	\$159,301
(187,229)	(113,745)	(132,626)	(155,561)	(155,546)	(159,301)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,136,466	\$855,682	\$1,011,500	\$1,167,270	\$1,171,179	\$1,198,608
16.47%	13.29%	13.11%	13.33%	13.28%	13.29%

City of Norton, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions – OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented as follows:

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

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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, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

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

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

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

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

Law Enforcement Assistance Fund To account for and report revenues and expenditures restricted for the Law Enforcement Assistance program. The fund did not have any budgetary activity in 2017; therefore, budgetary information is not provided.

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

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

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

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

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 revenues that are restricted for providing sewer services to residents, as provided for in the transfer agreement of sewer operations to the City of Barberton.

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

Scrap Tire Fund To account for and report various assigned revenues to provide for a scrap tire management and recovery program. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. The fund did not have any budgetary activity in 2017; therefore, budgetary information is not provided.

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

Buildings Fund To account for and report various revenues and expenditures assigned for constructing new operations and storage areas. The fund did not have any budgetary activity in 2017; therefore, budgetary information is not provided.

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

Storm Sewer Fund To account for and report revenues and expenditures assigned for the construction and acquisition of capital storm sewer projects. The fund did not have any budgetary activity in 2017; therefore, budgetary information is not provided.

Sanitary Sewer Fund To account for amounts assigned for sanitary sewer projects. The fund did not have any budgetary activity in 2017; therefore, budgetary information is not provided.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

Newpark Drive Reconstruction Fund To account for and report grants and loan proceeds restricted for the construction of flood control capital projects.

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

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,702,318	\$17	\$679,554	\$3,381,889
Accounts Receivable	56,073	0	1,902	57,975
Intergovernmental Receivable	33,254	0	0	33,254
Property Taxes Receivable	70,627	0	0	70,627
<i>Total Assets</i>	<u>\$2,862,272</u>	<u>\$17</u>	<u>\$681,456</u>	<u>\$3,543,745</u>
Liabilities				
Accounts Payable	\$7,016	\$0	\$0	\$7,016
Intergovernmental Payable	21,987	0	0	21,987
Contracts Payable	0	0	13,850	13,850
<i>Total Liabilities</i>	<u>29,003</u>	<u>0</u>	<u>13,850</u>	<u>42,853</u>
Deferred Inflows of Resources				
Property Taxes	63,732	0	0	63,732
Unavailable Revenue	30,869	0	0	30,869
<i>Total Deferred Inflows of Resources</i>	<u>94,601</u>	<u>0</u>	<u>0</u>	<u>94,601</u>
Fund Balances				
Restricted	2,734,920	17	370,747	3,105,684
Committed	21,547	0	0	21,547
Assigned	0	0	296,859	296,859
Unassigned (Deficit)	(17,799)	0	0	(17,799)
<i>Total Fund Balances</i>	<u>2,738,668</u>	<u>17</u>	<u>667,606</u>	<u>3,406,291</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,862,272</u>	<u>\$17</u>	<u>\$681,456</u>	<u>\$3,543,745</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$63,962	\$0	\$0	\$63,962
Charges for Services	243,091	0	120,478	363,569
Fines and Forfeitures	20,272	0	0	20,272
Intergovernmental	72,639	0	610,681	683,320
Contributions and Donations	250	0	0	250
Interest	364	0	0	364
Other	0	2,257	0	2,257
<i>Total Revenues</i>	<u>400,578</u>	<u>2,257</u>	<u>731,159</u>	<u>1,133,994</u>
Expenditures				
Current:				
General Government	1,087	36	0	1,123
Security of Persons and Property	106,991	0	0	106,991
Transportation	11,087	0	0	11,087
Public Health Services	13,658	0	0	13,658
Capital Outlay	0	0	742,635	742,635
Debt Service:				
Principal Retirement	0	200,000	15,000	215,000
Interest and Fiscal Charges	0	107,010	3,300	110,310
<i>Total Expenditures</i>	<u>132,823</u>	<u>307,046</u>	<u>760,935</u>	<u>1,200,804</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>267,755</u>	<u>(304,789)</u>	<u>(29,776)</u>	<u>(66,810)</u>
Other Financing Sources				
OPWC Loan Issued	0	0	13,990	13,990
Transfers In	16,000	303,700	11,312	331,012
<i>Total Other Financing Sources</i>	<u>16,000</u>	<u>303,700</u>	<u>25,302</u>	<u>345,002</u>
<i>Net Change in Fund Balances</i>	<u>283,755</u>	<u>(1,089)</u>	<u>(4,474)</u>	<u>278,192</u>
<i>Fund Balances Beginning of Year</i>	<u>2,454,913</u>	<u>1,106</u>	<u>672,080</u>	<u>3,128,099</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,738,668</u></u>	<u><u>\$17</u></u>	<u><u>\$667,606</u></u>	<u><u>\$3,406,291</u></u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	<u>State Highway Improvement</u>	<u>DARE Program</u>	<u>Drug Law Enforcement</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$88,852	\$18,632	\$2,952
Accounts Receivable	0	0	0
Intergovernmental Receivable	28,282	0	0
Property Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$117,134</u></u>	<u><u>\$18,632</u></u>	<u><u>\$2,952</u></u>
Liabilities			
Accounts Payable	\$7,016	\$0	\$0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>7,016</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources			
Property Taxes	0	0	0
Unavailable Revenue	<u>19,172</u>	<u>0</u>	<u>0</u>
<i>Total Deferred Inflows of Resources</i>	<u>19,172</u>	<u>0</u>	<u>0</u>
Fund Balances			
Restricted	90,946	18,632	2,952
Committed	0	0	0
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances (Deficit)</i>	<u>90,946</u>	<u>18,632</u>	<u>2,952</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$117,134</u></u>	<u><u>\$18,632</u></u>	<u><u>\$2,952</u></u>

<u>Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>DWI Enforcement and Education</u>	<u>Cemetery</u>	<u>Special Events</u>	<u>Police and Fire Disability and Pension</u>
\$18,925	\$4,780	\$4,018	\$16,338	\$5,209	\$197,065
0	0	0	0	0	0
0	0	170	0	0	4,802
0	0	0	0	0	70,627
<u>\$18,925</u>	<u>\$4,780</u>	<u>\$4,188</u>	<u>\$16,338</u>	<u>\$5,209</u>	<u>\$272,494</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	21,987	0	0	0
0	0	21,987	0	0	0
0	0	0	0	0	63,732
0	0	0	0	0	11,697
0	0	0	0	0	75,429
18,925	4,780	0	0	0	197,065
0	0	0	16,338	5,209	0
0	0	(17,799)	0	0	0
<u>18,925</u>	<u>4,780</u>	<u>(17,799)</u>	<u>16,338</u>	<u>5,209</u>	<u>197,065</u>
<u>\$18,925</u>	<u>\$4,780</u>	<u>\$4,188</u>	<u>\$16,338</u>	<u>\$5,209</u>	<u>\$272,494</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

	Water System	Sanitary Sewer	Police Equipment	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,082,804	\$1,215,858	\$46,885	\$2,702,318
Accounts Receivable	46,348	9,725	0	56,073
Intergovernmental Receivable	0	0	0	33,254
Property Taxes Receivable	0	0	0	70,627
<i>Total Assets</i>	<u>\$1,129,152</u>	<u>\$1,225,583</u>	<u>\$46,885</u>	<u>\$2,862,272</u>
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$7,016
Intergovernmental Payable	0	0	0	21,987
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,003</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	63,732
Unavailable Revenue	0	0	0	30,869
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>94,601</u>
Fund Balances				
Restricted	1,129,152	1,225,583	46,885	2,734,920
Committed	0	0	0	21,547
Unassigned (Deficit)	0	0	0	(17,799)
<i>Total Fund Balances (Deficit)</i>	<u>1,129,152</u>	<u>1,225,583</u>	<u>46,885</u>	<u>2,738,668</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,129,152</u>	<u>\$1,225,583</u>	<u>\$46,885</u>	<u>\$2,862,272</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	State Highway Improvement	DARE Program	Drug Law Enforcement	Law Enforcement
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	35	16,498
Intergovernmental	50,973	12,048	0	0
Contributions and Donations	0	0	0	0
Interest	364	0	0	0
<i>Total Revenues</i>	<u>51,337</u>	<u>12,048</u>	<u>35</u>	<u>16,498</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	765
Transportation	11,087	0	0	0
Public Health Services	0	0	0	0
<i>Total Expenditures</i>	<u>11,087</u>	<u>0</u>	<u>0</u>	<u>765</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	40,250	12,048	35	15,733
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	40,250	12,048	35	15,733
<i>Fund Balances Beginning of Year</i>	<u>50,696</u>	<u>6,584</u>	<u>2,917</u>	<u>3,192</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$90,946</u></u>	<u><u>\$18,632</u></u>	<u><u>\$2,952</u></u>	<u><u>\$18,925</u></u>

(continued)

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2017

	Law Enforcement Assistance	DWI Enforcement and Education	Cemetery	Special Events
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	3,739	0	0
Intergovernmental	0	0	0	0
Contributions and Donations	0	0	0	250
Interest	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>3,739</u>	<u>0</u>	<u>250</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	47,656	0	0
Transportation	0	0	0	0
Public Health Services	0	0	902	0
<i>Total Expenditures</i>	<u>0</u>	<u>47,656</u>	<u>902</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(43,917)	(902)	250
Other Financing Sources				
Transfers In	<u>0</u>	<u>16,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(27,917)	(902)	250
<i>Fund Balances Beginning of Year</i>	<u>4,780</u>	<u>10,118</u>	<u>17,240</u>	<u>4,959</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,780</u></u>	<u><u>(\$17,799)</u></u>	<u><u>\$16,338</u></u>	<u><u>\$5,209</u></u>

<u>Police and Fire Disability and Pension</u>	<u>Water System</u>	<u>Sanitary Sewer</u>	<u>Police Equipment</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$63,962	\$0	\$0	\$0	\$63,962
0	170,235	0	72,856	243,091
0	0	0	0	20,272
9,618	0	0	0	72,639
0	0	0	0	250
0	0	0	0	364
<u>73,580</u>	<u>170,235</u>	<u>0</u>	<u>72,856</u>	<u>400,578</u>
1,087	0	0	0	1,087
0	0	0	58,570	106,991
0	0	0	0	11,087
0	2,235	10,521	0	13,658
<u>1,087</u>	<u>2,235</u>	<u>10,521</u>	<u>58,570</u>	<u>132,823</u>
72,493	168,000	(10,521)	14,286	267,755
0	0	0	0	16,000
72,493	168,000	(10,521)	14,286	283,755
<u>124,572</u>	<u>961,152</u>	<u>1,236,104</u>	<u>32,599</u>	<u>2,454,913</u>
<u>\$197,065</u>	<u>\$1,129,152</u>	<u>\$1,225,583</u>	<u>\$46,885</u>	<u>\$2,738,668</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Streets, Highways and Bridges</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$262,961	\$14,964	\$191,631
Accounts Receivable	<u>1,902</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$264,863</u></u>	<u><u>\$14,964</u></u>	<u><u>\$191,631</u></u>
Liabilities			
Contracts Payable	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Fund Balances			
Restricted	0	0	191,631
Assigned	<u>264,863</u>	<u>14,964</u>	<u>0</u>
<i>Total Fund Balances</i>	<u><u>264,863</u></u>	<u><u>14,964</u></u>	<u><u>191,631</u></u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$264,863</u></u>	<u><u>\$14,964</u></u>	<u><u>\$191,631</u></u>

