



OHIO AUDITOR OF STATE  
**KEITH FABER**





CITY OF NORTON  
SUMMIT COUNTY  
DECEMBER 31, 2020

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Comprehensive Annual Financial Report follows.

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Conference Center, Suite 154  
6000 Frank Ave. NW  
North Canton, OH 44720  
EastRegion@ohioauditor.gov  
(800) 443-9272

**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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2021, wherein we noted the City referred to the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the City.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 30, 2021

# OHIO AUDITOR OF STATE KEITH FABER



Conference Center, Suite 154  
6000 Frank Ave. NW  
North Canton, OH 44720  
EastRegion@ohioauditor.gov  
(800) 443-9272

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

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

To the Members of City Council:

### ***Report on Compliance for the Major Federal Program***

We have audited the City of Norton's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Norton's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

### ***Basis for Qualified Opinion on COVID-19 Coronavirus Relief Fund***

As described in finding 2020-001 in the accompanying schedule of findings, the City did not comply with requirements regarding Activities Allowed/Unallowed and Period of Availability applicable to its CFDA #21.019 COVID-19 Coronavirus Relief Fund major federal program. Compliance with these requirements is necessary, in our opinion, for the City to comply with requirements applicable to this program.

### ***Qualified Opinion on COVID-19 Coronavirus Relief Fund***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on COVID-19 Coronavirus Relief Fund* paragraph, City of Norton complied, in all material respects, with the requirements referred to above that could directly and materially affect its *COVID-19 Coronavirus Relief Fund* for the year ended December 31, 2020.

### ***Other Matters***

The City's response to our noncompliance finding is described in the accompanying schedule of findings and corrective action plan. We did not subject the City's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### ***Report on Internal Control Over Compliance***

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2020-001.



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

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

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

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated December 31, 2020, wherein we noted the City referred to the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 30, 2021

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**CITY OF NORTON  
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor/ Pass-Through/ Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction			
Cleveland-Massillon Rd.	97638	20.205	\$ 4,299
Medina Rd.	107261	20.205	381,700
<b>Total U.S. Department of Transportation</b>			<u>385,999</u>
<b>U.S DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Office of Budget and Management:</i>			
COVID-19 Coronavirus Relief Fund	N/A	21.019	1,054,033
<i>Passed Through Summit County, Ohio:</i>			
COVID-19 Coronavirus Relief Fund	N/A	21.019	367,060
<b>Total U.S. Department of Treasury</b>			<u>1,421,093</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Direct Program</i>			
<u>COVID-19 Provider Relief Fund</u>	N/A	93.498	5,672
<b>Total U.S. Department of Health and Human Services</b>			<u>\$ 5,672</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,812,764</u></u>

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

**CITY OF NORTON  
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Norton (the City's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position of the City.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - MATCHING REQUIREMENTS**

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

**CITY OF NORTON  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR § 200.515  
DECEMBER 31, 2020**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	COVID-19 Coronavirus Relief Fund – CFDA #21.019
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

None noted.

### 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

<b>Finding Number:</b>	2020-001
<b>CFDA Number and Title:</b>	21.019 COVID-19 Coronavirus Relief Fund
<b>Federal Award Identification Number / Year:</b>	2020
<b>Federal Agency:</b>	U.S. Department of Treasury
<b>Compliance Requirement:</b>	Activities Allowed/Unallowed Period of Availability
<b>Pass-Through Entity:</b>	Ohio Office of Budget and Management
<b>Repeat Finding from Prior Audit?</b>	No
<b>Prior Audit Finding Number:</b>	N/A

#### QUESTIONED COST, NONCOMPLIANCE AND MATERIAL WEAKNESS

##### **HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance**

Pursuant to HB No. 481, 133<sup>rd</sup> G.A., Section 27(D), as amended by HB No. 614, 133<sup>rd</sup> G.A., the legislative authority of a City adopted a resolution or ordinance affirming that the funds so received may be expended only to cover costs of the subdivision consistent with the requirements of section 5001 of the "Coronavirus Aid, Relief, and Economic Security Act," as described in 42 U.S.C. 801(d), and any applicable regulations.

42 U.S.C. 801(d) states that a City shall use the funds provided under a payment made under this section to cover only those costs of the City that: (1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the governments most recently approved budget as of March 27, 2020; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021.

One out of six of the non-payroll expenditures tested, totaling \$120,531, were not in accordance with the use of funds requirements. The expenditure was accounted for in the City's most recently approved budget as of March 27, 2020. Therefore, the expenditure does not meet the second requirement listed above.

In addition, \$120,531 in expenditures is considered to be questioned costs of the Coronavirus Relief Fund program.

The City should implement procedures to help ensure expenditures of the Coronavirus Relief Fund (CRF) meet the guidelines of what is an eligible expenditure.

**Official's Response: See Corrective Action Plan**



# CITY OF NORTON

4060 Columbia Woods Drive  
Norton, Ohio 44203

Offices: 330-825-7815 Fax: 330-825-3104  
Website: [www.cityofnorton.org](http://www.cityofnorton.org)

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## **CORRECTIVE ACTION PLAN** **2 CFR § 200.511(c)** **December 31, 2020**

<b>Finding Number:</b>	2020-001
<b>Planned Corrective Action:</b>	The City will implement procedures to help ensure expenditures of the Coronavirus Relief Fund (CRF) meet the guidelines of what is an eligible expenditure in the allowable period. All CRF expenditures will be reviewed with legal counsel to ensure compliance with applicable Federal and State law.
<b>Anticipated Completion Date:</b>	06/30/2021
<b>Responsible Contact Person:</b>	Pam Keener, Director of Finance

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# ***CITY OF NORTON, OHIO***



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## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED—DECEMBER 31

# **2020**

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# **City of Norton, Ohio**

## **Comprehensive Annual Financial Report**

*For the Year Ended December 31, 2020*

Issued by:

City of Norton  
Department of Finance

Pamela Keener  
Director of Finance

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**City of Norton, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2020*  
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*Comprehensive Annual Financial Report*  
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# CITY OF NORTON

4060 Columbia Woods Drive  
Norton, Ohio 44203

Offices: 330-825-7815 Fax: 330-825-3104  
Website: [www.cityofnorton.org](http://www.cityofnorton.org)

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Mayor Mike Zita

June 30, 2021

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, 2020. 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 overseen by the Administrative Officer.

## **LOCAL ECONOMY**

**Community Reinvestment Area** In 2015, the City established a Community Reinvestment Area (CRA). Prior to 2020, the city had one (1) active CRA within the municipal boundaries. In 2020, two buildings were constructed under the CRA legislation. Clinton Aluminum located their headquarters within the City. This was a thirty-three acre development. In addition, Caliber Collision from Doylestown relocated to within the City.

With the instituting of Tax Increment Financing Districts, the City has now created funding sources for various infrastructure improvements for the next thirty years. The City also completed the annexation of 1.1 acres from Wayne County to the City.

## **CITY PROJECTS**

**Engineering** The City did a review of all the streets within the boundary. The survey resulted in over \$1.2 million in roadway improvements in the neighborhoods of the City. A 10-year capital plan was established with every street in the municipality being paved within the 10-year period.

**Construction** The City undertook several infrastructure projects in 2020. The \$1.2 million Newpark Drive reconstruction was completed in the spring of 2020. The Newpark Drive project replaced and raised the existing roadway with a new base along with new culverts and storm sewers that were constructed to help alleviate flooding issues that had long plagued that road and surrounding businesses.

The City has been working with Engineering Associates LLC to plan for several waterline extensions, including a loop for State Route 261 and Johnson Road. A contract was bid for Wooster Road waterline loop and State Route 261 South loop in November of 2020 with an anticipated construction date of early 2021.