Storm Sewer	Sanitary Sewer	Cleveland - Massillon Widening	Total Nonmajor Capital Projects Funds
\$6,329	\$10,703	\$192,966	\$679,554
0	0	0	1,902
<u>\$6,329</u>	<u>\$10,703</u>	<u>\$192,966</u>	<u>\$681,456</u>
<u>\$0</u>	<u>\$0</u>	<u>\$13,850</u>	<u>\$13,850</u>
0	0	179,116	370,747
6,329	10,703	0	296,859
<u>6,329</u>	<u>10,703</u>	<u>179,116</u>	<u>667,606</u>
<u>\$6,329</u>	<u>\$10,703</u>	<u>\$192,966</u>	<u>\$681,456</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	Land and Land Improvements	Buildings	Streets, Highways and Bridges
Revenues			
Charges for Services	\$120,478	\$0	\$0
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Revenues</i>	<u>120,478</u>	<u>0</u>	<u>0</u>
Expenditures			
Capital Outlay	82,318	0	0
Debt Service:			
Principal Retirement	15,000	0	0
Interest and Fiscal Charges	<u>3,300</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>100,618</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>19,860</u>	<u>0</u>	<u>0</u>
Other Financing Sources			
OPWC Loan Issued	0	0	0
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	19,860	0	0
<i>Fund Balances Beginning of Year</i>	<u>245,003</u>	<u>14,964</u>	<u>191,631</u>
<i>Fund Balances End of Year</i>	<u><u>\$264,863</u></u>	<u><u>\$14,964</u></u>	<u><u>\$191,631</u></u>

Storm Sewer	Sanitary Sewer	Newpark Drive Reconstruction	Cleveland - Massillon Widening	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$120,478
0	0	40,000	570,681	610,681
0	0	40,000	570,681	731,159
0	0	65,302	595,015	742,635
0	0	0	0	15,000
0	0	0	0	3,300
0	0	65,302	595,015	760,935
0	0	(25,302)	(24,334)	(29,776)
0	0	13,990	0	13,990
0	0	11,312	0	11,312
0	0	25,302	0	25,302
0	0	0	(24,334)	(4,474)
6,329	10,703	0	203,450	672,080
\$6,329	\$10,703	\$0	\$179,116	\$667,606

Fund Descriptions - Fiduciary Funds

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

Agency Funds

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

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

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

City of Norton, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Beginning Balance 12/31/16	Additions	Deductions	Ending Balance 12/31/17
<i>General Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$97,187</u>	<u>\$106,511</u>	<u>\$112,179</u>	<u>\$91,519</u>
Liabilities				
Undistributed Assets	<u>\$97,187</u>	<u>\$106,511</u>	<u>\$112,179</u>	<u>\$91,519</u>
<i>Building Standards</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$187</u>	<u>\$0</u>	<u>\$0</u>	<u>\$187</u>
Liabilities				
Undistributed Assets	<u>\$187</u>	<u>\$0</u>	<u>\$0</u>	<u>\$187</u>
<i>Total Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$97,374</u>	<u>\$106,511</u>	<u>\$112,179</u>	<u>\$91,706</u>
Liabilities				
Undistributed Assets	<u>\$97,374</u>	<u>\$106,511</u>	<u>\$112,179</u>	<u>\$91,706</u>

**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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$337,824	\$341,100	\$341,133	\$33
Municipal Income Tax	5,600,000	5,600,000	5,628,757	28,757
Charges for Services	398,224	398,224	275,568	(122,656)
Licenses, Permits and Fees	54,308	54,308	37,581	(16,727)
Fines and Forfeitures	26,896	26,896	18,612	(8,284)
Intergovernmental	434,743	420,048	415,024	(5,024)
Interest	71,371	71,371	49,388	(21,983)
Other	81,503	81,627	56,524	(25,103)
Total Revenues	7,004,869	6,993,574	6,822,587	(170,987)
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	38,189	40,014	40,014	0
Fringe Benefits	11,427	16,983	16,983	0
Purchased Services	1,625	194	194	0
Total Mayor	51,241	57,191	57,191	0
City Council:				
Salaries and Wages	104,544	100,775	100,775	0
Fringe Benefits	40,352	40,697	40,697	0
Purchased Services	58,992	38,621	33,349	5,272
Materials and Supplies	346	153	153	0
Total City Council	204,234	180,246	174,974	5,272
Finance Office:				
Salaries and Wages	174,191	171,736	171,736	0
Fringe Benefits	71,501	74,835	74,835	0
Purchased Services	90,053	90,053	75,517	14,536
Materials and Supplies	486	475	475	0
Total Finance Office	336,231	337,099	322,563	14,536
Income Tax:				
Salaries and Wages	5,119	4,917	4,917	0
Fringe Benefits	2,435	2,597	2,597	0
Purchased Services	625,050	625,050	544,294	80,756
Total Income Tax	\$632,604	\$632,564	\$551,808	\$80,756

(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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Director:				
Salaries and Wages	\$18,117	\$19,643	\$19,643	\$0
Fringe Benefits	5,623	6,096	6,096	0
Purchased Services	120,526	120,526	101,518	19,008
Total Law Director	144,266	146,265	127,257	19,008
Engineer:				
Purchased Services	61,939	61,939	59,648	2,291
Administrative Officer:				
Salaries and Wages	96,493	92,859	92,859	0
Fringe Benefits	40,057	56,684	56,684	0
Purchased Services	11,057	11,057	5,980	5,077
Materials and Supplies	33	12	12	0
Capital Outlay	2,379	862	862	0
Total Administrative Officer	150,019	161,474	156,397	5,077
Planning Commission:				
Purchased Services	1,825	1,825	1,513	312
Records Commission:				
Purchased Services	473	576	576	0
Materials and Supplies	92	83	83	0
Capital Outlay	34,043	30,682	30,682	0
Total Records Commission	34,608	31,341	31,341	0
Other General Government:				
Salaries and Wages	10,973	11,705	11,705	0
Fringe Benefits	1,946	2,076	2,076	0
Purchased Services	674,268	674,268	581,748	92,520
Materials and Supplies	5,533	5,473	4,974	499
Total Other General Government	692,720	693,522	600,503	93,019
Parks and Recreation Board:				
Purchased Services	7,375	7,375	6,527	848
Building and Zoning Board:				
Purchased Services	42,025	42,025	1,729	40,296
Civil Service Commission:				
Purchased Services	\$9,465	\$9,465	\$7,268	\$2,197

(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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Storm Sewer:				
Purchased Services	\$142,622	\$142,622	\$130,764	\$11,858
Total General Government	2,511,174	2,504,953	2,229,483	275,470
Security of Persons and Property:				
Police:				
Salaries and Wages	1,634,719	1,612,712	1,290,893	321,819
Fringe Benefits	670,705	670,705	663,901	6,804
Purchased Services	129,370	135,030	135,030	0
Materials and Supplies	69,289	54,768	54,768	0
Capital Outlay	326,536	361,983	361,983	0
Total Security of Persons and Property	2,830,619	2,835,198	2,506,575	328,623
Community Environment:				
Community Development:				
Purchased Services	41,450	41,450	41,450	0
Building:				
Salaries and Wages	11,201	12,362	12,362	0
Fringe Benefits	1,893	2,089	2,089	0
Purchased Services	3,295	3,102	3,102	0
Materials and Supplies	22	500	500	0
Total Building	16,411	18,053	18,053	0
Total Community Environment	57,861	59,503	59,503	0
Leisure Time Activities:				
Community Recreation:				
Salaries and Wages	184,727	184,727	167,005	17,722
Fringe Benefits	31,005	31,005	28,031	2,974
Purchased Services	50,616	50,616	35,067	15,549
Materials and Supplies	762	762	457	305
Total Leisure Time Activities	267,110	267,110	230,560	36,550
Debt Service:				
Principal Retirement	38,000	38,000	38,000	0
Total Expenditures	5,704,764	5,704,764	5,064,121	640,643
Excess of Revenues Over Expenditures	\$1,300,105	\$1,288,810	\$1,758,466	\$469,656