The City additionally awarded two publically bid contracts to Cavanaugh Construction, one for a storm sewer replacement on Wooster Road in the amount of \$150,000 and the second for a renovation of City Hall to be COVID-19 compliant in the amount of \$255,800. Lastly, the City awarded a walking trail project to Lockhart Construction for the development of a walking trail through Columbia Woods Park with the contract award in the amount of \$280,000.

## **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.

## **TAXES SUPPORT LOCAL GOVERNMENT**

In November of 2004, the voters of Norton approved a half (1/2) percent increase for City income tax. In 2005, the City out-sourced income tax collections to Central Collection Agency (CCA), a regional income tax collecting service in Cleveland. Notice was given to CCA in July of 2020 regarding the City's intent to terminate the agreement and switch income tax collection services to the Regional Income Tax Authority effective January 1, 2021.

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, 2020 income tax results for the general fund were \$5,795,134, of which \$600,000 was moved to the water and sewer improvements fund due to the change in the tax credit. The proceeds from this change are intended to be used on water and sewer infrastructure improvements. The fund that accounts for this was established in 2009, and as of December 31, 2020, has an ending unencumbered cash balance of \$3,023,426.

## 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, 2019. 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 principles 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 17 years. 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



Pamela Keener  
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, 2019

*Christopher P. Morill*

Executive Director/CEO

# City of Norton, Ohio

## Principal Officials

December 31, 2020

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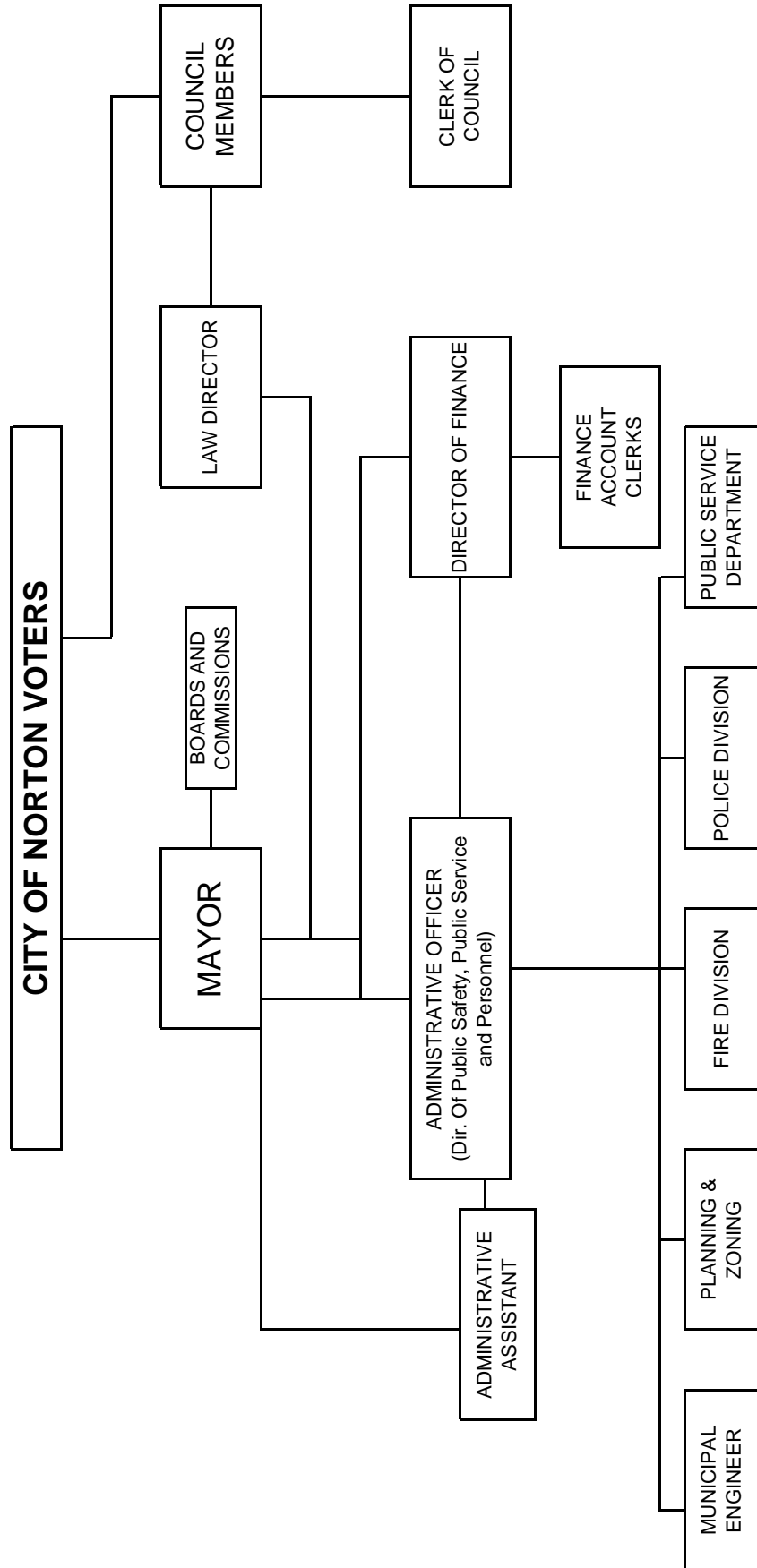
### *Elected Officials*