(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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other Financing Sources (Uses)				
Sale of Capital Assets	\$0	\$0	\$21,180	\$21,180
Advances Out	(36,000)	(36,000)	(17,300)	18,700
Transfers In	2,300,000	2,300,000	0	(2,300,000)
Transfers Out	(845,941)	(3,281,941)	(1,936,000)	1,345,941
<i>Total Other Financing Sources (Uses)</i>	<u>1,418,059</u>	<u>(1,017,941)</u>	<u>(1,932,120)</u>	<u>(914,179)</u>
<i>Net Change in Fund Balance</i>	2,718,164	270,869	(173,654)	(444,523)
<i>Fund Balance Beginning of Year</i>	2,576,409	2,576,409	2,576,409	0
Prior Year Encumbrances Appropriated	<u>94,860</u>	<u>94,860</u>	<u>94,860</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,389,433</u>	<u>\$2,942,138</u>	<u>\$2,497,615</u>	<u>(\$444,523)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$40,845	\$40,845	\$15,568	(\$25,277)
Intergovernmental	1,687,297	1,687,297	643,103	(1,044,194)
Interest	2,962	2,962	1,129	(1,833)
Other	44,345	44,345	17,658	(26,687)
<i>Total Revenues</i>	<u>1,775,449</u>	<u>1,775,449</u>	<u>677,458</u>	<u>(1,097,991)</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	504,084	504,084	421,673	82,411
Fringe Benefits	347,968	347,968	291,080	56,888
Purchased Services	72,390	95,693	59,001	36,692
Materials and Supplies	399,215	538,548	332,333	206,215
Capital Outlay	268,641	395,903	230,762	165,141
<i>Total Transportation</i>	<u>1,592,298</u>	<u>1,882,196</u>	<u>1,334,849</u>	<u>547,347</u>
Debt Service:				
Principal Retirement	99,644	99,644	99,644	0
Interest and Fiscal Charges	9,756	9,756	9,756	0
<i>Total Debt Service</i>	<u>109,400</u>	<u>109,400</u>	<u>109,400</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,701,698</u>	<u>1,991,596</u>	<u>1,444,249</u>	<u>547,347</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>73,751</u>	<u>(216,147)</u>	<u>(766,791)</u>	<u>(550,644)</u>
Other Financing Sources				
Sale of Capital Assets	0	0	521	521
Transfers In	0	691,898	691,898	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>691,898</u>	<u>692,419</u>	<u>521</u>
<i>Net Change in Fund Balance</i>	<u>73,751</u>	<u>475,751</u>	<u>(74,372)</u>	<u>(550,123)</u>
<i>Fund Balance Beginning of Year</i>	<u>107,172</u>	<u>107,172</u>	<u>107,172</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>5,731</u>	<u>5,731</u>	<u>5,731</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$186,654</u>	<u>\$588,654</u>	<u>\$38,531</u>	<u>(\$550,123)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final Budget	Actual	
Revenues				
Property Taxes	\$1,583,827	\$1,596,936	\$1,597,096	\$160
Charges for Services	586,568	586,568	287,273	(299,295)
Intergovernmental	241,618	243,618	243,642	24
Other	83,957	83,957	41,118	(42,839)
<i>Total Revenues</i>	<u>2,495,970</u>	<u>2,511,079</u>	<u>2,169,129</u>	<u>(341,950)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Salaries and Wages	1,182,691	1,182,691	1,059,217	123,474
Fringe Benefits	641,694	641,694	589,547	52,147
Purchased Services	405,392	405,392	210,700	194,692
Materials and Supplies	59,875	59,875	48,741	11,134
Capital Outlay	478,999	478,999	257,116	221,883
Total Security of Persons and Property	<u>2,768,651</u>	<u>2,768,651</u>	<u>2,165,321</u>	<u>603,330</u>
Debt Service:				
Principal Retirement	83,117	83,117	83,117	0
Interest and Fiscal Charges	4,028	4,028	4,028	0
Total Debt Service	<u>87,145</u>	<u>87,145</u>	<u>87,145</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,855,796</u>	<u>2,855,796</u>	<u>2,252,466</u>	<u>603,330</u>
<i>Net Change in Fund Balance</i>	<u>(359,826)</u>	<u>(344,717)</u>	<u>(83,337)</u>	<u>261,380</u>
<i>Fund Balance Beginning of Year</i>	<u>1,442,465</u>	<u>1,442,465</u>	<u>1,442,465</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>23,039</u>	<u>23,039</u>	<u>23,039</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,105,678</u>	<u>\$1,120,787</u>	<u>\$1,382,167</u>	<u>\$261,380</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with
	Original	Final Budget	Actual	Final Budget Positive (Negative)
Revenues				
Special Assessments	\$230,800	\$230,800	\$357,932	\$127,132
Expenditures				
Current:				
General Government:				
Purchase Services	9,500	9,500	4,605	4,895
Debt Service:				
Principal Retirement:				
2010 Various Purpose Bonds - Series B	55,000	55,000	55,000	0
2012 Various Purpose Bonds	28,000	28,000	28,000	0
2012 Barber Road Refunding Bonds	48,840	48,840	48,840	0
Total Principal Retirement	131,840	131,840	131,840	0
Interest and Fiscal Charges:				
2010 Various Purpose Bonds - Series B	41,291	41,291	41,291	0
2012 Various Purpose Bonds	18,464	18,464	18,464	0
2012 Barber Road Refunding Bonds	11,535	11,535	11,535	0
Total Interest and Fiscal Charges	71,290	71,290	71,290	0
Total Debt Service	203,130	203,130	203,130	0
Total Expenditures	212,630	212,630	207,735	4,895
Net Change in Fund Balance	18,170	18,170	150,197	132,027
Fund Balance Beginning of Year	119,464	119,464	119,464	0
Fund Balance End of Year	\$137,634	\$137,634	\$269,661	\$132,027

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, 2017

	Budgeted Amounts			Variance with
	Original	Final Budget	Actual	Final Budget Positive (Negative)
Revenues				
Municipal Income Tax	\$585,000	\$585,000	\$628,343	\$43,343
Expenditures				
Capital Outlay:				
Purchased Services	0	0	138	(138)
Capital Outlay	239,889	239,889	239,889	0
Total Capital Outlay	239,889	239,889	240,027	(138)
Debt Service:				
Principal Retirement	76,386	76,386	83,160	(6,774)
Interest and Fiscal Charges	17,534	17,534	18,765	(1,231)
Total Debt Service	93,920	93,920	101,925	(8,005)
<i>Total Expenditures</i>	333,809	333,809	341,952	(8,143)
<i>Net Change in Fund Balance</i>	251,191	251,191	286,391	35,200
<i>Fund Balance Beginning of Year</i>	1,271,837	1,271,837	1,271,837	0
Prior Year Encumbrances Appropriated	239,889	239,889	239,889	0
<i>Fund Balance End of Year</i>	\$1,762,917	\$1,762,917	\$1,798,117	\$35,200

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$83,449	\$49,848	(\$33,601)
Interest	609	364	(245)
<i>Total Revenues</i>	84,058	50,212	(33,846)
Expenditures			
Current:			
Transportation:			
State Highway:			
Materials and Supplies	86,000	50,000	36,000
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,942)	212	2,154
Other Financing Sources			
Advances In	17,300	17,300	0
<i>Net Change in Fund Balance</i>	15,358	17,512	2,154
<i>Fund Balance Beginning of Year</i>	25,411	25,411	0
<i>Fund Balance End of Year</i>	\$40,769	\$42,923	\$2,154

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$12,048	\$12,048
Expenditures			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Salaries and Wages	22,500	0	22,500
<i>Net Change in Fund Balance</i>	(22,500)	12,048	34,548
<i>Fund Balance Beginning of Year</i>	6,584	6,584	0
<i>Fund Balance (Deficit) End of Year</i>	(\$15,916)	\$18,632	\$34,548

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$12,500	\$35	(\$12,465)
Expenditures			
Current:			
Security of Persons and Property:			
Drug Law Enforcement:			
Capital Outlay	1,500	0	1,500
<i>Net Change in Fund Balance</i>	11,000	35	(10,965)
<i>Fund Balance Beginning of Year</i>	2,917	2,917	0
<i>Fund Balance End of Year</i>	\$13,917	\$2,952	(\$10,965)

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$1,200	\$16,498	\$15,298
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Capital Outlay	1,500	10,760	(9,260)
<i>Net Change in Fund Balance</i>	(300)	5,738	6,038
<i>Fund Balance Beginning of Year</i>	3,192	3,192	0
<i>Fund Balance End of Year</i>	\$2,892	\$8,930	\$6,038

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$10,150	\$3,826	(\$6,324)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	25,700	25,669	31
<i>Excess of Revenues Under Expenditures</i>	(15,550)	(21,843)	(6,293)
Other Financing Sources			
Transfers In	16,000	16,000	0
<i>Net Change in Fund Balance</i>	450	(5,843)	(6,293)
<i>Fund Balance Beginning of Year</i>	9,861	9,861	0
<i>Fund Balance End of Year</i>	\$10,311	\$4,018	(\$6,293)

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Public Health Services:			
Cemetery:			
Purchased Services	2,600	902	1,698
<i>Net Change in Fund Balance</i>	(2,600)	(902)	1,698
<i>Fund Balance Beginning of Year</i>	17,240	17,240	0
<i>Fund Balance End of Year</i>	\$14,640	\$16,338	\$1,698

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$350	\$250	(\$100)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	350	250	(100)
<i>Fund Balance Beginning of Year</i>	<u>4,959</u>	<u>4,959</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,309</u></u>	<u><u>\$5,209</u></u>	<u><u>(\$100)</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Disability and Pension Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$63,956	\$63,962	\$6
Intergovernmental	20,724	9,618	(11,106)
<i>Total Revenues</i>	84,680	73,580	(11,100)
Expenditures			
Current:			
General Government:			
Police and Fire Disability and Pension:			
Purchased Services	82,200	1,087	81,113
<i>Net Change in Fund Balance</i>	2,480	72,493	70,013
<i>Fund Balance Beginning of Year</i>	124,572	124,572	0
<i>Fund Balance End of Year</i>	\$127,052	\$197,065	\$70,013

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$111,500	\$154,003	\$42,503
Expenditures			
Current:			
Public Health Services:			
Waterline Improvement:			
Purchased Services	27,221	1,652	25,569
<i>Net Change in Fund Balance</i>	84,279	152,351	68,072
<i>Fund Balance Beginning of Year</i>	929,682	929,682	0
Prior Year Encumbrances Appropriated	771	771	0
<i>Fund Balance End of Year</i>	<u>\$1,014,732</u>	<u>\$1,082,804</u>	<u>\$68,072</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$95,000	\$0	(\$95,000)
Expenditures			
Current:			
Public Health Services:			
Sewerline Improvement:			
Purchased Services	1,401	96	1,305
Capital Outlay	52,688	15,500	37,188
<i>Total Expenditures</i>	54,089	15,596	38,493
<i>Net Change in Fund Balance</i>	40,911	(15,596)	(56,507)
<i>Fund Balance Beginning of Year</i>	1,219,374	1,219,374	0
Prior Year Encumbrances Appropriated	189	189	0
<i>Fund Balance End of Year</i>	\$1,260,474	\$1,203,967	(\$56,507)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Equipment Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$11,500	\$72,856	\$61,356
Expenditures			
Current:			
Security of Persons and Property:			
Sewerline Improvement:			
Capital Outlay	0	58,570	(58,570)
<i>Net Change in Fund Balance</i>	11,500	14,286	2,786
<i>Fund Balance Beginning of Year</i>	32,599	32,599	0
<i>Fund Balance End of Year</i>	\$44,099	\$46,885	\$2,786

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,162,861	\$71,181	(\$1,091,680)
Interest	60,838	3,724	(57,114)
<i>Total Revenues</i>	<u>1,223,699</u>	<u>74,905</u>	<u>(1,148,794)</u>
Expenditures			
Current:			
Transportation:			
Special Permissive License Plate Tax:			
Purchased Services	23,237	17,000	6,237
Materials and Supplies	77,237	55,716	21,521
Capital Outlay	1,336,514	1,004,022	332,492
<i>Total Expenditures</i>	<u>1,436,988</u>	<u>1,076,738</u>	<u>360,250</u>
<i>Excess of Revenues Under Expenditures</i>	(213,289)	(1,001,833)	(788,544)
Other Financing Sources			
Transfers In	910,000	910,000	0
<i>Net Change in Fund Balance</i>	696,711	(91,833)	(788,544)
<i>Fund Balance Beginning of Year</i>	24,571	24,571	0
Prior Year Encumbrances Appropriated	365,988	365,988	0
<i>Fund Balance End of Year</i>	<u>\$1,087,270</u>	<u>\$298,726</u>	<u>(\$788,544)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$60,000	\$10,530	(\$49,470)
Expenditures			
Current:			
Leisure Time Activities:			
Community Recreation:			
Salaries and Wages	1,684	322	1,362
Fringe Benefits	351	67	284
Purchased Services	57,927	16,089	41,838
<i>Total Expenditures</i>	59,962	16,478	43,484
<i>Net Change in Fund Balance</i>	38	(5,948)	(5,986)
<i>Fund Balance Beginning of Year</i>	29,380	29,380	0
Prior Year Encumbrances Appropriated	1,977	1,977	0
<i>Fund Balance End of Year</i>	\$31,395	\$25,409	(\$5,986)

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Leisure Time Activities:			
Historical Greenwich Road:			
Purchased Services	13,132	2,216	10,916
<i>Excess of Revenues Under Expenditures</i>	(13,132)	(2,216)	10,916
Other Financing Sources			
Transfers In	590	3,090	2,500
<i>Net Change in Fund Balance</i>	(12,542)	874	13,416
<i>Fund Balance Beginning of Year</i>	792	792	0
Prior Year Encumbrances Appropriated	367	367	0
<i>Fund Balance (Deficit) End of Year</i>	(\$11,383)	\$2,033	\$13,416