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

### *Administrators*

Robert Fowler ..... Administrative Officer  
Pamela Keener ..... Director of Finance and Tax Administrator  
Justin Markey..... Director of Law  
John Dalessandro ..... Police Chief  
Mike Schultz ..... Chief of Fire and EMS  
William Braman..... Zoning Inspector  
Kerry Macomber ..... Clerk of Council

**City of Norton, Ohio**  
*Organizational Chart*  
*December 31, 2020*



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**Financial**

**Section**

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# OHIO AUDITOR OF STATE KEITH FABER



Conference Center, Suite 154  
6000 Frank Ave. NW  
North Canton, OH 44720  
EastRegion@ohioauditor.gov  
(800) 443-9272

## 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, 2020 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 as of December 31, 2020 and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund, Service Fund, and Fire and EMS Fund, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 26 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

### ***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 and other post-employment benefit liabilities and pension and other post-employment benefit 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 relates 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 30, 2021, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 30, 2021

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**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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The discussion and analysis for the City of Norton's (the "City") financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2020. 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 2020 is as follows:

- The City undertook several infrastructure projects in 2020. The \$1.2 million Newpark Drive reconstruction was completed in the spring of 2020. The Newpark Drive project replaced and raised the existing roadway with a new base along with new culverts and storm sewers that were constructed to help alleviate flooding issues that had long plagued that road and surrounding businesses.
- The City has been working with Engineering Associates, LLC to plan for several waterline extensions, including a loop for State Route (SR) 261 and Johnson Road. A contract was bid for the Wooster Road waterline loop and the SR 261 South loop in November of 2020 with an anticipated construction date of early 2021.
- The City awarded two publically bid contracts to Cavanaugh Construction, one for a storm sewer replacement on Wooster Road in the amount of \$150,000, and the second for a renovation of city hall to be COVID-19 compliant in the amount of \$255,800. Lastly, the City awarded a walking trail project to Lockhart Construction for the development of a walking trail through Columbia Woods Park with the contract award in the amount of \$280,000.

### **Using this Annual Financial Report**

As an introduction to the City'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 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 2020 and how they affected the City'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.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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## **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 performed financially during 2020. The statement of net position and the statement of activities provide summary information concerning the financial position and operations of the City as an entity, as well as the overall evaluation of the City's financial status.

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

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

The statement of net position is divided into assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The statement of activities is divided into program revenues and expenses, general revenues, net position beginning of year, and net position ending of year.

## **Reporting the City'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-three 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 six major funds: the general fund, the service fund, the fire and EMS fund, the special assessment fund, the water and sewer improvements fund, and the Cleveland-Massillon Road widening 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.