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,500	\$6,332	1,832
Expenditures			
Current:			
General Government:			
Recycling:			
Purchased Services	10,800	514	10,286
<i>Net Change in Fund Balance</i>	(6,300)	5,818	12,118
<i>Fund Balance Beginning of Year</i>	9,322	9,322	0
<i>Fund Balance End of Year</i>	\$3,022	\$15,140	\$12,118

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$332,000	\$2,257	(\$329,743)
Expenditures			
Current:			
General Government:			
Purchased Services	36	36	0
Debt Service:			
Principal Retirement:			
2010 Various Purpose Bonds - Series A	75,000	75,000	0
2012 General Obligation Refunding Bonds	125,000	125,000	0
Total Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges:			
2010 Various Purpose Bonds - Series A	238,741	97,410	141,331
2012 General Obligation Refunding Bonds	23,528	9,600	13,928
Total Interest and Fiscal Charges	262,269	107,010	155,259
Total Debt Service	462,269	307,010	155,259
Total Expenditures	462,305	307,046	155,259
Excess of Revenues Under Expenditures	(130,305)	(304,789)	(174,484)
Other Financing Sources			
Transfers In	303,700	303,700	0
Net Change in Fund Balance	173,395	(1,089)	(174,484)
Fund Balance Beginning of Year	1,106	1,106	0
Fund Balance End of Year	\$174,501	\$17	(\$174,484)

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$128,000	\$120,593	(\$7,407)
Expenditures			
Capital Outlay:			
Capital Outlay	100,000	82,723	17,277
Debt Service:			
Principal Retirement	15,000	15,000	0
Interest and Fiscal Charges	3,300	3,300	0
Total Debt Service	18,300	18,300	0
<i>Total Expenditures</i>	118,300	101,023	17,277
<i>Net Change in Fund Balance</i>	9,700	19,570	9,870
<i>Fund Balance Beginning of Year</i>	242,986	242,986	0
<i>Fund Balance End of Year</i>	\$252,686	\$262,556	\$9,870

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	15,000	0	15,000
<i>Net Change in Fund Balance</i>	(15,000)	0	15,000
<i>Fund Balance Beginning of Year</i>	191,631	191,631	0
<i>Fund Balance End of Year</i>	\$176,631	\$191,631	\$15,000

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Newpark Drive Reconstruction Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$40,000	\$40,000
Expenditures			
Capital Outlay:			
Capital Outlay	111,312	65,302	46,010
<i>Excess of Revenues Under Expenditures</i>	(111,312)	(25,302)	86,010
Other Financing Sources			
OPWC Loan Issued	0	13,990	13,990
Transfers In	11,312	11,312	0
<i>Total Other Financing Sources</i>	11,312	25,302	13,990
<i>Net Change in Fund Balance</i>	(100,000)	0	100,000
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$100,000)	\$0	\$100,000

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland-Massillon Widening Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,359,000	\$570,681	(\$788,319)
Expenditures			
Capital Outlay:			
Capital Outlay	627,715	672,790	(45,075)
<i>Net Change in Fund Balance</i>	731,285	(102,109)	(833,394)
<i>Fund Balance Beginning of Year</i>	144,765	144,765	0
Prior Year Encumbrances Appropriated	82,715	82,715	0
<i>Fund Balance End of Year</i>	<u>\$958,765</u>	<u>\$125,371</u>	<u>(\$833,394)</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of
NORTON

Statistical

Section



2017

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
<u>Financial Trends</u>	<u>S2-S11</u>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	<u>S12-S20</u>
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.	
<u>Debt Capacity</u>	<u>S21-S25</u>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<u>Economic and Demographic Information</u>	<u>S26-S28</u>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<u>Operating Information</u>	<u>S30-S37</u>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	2017	2016	2015 (1)	2014
Governmental Activities				
Net Investment in Capital Assets	\$18,234,870	\$21,366,802	\$19,026,829	\$17,549,395
Restricted:				
Capital Projects	384,597	419,111	255,837	298,792
Debt Service	1,174,698	2,030,745	1,883,002	2,135,396
Police	300,936	128,039	133,343	108,101
Fire/EMS	1,884,573	1,823,272	1,919,138	1,714,333
Transportation	675,219	721,503	972,141	960,450
Sewerline/Waterline Maintenance	2,160,341	2,197,256	1,980,557	1,662,644
Other Purposes	0	0	64,363	63,297
Unclaimed Monies	9,542	9,542	8,329	8,329
Unrestricted	2,972,537	2,711,856	3,736,490	3,152,937
<i>Total Governmental Activities Net Position</i>	<u>\$27,797,313</u>	<u>\$31,408,126</u>	<u>\$29,980,029</u>	<u>\$27,653,674</u>

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

2013	2012	2011	2010	2009	2008
\$15,997,153	\$15,103,220	\$15,529,859	\$14,229,214	\$12,983,587	\$10,673,140
319,094	454,614	325,017	949,705	966,739	768,494
2,206,606	2,269,790	399,345	383,156	682,976	820,130
87,313	62,123	83,564	66,161	33,363	45,893
1,600,748	1,338,729	1,186,143	1,632,559	922,576	735,962
1,035,559	780,096	647,652	504,317	992,559	1,012,433
1,621,036	1,497,061	851,439	717,047	1,304,656	1,146,715
60,950	57,990	52,709	113,047	160,556	393,029
7,033	6,633	5,320	5,320	0	0
6,049,719	5,446,624	4,212,600	2,972,863	1,570,092	1,365,408
<u>\$28,985,211</u>	<u>\$27,016,880</u>	<u>\$23,293,648</u>	<u>\$21,573,389</u>	<u>\$19,617,104</u>	<u>\$16,961,204</u>

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

	2017	2016	2015 (1)	2014
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$510,674	\$331,914	\$320,652	\$301,110
Security of Persons and Property	661,825	369,815	390,310	457,479
Transportation	15,568	13,888	20,008	80,220
Community Environment	3,807	3,468	4,381	14,538
Public Health Services	170,235	251,703	326,831	283,247
Leisure Time Activities	14,267	16,753	11,498	6,418
Subtotal - Charges for Services	<u>1,376,376</u>	<u>987,541</u>	<u>1,073,680</u>	<u>1,143,012</u>
Operating Grants and Contributions:				
General Government	15,939	14,190	20,362	21,670
Security of Persons and Property	255,391	250,064	600,938	244,608
Transportation	810,800	834,131	730,329	754,921
Community Environment	0	0	0	0
Leisure Time Activities	1,614	2,488	8,314	2,912
Subtotal - Operating Grants and Contributions	<u>1,083,744</u>	<u>1,100,873</u>	<u>1,359,943</u>	<u>1,024,111</u>
Capital Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	570,681	314,191	335,767	554,695
Public Health Services	40,000	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>610,681</u>	<u>314,191</u>	<u>335,767</u>	<u>554,695</u>
<i>Total Governmental Activities Program Revenues</i>	<u>3,070,801</u>	<u>2,402,605</u>	<u>2,769,390</u>	<u>2,721,818</u>
Expenses				
Governmental Activities:				
General Government	2,074,731	2,182,194	2,215,323	1,897,592
Security of Persons and Property	5,126,841	4,639,014	4,279,816	4,054,819
Transportation	1,827,182	1,864,094	1,861,856	2,219,620
Community Environment	61,897	50,195	83,176	182,717
Public Health Services	103,112	154,236	26,810	279,427
Leisure Time Activities	326,356	278,580	359,994	115,566
Interest and Fiscal Charges	218,080	216,860	218,992	218,845
<i>Total Governmental Activities Expenses</i>	<u>9,738,199</u>	<u>9,385,173</u>	<u>9,045,967</u>	<u>8,968,586</u>
Net (Expense)/Revenue	<u>(\$6,667,398)</u>	<u>(\$6,982,568)</u>	<u>(\$6,276,577)</u>	<u>(\$6,246,768)</u>

2013	2012	2011	2010	2009	2008
\$361,645	\$2,264,295	\$302,108	\$276,251	\$300,905	\$301,207
452,148	410,342	598,990	297,053	360,415	396,414
45,147	5,346	97,791	19,669	17,867	44,801
11,415	13,861	9,913	11,201	9,121	14,141
269,186	335,691	98,585	583,767	229,682	313,884
4,862	3,977	8,123	113,014	9,285	7,983
1,144,403	3,033,512	1,115,510	1,300,955	927,275	1,078,430
15,076	0	0	0	33,741	1,520
285,302	236,940	245,158	431,812	293,797	190,692
776,227	759,919	776,542	1,040,826	861,965	835,367
0	0	0	0	0	0
0	0	0	0	0	0
1,076,605	996,859	1,021,700	1,472,638	1,189,503	1,027,579
0	0	0	0	0	27,549
0	0	0	0	0	0
214,930	145,167	257,935	3,971	1,156,369	12,282
0	0	8,388	377,076	597,946	53,216
0	0	0	0	247,550	0
214,930	145,167	266,323	381,047	2,001,865	93,047
2,435,938	4,175,538	2,403,533	3,154,640	4,118,643	2,199,056
1,936,401	2,024,702	1,867,424	2,162,226	2,125,361	1,960,544
4,046,180	3,404,024	3,894,241	4,596,289	3,663,609	3,635,906
1,585,557	1,369,735	1,361,018	942,026	1,350,060	1,890,748
176,888	205,175	136,519	207,963	215,613	264,377
88,571	90,538	336,423	0	149,466	134,428
153,148	132,009	173,648	151,742	130,210	187,932
250,152	355,527	280,450	241,181	219,038	130,774
8,236,897	7,581,710	8,049,723	8,301,427	7,853,357	8,204,709
(\$5,800,959)	(\$3,406,172)	(\$5,646,190)	(\$5,146,787)	(\$3,734,714)	(\$6,005,653)

(continued)

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

	2017	2016	2015 (1)	2014
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$344,233	\$337,668	\$337,438	\$344,483
Police and Fire Disability and Pension	64,544	63,312	63,270	64,597
Fire/EMS	1,611,809	1,583,197	1,762,935	1,636,440
Municipal Income Taxes levied for				
General Purposes	5,677,465	5,291,209	5,236,793	4,523,622
Debt Service	0	0	0	0
Water and Sewer Improvements	634,629	636,854	648,945	624,802
Grants and Entitlements not Restricted to				
Specific Programs	491,771	394,364	422,526	430,244
Interest	54,646	14,469	4,355	4,331
Other	126,991	89,592	126,670	112,396
<i>Total Governmental Activities</i>	<u>9,006,088</u>	<u>8,410,665</u>	<u>8,602,932</u>	<u>7,740,915</u>
Special Item - Loss on Transfer of Operations	<u>(5,949,503)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	<u><u>(\$3,610,813)</u></u>	<u><u>\$1,428,097</u></u>	<u><u>\$2,326,355</u></u>	<u><u>\$1,494,147</u></u>

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

2013	2012	2011	2010	2009	2008
\$334,169	\$382,368	\$337,450	\$379,153	\$378,213	\$357,431
62,650	63,078	71,888	88,107	70,915	67,018
1,651,119	1,215,093	1,303,819	1,285,947	1,281,165	1,326,211
4,391,800	4,316,218	4,227,715	3,745,475	3,461,568	3,903,789
0	0	80,000	113,273	0	0
694,590	549,706	406,234	310,855	135,842	0
455,722	409,661	753,015	908,884	811,264	1,577,087
6,920	6,069	6,412	9,242	75,019	101,997
172,320	187,211	179,916	262,136	176,628	38,178
7,769,290	7,129,404	7,366,449	7,103,072	6,390,614	7,371,711
0	0	0	0	0	0
\$1,968,331	\$3,723,232	\$1,720,259	\$1,956,285	\$2,655,900	\$1,366,058

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

	2017	2016	2015	2014
General Fund				
Nonspendable	\$44,898	\$38,681	\$26,969	\$37,610
Committed	215,625	49,313	139,396	288,342
Assigned	549,876	391,007	1,319,338	2,294,197
Unassigned	3,134,220	2,889,200	2,432,922	1,057,499
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	3,944,619	3,368,201	3,918,625	3,677,648
All Other Governmental Funds				
Nonspendable	299,924	446,443	243,160	189,003
Restricted	5,341,443	4,519,704	4,612,381	4,035,695
Committed	1,777,814	1,611,360	1,832,367	1,635,499
Assigned	296,859	276,999	254,185	241,059
Unassigned (Deficit)	(17,799)	N/A	(139,208)	(162,453)
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	7,698,241	6,854,506	6,802,885	5,938,803
Total Governmental Funds	<u>\$11,642,860</u>	<u>\$10,222,707</u>	<u>\$10,721,510</u>	<u>\$9,616,451</u>

Note: Due to the implementation of GASB Statement No. 54, in 2009-2017 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.

2013	2012	2011	2010	2009	2008
\$98,982	\$44,748	\$32,783	\$27,921	\$27,037	N/A
288,560	119,975	253,670	217,314	218,844	N/A
897,613	424,568	96,525	108,088	563,189	N/A
2,661,398	3,154,498	2,403,847	1,130,346	384,481	N/A
N/A	N/A	N/A	N/A	N/A	\$152,340
N/A	N/A	N/A	N/A	N/A	1,534,583
3,946,553	3,743,789	2,786,825	1,483,669	1,193,551	1,686,923
383,514	329,246	260,680	247,239	273,409	N/A
3,984,514	3,613,285	2,476,805	3,254,262	2,208,636	N/A
1,472,771	1,176,524	767,541	372,084	62,195	N/A
237,206	151,091	91,777	211,448	208,707	N/A
(184,773)	(253,907)	(236,462)	(184,108)	(1,759,933)	N/A
N/A	N/A	N/A	N/A	N/A	342,587
N/A	N/A	N/A	N/A	N/A	2,122,723
N/A	N/A	N/A	N/A	N/A	63,349
N/A	N/A	N/A	N/A	N/A	(182,235)
5,893,232	5,016,239	3,360,341	3,900,925	993,014	2,346,424
\$9,839,785	\$8,760,028	\$6,147,166	\$5,384,594	\$2,186,565	\$4,033,347

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

	2017	2016	2015	2014
Revenues				
Property Taxes	\$2,002,191	\$1,993,504	\$2,001,248	\$2,026,631
Municipal Income Taxes	6,535,766	5,855,346	5,832,540	4,963,954
Charges for Services	946,949	904,150	948,416	850,157
Special Assessments	357,932	202,419	203,517	216,399
Licenses, Permits and Fees	37,581	46,625	58,842	157,191
Fines and Forfeitures	40,186	25,588	35,324	74,276
Intergovernmental	2,076,566	1,803,860	2,189,512	1,998,353
Contributions and Donations	250	50	0	0
Interest	54,646	14,469	4,355	4,331
Other	126,991	89,592	126,670	112,396
Total Revenues	12,179,058	10,935,603	11,400,424	10,403,688
Expenditures				
Current:				
General Government	2,624,479	2,177,948	2,252,940	1,859,765
Security of Persons and Property	4,638,589	4,359,494	4,177,697	3,992,931
Transportation	2,248,245	2,526,130	1,835,865	1,758,558
Community Environment	59,318	49,538	83,273	209,388
Public Health Services	13,658	32,912	7,532	138,189
Leisure Time Activities	242,472	259,183	307,243	63,375
Capital Outlay	758,799	1,554,870	909,614	1,160,198
Debt Service:				
Principal Retirement	550,761	558,170	490,121	1,459,298
Interest and Fiscal Charges	214,275	221,349	231,080	241,729
Bond Issuance Costs	0	0	0	0
Total Expenditures	11,350,596	11,739,594	10,295,365	10,883,431
Excess of Revenues Over (Under) Expenditures	828,462	(803,991)	1,105,059	(479,743)
Other Financing Sources (Uses)				
Sale of Capital Assets	21,701	33,188	0	0
Inception of Capital Lease	556,000	272,000	0	256,409
Refunding Bonds Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Bonds	0	0	0	0
Notes Issued	0	0	0	0
OPWC Loan Issued	13,990	0	0	0
Premium on Notes	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0
Refunded Bonds Redeemed	0	0	0	0
Transfers In	1,088,410	1,666,557	1,409,482	844,785
Transfers Out	(1,088,410)	(1,666,557)	(1,409,482)	(844,785)
Total Other Financing Sources (Uses)	591,691	305,188	0	256,409
Net Change in Fund Balances	\$1,420,153	(\$498,803)	\$1,105,059	(\$223,334)
Debt Service as a Percentage of Noncapital Expenditures	8.5%	8.8%	8.3%	17.4%

2013	2012	2011	2010	2009	2008
\$2,082,476	\$1,686,380	\$1,683,465	\$1,730,639	\$1,690,813	\$1,758,595
5,086,439	4,837,150	4,645,951	4,182,044	3,738,028	3,995,958
845,918	889,126	665,220	919,612	706,886	819,646
220,208	189,719	160,343	270,117	75,171	76,111
45,683	47,727	33,694	73,657	74,823	102,918
87,202	90,768	170,662	145,257	115,799	109,155
1,693,928	1,659,832	2,256,857	2,660,564	2,533,500	2,543,424
0	0	0	0	0	0
6,920	6,069	6,412	9,242	75,019	101,997
172,320	187,211	179,916	262,136	176,628	38,178
10,241,094	9,593,982	9,802,520	10,253,268	9,186,667	9,545,982
1,963,390	1,798,467	2,039,058	2,237,251	2,577,602	2,004,444
3,818,902	3,222,091	3,763,267	6,642,568	3,716,697	4,056,371
1,389,802	1,163,451	1,382,450	1,715,431	1,708,913	1,758,624
176,232	181,650	136,317	209,513	221,965	258,713
91,729	112,933	69,907	1,037,150	230,224	54,164
78,496	92,904	140,871	133,830	251,167	171,382
712,306	392,174	365,560	516,896	1,878,003	975,903
1,720,000	1,675,000	2,312,000	225,000	229,364	232,931
274,652	237,315	296,328	221,843	219,514	131,176
0	183,519	0	126,198	0	0
10,225,509	9,059,504	10,505,758	13,065,680	11,033,449	9,643,708
15,585	534,478	(703,238)	(2,812,412)	(1,846,782)	(97,726)
0	0	0	0	0	80,000
64,172	0	0	0	0	0
0	2,238,000	0	0	0	0
0	0	0	3,890,000	0	0
0	657,000	0	0	0	0
0	149,211	0	136,235	0	0
1,000,000	1,315,000	1,315,000	1,967,000	0	0
0	0	0	0	0	0
0	0	0	17,206	0	0
0	(2,240,740)	0	0	0	0
0	(40,087)	0	0	0	0
1,061,733	928,519	1,010,988	655,094	1,043,419	1,627,890
(1,061,733)	(928,519)	(860,178)	(655,094)	(1,043,419)	(1,627,890)
1,064,172	2,078,384	1,465,810	6,010,441	0	80,000
\$1,079,757	\$2,612,862	\$762,572	\$3,198,029	(\$1,846,782)	(\$17,726)
21.7%	23.0%	27.5%	4.6%	5.0%	4.7%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2017	\$195,907,930	\$39,153,740	\$671,604,771	\$9,481,250	\$10,774,148
2016	195,916,920	37,868,350	667,957,914	8,959,310	10,181,034
2015	195,729,110	38,123,000	668,148,886	8,810,290	10,011,693
2014	202,787,640	38,090,060	688,222,000	8,226,100	9,347,841
2013	203,623,800	35,486,820	683,173,200	7,634,790	8,675,898
2012	203,018,390	36,257,850	683,646,400	6,104,960	6,937,455
2011	220,399,790	43,550,250	754,142,971	5,777,560	6,565,409
2010	220,322,280	43,993,900	755,189,086	5,582,820	6,344,114
2009	219,772,920	43,273,710	751,561,800	5,339,870	6,068,034
2008	218,888,440	41,757,830	744,703,629	5,144,670	5,846,216

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

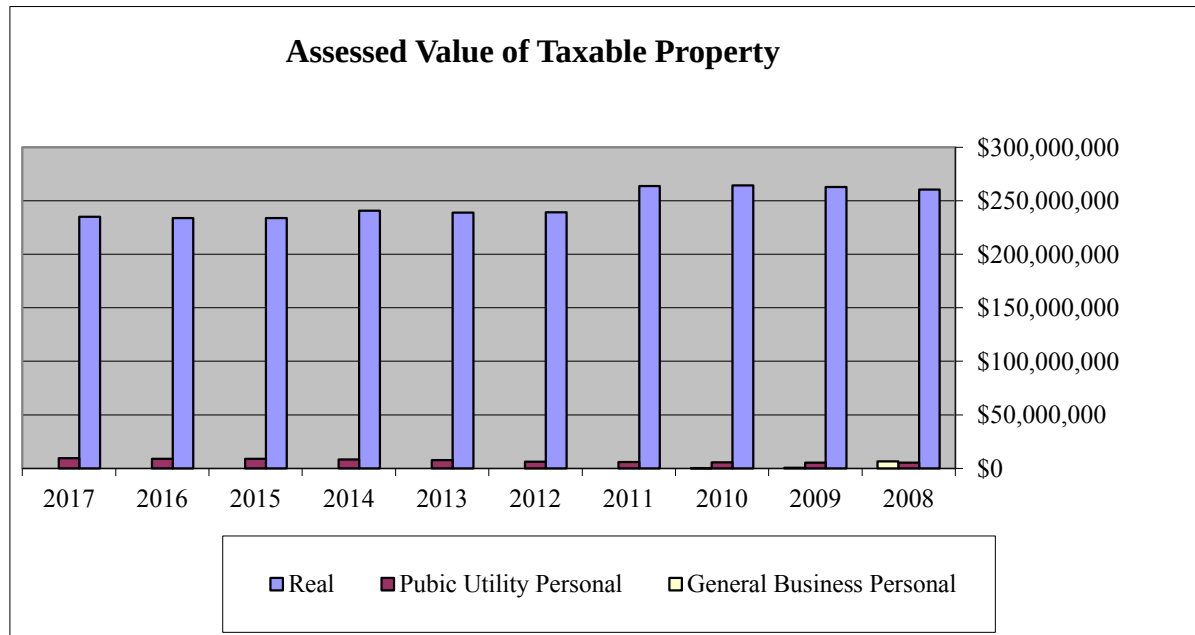
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

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 a 10 percent, 2 1/2 percent rollback, and homestead exemptions before being billed.

Source: Summit County, Fiscal Officer

Tangible Personal Property

General Business		Total			Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$0	\$0	\$244,542,920	\$682,378,919	35.84%	\$9.5000	\$9.4790
0	0	242,744,580	678,138,948	35.80	9.5000	9.4117
0	0	242,662,400	678,160,579	35.78	9.5000	9.4149
0	0	249,103,800	697,569,841	35.71	9.5000	9.4083
0	0	246,745,410	691,849,098	35.66	9.5000	9.5000
0	0	245,381,200	690,583,855	35.53	9.5000	9.5000
0	0	269,727,600	760,708,381	35.46	9.5000	7.5866
238,565	3,817,040	270,137,565	765,350,239	35.30	9.5000	7.3184
480,359	7,685,744	268,866,859	765,315,578	35.13	9.5000	7.3157
6,536,255	104,580,080	272,327,195	855,129,924	31.85	9.5000	7.3518



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

	2017	2016	2015	2014
Unvoted Millage				
Operating	\$1.6000	\$1.6000	\$1.6000	\$1.6000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>
Voted Millage by Levy				
1988 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1988 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1996 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1996 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
2007 Fire				
Residential/Agricultural Real	2.8074	3.0000	3.0000	3.0000
Commercial/Industrial and Public Utility Real	2.7788	2.7685	2.7862	2.7612
General Business and Public Utility Personal	3.0000	3.0000	3.0000	3.0000
2012 Fire				
Residential/Agricultural Real	4.3046	4.6000	4.6000	4.6000
Commercial/Industrial and Public Utility Real	4.2608	4.2450	4.2722	4.2339
General Business and Public Utility Personal	<u>4.6000</u>	<u>4.6000</u>	<u>4.6000</u>	<u>4.6000</u>
Total Voted Millage by type of property				
Residential/Agricultural Real	\$7.1120	\$7.6000	\$7.6000	\$7.6000
Commercial/Industrial and Public Utility Real	7.0396	7.0135	7.0584	6.9951
General Business and Public Utility Personal	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>
Total Millage by type of property				
Residential/Agricultural Real	\$9.0120	\$9.5000	\$9.5000	\$9.5000
Commercial/Industrial and Public Utility Real	8.9396	8.9135	8.9584	8.8951
General Business and Public Utility Personal	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>
Total Weighted Average Tax Rate	<u>\$9.4790</u>	<u>\$9.4117</u>	<u>\$9.4149</u>	<u>\$9.4083</u>
Overlapping Rates by Taxing District				
Norton City School District				
Residential/Agricultural Real	\$35.7079	\$37.9003	\$37.8793	\$37.8562
Commercial/Industrial and Public Utility Real	46.1433	46.0701	46.3062	45.8159
General Business and Public Utility Personal	65.4500	65.6900	65.6900	65.6900
Summit County				
Residential/Agricultural Real	11.9075	12.6367	12.6392	12.6389
Commercial/Industrial and Public Utility Real	12.6367	12.4514	12.4764	12.4472
General Business and Public Utility Personal	12.7000	12.7000	12.7000	12.7000
Akron/Summit Library				
Residential/Agricultural Real	2.4414	2.6000	2.6200	2.1000
Commercial/Industrial and Public Utility Real	2.5547	2.5529	2.5854	2.0610
General Business and Public Utility Personal	2.5600	2.6000	2.6200	2.1000
Summit Metropolitan Park District				
Residential/Agricultural Real	1.3583	1.4599	1.4600	1.4600
Commercial/Industrial and Public Utility Real	1.4583	1.4287	1.4317	1.4279
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.

2013	2012	2011	2010	2009	2008
\$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
0.0000	0.0000	0.4622	0.4233	0.4226	0.4219
0.0000	0.0000	0.6722	0.5599	0.5606	0.5572
0.0000	0.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.7395	0.6772	0.6762	0.6751
0.0000	0.0000	1.0755	0.8958	0.8970	0.8915
0.0000	0.0000	1.6000	1.6000	1.6000	1.6000
0.0000	0.0000	0.6313	0.5781	0.5772	0.5763
0.0000	0.0000	0.9049	0.7537	0.7547	0.7501
0.0000	0.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.6313	0.5781	0.5772	0.5763
0.0000	0.0000	0.9049	0.7537	0.7547	0.7501
0.0000	0.0000	1.0000	1.0000	1.0000	1.0000
3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
3.0000	3.0000	3.0000	2.9765	2.9805	2.9622
3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
4.6000	4.6000	0.0000	0.0000	0.0000	0.0000
4.6000	4.6000	0.0000	0.0000	0.0000	0.0000
4.6000	4.6000	0.0000	0.0000	0.0000	0.0000
\$7.6000	\$7.6000	\$5.4643	\$5.2567	\$5.2532	\$5.2496
7.6000	7.6000	6.5575	5.9396	5.9475	5.9111
7.6000	7.6000	7.6000	7.6000	7.6000	7.6000
\$9.5000	\$9.5000	\$7.3643	\$7.1567	\$7.1532	\$7.1496
9.5000	9.5000	8.4575	7.8396	7.8475	7.8111
9.5000	9.5000	9.5000	9.5000	9.5000	9.5000
\$9.5000	\$9.5000	\$7.5866	\$7.3184	\$7.3157	\$7.3518
\$37.1794	\$33.2344	\$31.3055	\$29.2630	\$29.2311	\$29.1958
48.7633	44.8455	42.5417	37.1239	37.1675	36.9567
65.6900	61.8000	59.9000	59.9000	59.9000	59.9000
12.6216	12.6205	12.6193	12.5601	12.5592	12.5574
12.6974	12.6935	12.6843	12.2165	12.2347	12.1034
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
2.1100	2.1400	2.1000	2.1000	2.0170	1.9921
2.1100	2.1400	2.1000	2.0972	2.0199	1.9799
2.1100	2.1400	2.1000	2.1000	2.1000	2.0800
1.4600	1.4600	1.4600	1.4600	1.4600	1.4600
1.4600	1.4600	1.4600	1.4075	1.4102	1.3914
1.4600	1.4600	1.4600	1.4600	1.4600	1.4600

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

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percentage of Current Tax Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2017	\$2,300,409	\$2,226,735	96.80%	\$73,674	\$2,300,409
2016	2,286,053	2,213,402	96.82	72,651	2,286,053
2015	2,282,245	2,206,432	96.68	75,814	2,282,246
2014	2,348,806	2,252,337	95.89	79,338	2,331,675
2013	2,344,094	2,271,743	96.91	83,778	2,355,521
2012	1,859,759	1,779,092	95.66	125,306	1,904,398
2011	1,973,642	1,867,333	94.61	88,101	1,955,434
2010	1,974,665	1,873,101	94.86	71,363	1,944,464
2009	1,960,075	1,855,966	94.69	59,685	1,915,651
2008	1,940,960	1,859,423	95.80	33,625	1,893,048

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
100.00%	\$149,593	6.50%
100.00	143,204	6.26
100.00	144,401	6.33
99.27	161,763	6.89
100.49	144,566	6.17
102.40	155,992	8.39
99.08	200,631	10.17
98.47	182,423	9.24
97.73	152,552	7.78
97.53	108,128	5.57

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>
2017	2.00 %	\$6,257,100	\$1,658,839	26.51 %	\$3,770,916	60.27 %
2016	2.00	5,809,183	1,577,176	27.15	3,523,090	60.65
2015	2.00	5,672,736	1,414,780	24.94	3,357,125	59.18
2014	2.00	5,039,544	1,424,441	28.27	3,146,456	62.44
2013	2.00	5,042,325	1,369,495	27.16	3,069,767	60.88
2012	2.00	4,848,364	1,398,753	28.85	2,988,047	61.63
2011	2.00	4,577,929	1,323,479	28.91	2,860,290	62.48
2010	2.00	4,094,388	782,847	19.12	3,057,280	74.67
2009	2.00	3,757,159	707,473	18.83	2,641,283	70.30
2008	2.00	4,014,015	726,135	18.09	2,888,084	71.95

(1) Cash Basis

Taxes from Net Profits	Percentage of Taxes from Net Profits
\$827,345	13.22 %
708,917	12.20
900,831	15.88
577,023	11.45
603,062	11.96
461,564	9.52
394,160	8.61
254,261	6.21
408,403	10.87
399,796	9.96

City of Norton, Ohio
Principal Real Estate Property Taxpayers
2017 and 2008

Taxpayer	2017	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,520,320	1.07 %
Albrecht, Incorporated	2,397,760	1.02
World Real Estate Services, LTD	1,641,040	0.70
J R Engineering, Incorporated	1,576,170	0.67
Seal Real Estate Holdings, LLC	1,292,540	0.55
Pittsburgh Plate Glass Company	1,102,750	0.47
Newpark Drive Limited Partnership	961,340	0.41
Falkenstein, Albert J. Trustee	898,580	0.38
Barber Road Storage, LLC	843,820	0.36
Strachan, Wyman ET AIL	605,050	0.26
Total	<u>\$13,839,370</u>	<u>5.89 %</u>
Total Real Assessed Valuation	<u>\$235,061,670</u>	

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

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*

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of General Obligation Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>General Obligation Bonded Debt Per Capita</u>
2017	12,085	\$682,378,919	\$3,039,200	0.45 %	\$251.49
2016	12,085	678,138,948	3,350,373	0.49	277.23
2015	12,085	678,160,579	3,662,025	0.54	303.02
2014	12,085	697,569,841	3,967,789	0.57	328.32
2013	12,085	691,849,098	4,267,401	0.62	353.12
2012	12,085	690,583,855	4,557,733	0.66	377.14
2011	12,085	760,708,381	4,717,669	0.62	390.37
2010	12,085	765,350,239	4,972,443	0.65	411.46
2009	11,523	765,315,578	2,464,119	0.32	213.84
2008	11,523	855,129,924	2,641,884	0.31	229.27

Sources:

(1) U. S. Bureau of Census, 2008-2009 - 2000 Census of Population; 2010-2017 - 2010 Census of Population.

(2) Summit County Fiscal Officer

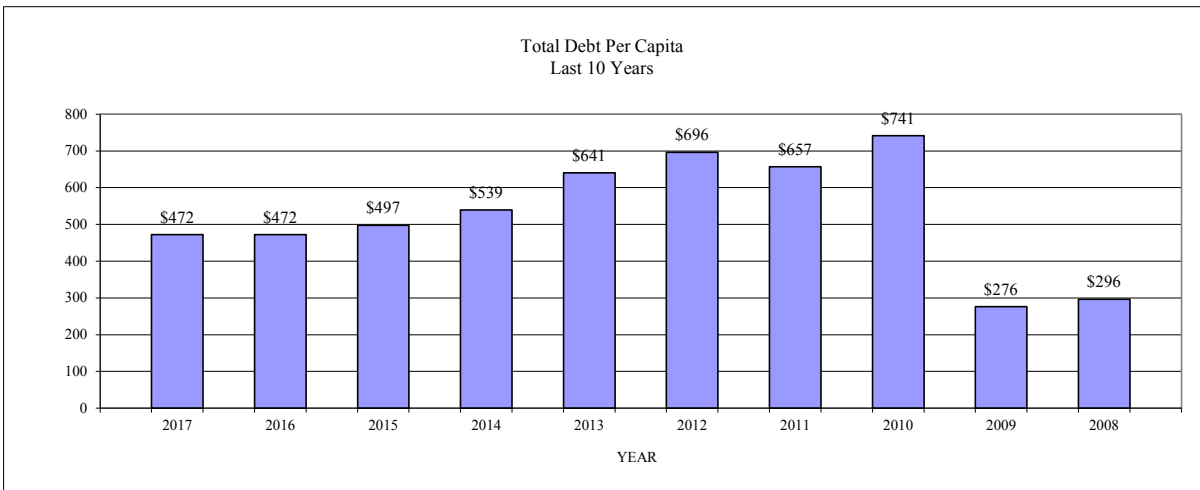
(3) Includes all general obligation bonded debt with the exception of special assessment debt.

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	OPWC Loan	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
2017	\$3,039,200	\$0	\$1,858,031	\$13,990	\$795,231	\$5,706,452	1.81%	\$472
2016	3,350,373	0	1,995,580	0	359,992	5,705,945	1.81	472
2015	3,662,025	0	2,137,650	0	211,162	6,010,837	1.91	497
2014	3,967,789	0	2,275,610	0	276,283	6,519,682	2.07	539
2013	4,267,401	1,000,000	2,409,719	0	64,172	7,741,292	2.46	641
2012	4,557,733	1,315,000	2,543,111	0	0	8,415,844	2.67	696
2011	4,717,669	1,315,000	1,910,222	0	0	7,942,891	2.52	657
2010	4,972,443	1,979,422	2,006,706	0	0	8,958,571	2.84	741
2009	2,464,119	0	715,881	0	0	3,180,000	1.34	276
2008	2,641,884	0	758,116	0	9,364	3,409,364	1.43	296

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, 2017

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct:			
General Obligation Bonds	\$3,039,200	100.00%	\$3,039,200
Special Assessment Bonds	1,858,031	100.00	1,858,031
OPWC Loan	13,990	100.00	13,990
Capital Leases	795,231	100.00	795,231
<i>Total Direct Debt</i>	<u>5,706,452</u>		<u>5,706,452</u>
Overlapping:			
Norton City School District			
General Obligation Bonds	22,519,210	84.21	18,963,427
Akron-Summit County Library District			
General Obligation Bonds	14,680,000	3.03	444,804
Summit County			
General Obligation Bonds	47,270,000	2.10	992,670
Barberton City School District			
General Obligation Bonds	28,640,000	2.03	581,392
<i>Total Overlapping Debt</i>	<u>113,109,210</u>		<u>20,982,293</u>
Total	<u><u>\$118,815,662</u></u>		<u><u>\$26,688,745</u></u>

Source: County Fiscal Officer

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

City of Norton, Ohio

Legal Debt Margin

Last Ten Years

	2017	2016	2015	2014
Total Assessed Property Value	<u>\$244,542,920</u>	<u>\$242,744,580</u>	<u>\$242,662,400</u>	<u>\$249,103,800</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$25,677,007</u>	<u>\$25,488,181</u>	<u>\$25,479,552</u>	<u>\$26,155,899</u>
Debt Outstanding:				
General Obligation Bonds	2,929,894	3,228,054	3,526,694	3,819,444
Special Assessment Bonds	1,790,106	1,921,946	2,058,306	2,190,556
OPWC Loan	13,990	0	0	0
Manuscript Notes	0	0	0	0
Notes	<u>100,000</u>	<u>200,000</u>	<u>270,000</u>	<u>465,000</u>
Total Gross Indebtedness	4,833,990	5,350,000	5,855,000	6,475,000
Less:				
Special Assessment Bonds	(1,790,106)	(1,921,946)	(2,058,306)	(2,190,556)
Amount Available in Debt Service	<u>17</u>	<u>1,106</u>	<u>(95)</u>	<u>(151,315)</u>
Total Net Debt Applicable to Debt Limit	<u>3,043,901</u>	<u>3,429,160</u>	<u>3,796,599</u>	<u>4,133,129</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$22,633,106</u>	<u>\$22,059,021</u>	<u>\$21,682,953</u>	<u>\$22,022,770</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.15%	86.55%	85.10%	84.20%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$13,449,861</u>	<u>\$13,350,952</u>	<u>\$13,346,432</u>	<u>\$13,700,709</u>
Total Gross Indebtedness	4,833,990	5,350,000	5,855,000	6,475,000
Less:				
Special Assessment Bonds	(1,790,106)	(1,921,946)	(2,058,306)	(2,190,556)
Amount Available in Debt Service	<u>17</u>	<u>1,106</u>	<u>(95)</u>	<u>(151,315)</u>
Net Debt Within 5 ½ % Limitations	<u>3,043,901</u>	<u>3,429,160</u>	<u>3,796,599</u>	<u>4,133,129</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$10,405,960</u>	<u>\$9,921,792</u>	<u>\$9,549,833</u>	<u>\$9,567,580</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	77.37%	74.32%	71.55%	69.83%

Source: City Financial Records

2013	2012	2011	2010	2009	2008
<u>\$246,745,410</u>	<u>\$245,381,200</u>	<u>\$269,727,600</u>	<u>\$270,137,565</u>	<u>\$268,866,859</u>	<u>\$272,327,195</u>
<u>\$25,908,268</u>	<u>\$25,765,026</u>	<u>\$28,321,398</u>	<u>\$28,364,444</u>	<u>\$28,231,020</u>	<u>\$28,594,355</u>
4,106,044	4,383,362	4,632,903	4,883,216	2,464,119	2,641,884
2,318,956	2,446,638	1,867,097	1,961,784	715,881	758,116
0	0	0	0	0	0
0	0	0	0	0	560,000
<u>1,000,000</u>	<u>1,315,000</u>	<u>1,445,000</u>	<u>1,979,422</u>	<u>3,139,099</u>	<u>563,000</u>
7,425,000	8,145,000	7,945,000	8,824,422	6,319,099	4,523,000
(2,318,956)	(2,446,638)	(1,867,097)	(1,961,784)	(715,881)	(758,116)
<u>(147,492)</u>	<u>(170,451)</u>	<u>(36,221)</u>	<u>(29,397)</u>	<u>(6,753)</u>	<u>0</u>
<u>4,958,552</u>	<u>5,527,911</u>	<u>6,041,682</u>	<u>6,833,241</u>	<u>5,596,465</u>	<u>3,764,884</u>
<u>\$20,949,716</u>	<u>\$20,237,115</u>	<u>\$22,279,716</u>	<u>\$21,531,203</u>	<u>\$22,634,555</u>	<u>\$24,829,471</u>
80.86%	78.54%	78.67%	75.91%	80.18%	86.83%
<u>\$13,570,998</u>	<u>\$13,495,966</u>	<u>\$14,835,018</u>	<u>\$14,857,566</u>	<u>\$14,787,677</u>	<u>\$14,977,996</u>
7,425,000	8,145,000	7,945,000	8,824,422	6,319,099	4,523,000
(2,318,956)	(2,446,638)	(1,867,097)	(1,961,784)	(715,881)	(758,116)
<u>(147,492)</u>	<u>(170,451)</u>	<u>(36,221)</u>	<u>(29,397)</u>	<u>(6,753)</u>	<u>0</u>
<u>4,958,552</u>	<u>5,527,911</u>	<u>6,041,682</u>	<u>6,833,241</u>	<u>5,596,465</u>	<u>3,764,884</u>
<u>\$8,612,446</u>	<u>\$7,968,055</u>	<u>\$8,793,336</u>	<u>\$8,024,325</u>	<u>\$9,191,212</u>	<u>\$11,213,112</u>
63.46%	59.04%	59.27%	54.01%	62.15%	74.86%

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)
2017	12,085	\$314,923,015	\$26,059	\$56,645	43.7
2016	12,085	314,923,015	26,059	56,645	43.7
2015	12,085	314,923,015	26,059	56,645	43.7
2014	12,085	314,923,015	26,059	56,645	43.7
2013	12,085	314,923,015	26,059	56,645	43.7
2012	12,085	314,923,015	26,059	56,645	43.7
2011	12,085	314,923,015	26,059	56,645	43.7
2010	12,085	314,923,015	26,059	56,645	43.7
2009	11,523	238,076,703	20,661	47,085	40.3
2008	11,523	238,076,703	20,661	47,085	40.3

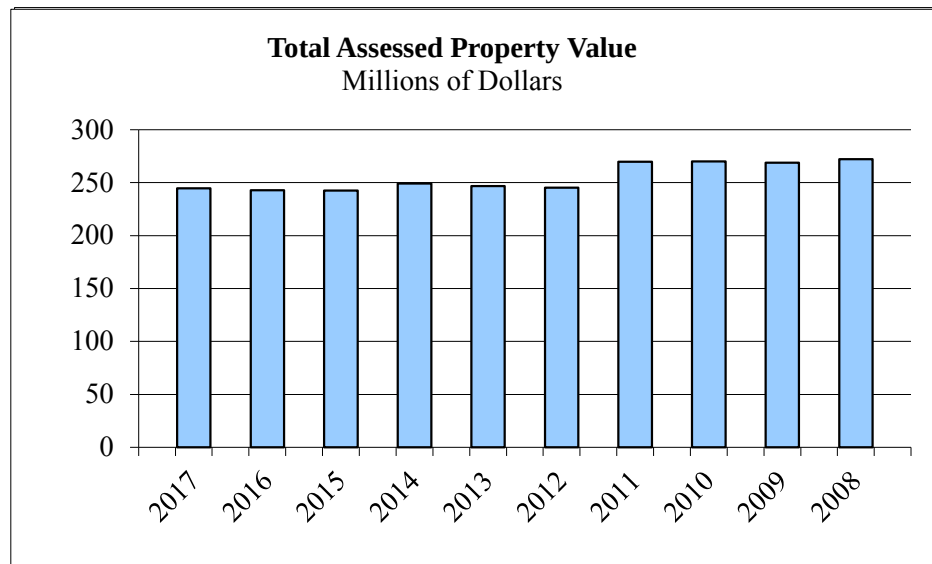
(1) Source: U. S. Census, 2008-2009 - 2000 Census of Population;
2010-2017 - 2010 Census of Population

(2) Source: Norton City School District Audited Financials

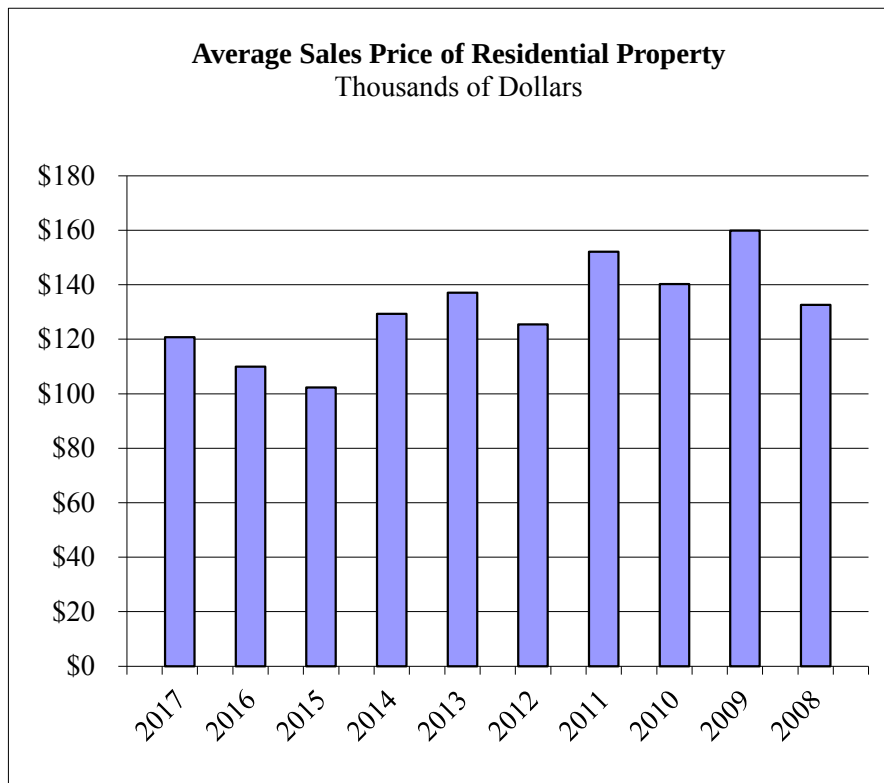
(3) Source: U.S. Bureau of Labor Statistics

(4) Source: Summit County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
18.90 %	2,500	4.80 %	\$120,762	\$244,542,920
18.90	2,582	6.20	109,877	242,744,580
18.90	2,510	4.70	102,250	242,662,400
18.90	2,581	5.50	129,306	249,103,800
18.90	2,587	7.20	137,112	246,745,410
18.90	2,593	6.80	125,430	245,381,200
18.90	2,680	8.50	152,129	269,727,600
18.90	2,562	10.00	140,246	270,137,565
17.10	2,483	9.80	159,827	268,866,859
17.10	2,505	6.10	132,566	272,327,195



City of Norton, Ohio

Principal Employers

2017 and 2008

2017 (1)	
Employers	
S.A. Comunale Company	
Fred Martin Motor Company	
Norton City School District	
ICP Adhesive & Sealant	
PPG Industries, Incorporated	
Ganley Ford, Incorporated	
B&C Corporation	
Alberts Screeprint, Incorporated	
City of Norton	
Fred W. Albrecht Grocery Company	
Total Employees of Top Ten Employers	2,703
Percentage of Total City Employment at Top Ten Employers	48.41%
Total Estimated Employment within the City	5,583
2008	
Employers	
B&C Corporation	
Norton City School District	
Fred Martin Motor Company	
S.A. Comunale Company	
Fred W. Albrecht Grocery Company	
Alberts Screeprint, Incorporated	
Ganley Ford, Incorporated	
City of Norton	
PPG Industries, Incorporated	
Milich's Village Inn, Incorporated	
Total Employees of Top Employers	2,577
Total Estimated Employment within the City	5,300

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	2017	2016	2015	2014
General Government				
<i>Council and Clerk</i>				
Number of Ordinances	82	82	57	71
Number of Resolutions	22	17	32	43
Number of Planning Commission docket items	3	14	3	18
Zoning Board of Appeals docket items	15	7	8	8
Park and Cemetery Board docket items	1	2	1	10
<i>Finance Department</i>				
Number of checks/ vouchers issued	1,729	1,788	1,815	1,648
General Fund Interest earnings for fiscal year (cash basis)	\$49,388	\$13,944	\$4,113	\$4,029
Agency Ratings - Fitch	AA	AA	A+	A+
Health Insurance Costs (cash basis in thousands)	\$873	\$811	\$728	\$566
Health Insurance Costs vs General Fund Expenditures %	19.0%	17.5%	12.1%	9.6%
General Fund Receipts (cash basis in thousands)	\$6,822	\$6,311	\$5,764	\$6,253
General Fund Expenditures (cash basis in thousands)	\$4,593	\$4,637	\$6,023	\$5,889
General Fund Cash Balances (in thousands)	\$2,860	\$2,671	\$3,002	\$2,527
<i>Municipal Court</i>				
Number of Misdemeanor Cases	451	533	268	27
Number of OVI cases	79	112	84	6
Number of Traffic cases	1,347	2,223	1,429	787
<i>Building Department Indicators</i>				
Residential/Commercial Permits Issued (1)	0	0	26	166
Zoning Permits	139	112	17	52
Electric Permits (1)	0	0	22	62
Heating Permits (1)	0	0	25	68
Number of permits issued (1)	0	0	90	348
Permit Revenue	\$22,051	\$19,900	\$28,235	\$41,079

2013	2012	2011	2010	2009	2008
72	68	58	101	77	79
39	36	39	18	38	31
37	49	45	16	71	47
17	26	13	11	25	35
1	3	9	1	38	16
1,680	1,545	1,700	2,172	2,397	1,841
\$6,650	\$5,643	\$6,111	\$9,494	\$57,073	\$116,367
A+	A+	A+	A+	A	A
\$607	\$571	\$564	\$538	\$694	\$666
9.0%	9.2%	9.7%	9.5%	10.8%	14.1%
\$6,302	\$6,467	\$6,738	\$6,173	\$6,603	\$5,827
\$6,749	\$6,178	\$5,788	\$5,689	\$6,425	\$4,728
\$1,869	\$2,103	\$1,655	\$545	\$719	\$767
61	51	98	108	83	99
81	43	71	63	14	22
878	845	1,766	1,195	1,401	1,280
106	119	119	144	203	356
56	64	49	65	64	65
72	90	76	110	107	150
55	77	53	68	61	77
289	350	297	387	435	648
\$22,808	\$27,987	\$20,631	\$32,477	\$29,216	\$53,652

(continued)

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

Function/Program	2017	2016	2015	2014
Security of Persons & Property				
<i>Police</i>				
Felony Arrests	142	144	79	100
Misdemeanor Arrests	451	533	301	284
Arson	4	1	0	0
Assault	19	20	25	16
Residential Burglary	51	50	54	78
Domestic Violence	112	133	128	49
Drug Offense	353	246	108	75
Homicide	0	0	2	0
Larceny	234	299	255	233
Vandalism/Criminal Damaging	75	69	90	72
Robbery	2	2	3	0
Sex Offense	13	16	8	8
Auto Theft/Stolen Plates	20	20	12	12
Traffic Crashes	525	382	326	335
Traffic Fatalities	1	1	1	0
Driving While Intoxicated	79	112	69	63
Traffic Citations Issued	1,347	2,223	1,819	1,139
Warrant Arrests	249	223	145	108
<i>Fire</i>				
EMS Calls	1,177	1,126	1,129	1,070
Ambulance Billing Collections (GROSS)	\$278,264	\$256,749	\$306,753	\$295,625
Revenue per run	236	228	272	276
Fire Calls	655	538	440	464
Public Health and Welfare				
Cemetery burials	2	1	0	1
Cemetery foundations	3	1	0	1
Cemetery (re)sale of lots	0	2	0	0
Cemetery receipts	\$2,021	\$2,092	\$0	\$2,694
Health Advisory Board docket items	1	1	1	1

Source: City Records

(1) The City of Barberton's building department now handles the permits in the City.

2013	2012	2011	2010	2009	2008
69	100	110	75	111	130
220	287	380	498	559	507
0	2	2	1	1	1
13	19	31	36	45	65
37	21	45	41	43	54
46	54	75	78	76	107
73	57	101	101	46	44
0	0	0	0	0	0
202	222	227	255	232	296
66	69	75	46	63	42
3	3	1	2	2	3
5	13	3	2	15	13
7	23	17	18	31	58
315	294	339	374	388	490
0	4	0	0	2	1
82	144	159	269	102	67
1,376	1,533	2,972	2,702	2,666	2,064
161	219	217	182	254	291
1,004	876	980	1,046	1,005	966
\$257,198	\$230,169	\$291,695	\$264,759	\$292,858	\$273,510
256	263	298	253	291	283
369	451	378	379	378	373
2	1	6	1	0	1
1	1	5	0	1	3
1	2	7	4	12	0
\$2,200	\$512	\$2,765	\$2,546	\$4,130	\$1,150
1	1	15	0	29	19

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

Function/Program	2017	2016	2015	2014
General Government				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	0	0	0	0
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage of Building	3,600	3,600	3,600	3,600
Vehicles	10	10	10	10
Fire				
Stations	1	1	1	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	17	17	16	15
City Cemeteries	2	2	2	2
Water Department				
Water Lines (miles)	14.80	14.80	14.80	14.80

Source: City Records

2013	2012	2011	2010	2009	2008
4,080	4,080	4,080	4,080	4,080	4,080
0	0	0	0	0	1
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	11	12	9	10	8
2	2	2	2	2	2
7	7	7	7	7	7
4	4	4	4	4	4
5	5	5	5	5	5
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
13	15	15	15	15	13
2	2	2	2	2	2
14.80	14.80	14.80	14.50	12.50	12.50

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

Function/Program	2017	2016	2015	2014
General Government				
Mayor	1	1	1	2
Council	8	8	8	8
Finance	3	3	3	3
City Administrator	1	1	1	1
Law	2	2	2	2
Administration	1	1	2	2
Engineer	0	0	0	0
Planning	0	0	0	0
Civil Service	0	0	0	0
Court	0	0	2	2
Security of Persons and Property				
Police	22	22	19	21
Fire Full Time	11	11	10	3
Fire Part Time	22	22	22	30
Fire - Secretary - Other	1	1	1	1
Community Development				
Building	1	1	1	1
Transportation				
Service	11	11	11	8
Totals:	84	84	83	84

Source: City Payroll Department

Method: Using 1.0 for each employee at December 31

2013	2012	2011	2010	2009	2008
2	2	2	2	2	2
8	8	8	8	8	8
3	3	3	3	5	5
1	1	1	1	1	1
2	2	2	1	1	1
2	2	2	2	2	2
0	0	1	0	0	1
0	1	0	0	0	0
0	0	0	0	0	0
2	2	2	2	3	3
28	28	27	30	30	30
3	3	2	4	3	3
25	29	32	30	29	27
1	1	1	1	1	1
1	1	1	1	2	2
8	8	9	10	11	12
86	91	93	95	98	98

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Dave Yost • Auditor of State

CITY OF NORTON

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 24, 2018