**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

## The City 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 2020 as they compare to 2019.

**Table 1**  
**Net Position**

	Governmental Activities		
	2020	2019	Change
<i>Assets</i>			
Current and Other Assets	\$27,233,504	\$20,636,750	\$6,596,754
Capital Assets, Net	37,787,794	32,711,509	5,076,285
Total Assets	65,021,298	53,348,259	11,673,039
<i>Deferred Outflows of Resources</i>			
Deferred Charges on Refunding	20,680	27,573	(6,893)
Pension	1,548,196	3,011,248	(1,463,052)
OPEB	882,463	724,911	157,552
Total Deferred Outflows of Resources	2,451,339	3,763,732	(1,312,393)
<i>Liabilities</i>			
Current and Other Liabilities	856,642	2,402,585	1,545,943
Long-term Liabilities:			
Due Within One Year	1,388,085	1,007,845	(380,240)
Due in More than One Year:			
Net Pension Liability	6,749,509	8,548,894	1,799,385
Net OPEB Liability	2,093,255	1,920,539	(172,716)
Other Amounts	8,114,525	6,759,662	(1,354,863)
Total Liabilities	19,202,016	20,639,525	1,437,509
<i>Deferred Inflows of Resources</i>			
Property Taxes	2,149,599	2,048,449	(101,150)
Payment in Lieu of Taxes	171,711	0	(171,711)
Deferred Gain on Refunding	38,022	0	(38,022)
Pension	1,002,817	65,667	(937,150)
OPEB	476,519	231,324	(245,195)
Total Deferred Inflows of Resources	3,838,668	2,345,440	(1,493,228)
<i>Net Position</i>			
Net Investment in Capital Assets	29,906,287	26,082,717	3,823,570
Restricted:			
Capital Projects	1,854,908	664,262	1,190,646
Debt Service	1,712,854	914,230	798,624
Police	478,252	613,847	(135,595)
Fire/EMS	1,879,176	1,769,738	109,438
Transportation	1,503,543	1,350,554	152,989
Public Utilities	1,717,917	2,024,302	(306,385)
Economic Development	834,389	381,470	452,919
Unclaimed Monies	15,858	15,107	751
Unrestricted	4,528,769	310,799	4,217,970
Total Net Position	\$44,431,953	\$34,127,026	\$10,304,927

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2020. GASB notes that pension and other postemployment benefits (OPEB) 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 or the net OPEB liability. As explained previously, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 and the net OPEB liability is satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Total assets have increased over the prior year due to increases in the special assessment receivable and capital assets. Special assessments receivable saw an increase because of new assessments for the Nash Heights gravity sanitary sewer system improvements with the City of Barberton, the South Cleveland-Massillon Road improvements, and the Newpark Drive reconstruction project. Capital assets increased mostly due to the increase in road infrastructure related to the completion of various road projects, such as, the South Medina Line resurfacing, Newpark Drive reconstruction, and the 2020 road resurfacing plan of various streets.

Liabilities decreased from the prior year due to decreases in contracts payable and the net pension liability, which was offset by an increase in debt obligations. The decrease in contracts payable relates to the completion of the Newpark Drive reconstruction and less payables related to the Cleveland-Massillon Road widening. The change in pension expense is due to the change in amortization related to changes of assumption and the net difference between projected and actual earnings on pension plan investments. The change in OPEB expenses results from benefit changes that were recognized in 2019. While debt obligations were partially paid down during the year, there were new issuances, such as, 2020 refunding general obligation bonds, 2020 various purpose general obligation bonds for the improvement of the City administration building, the Eastern Road waterline extension OPWC loan, the Cleveland-Massillon Road widening and Newpark Drive reconstruction SIB loans, and 2020 freightliner truck and street sweeper capital leases.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

Table 2 shows the changes in net position for 2020 compared to 2019.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		
	2020	2019	Change
<i>Revenues:</i>			
Program Revenues:			
Charges for Services and Sales	\$6,670,336	\$1,307,084	\$5,363,252
Operating Grants and Contributions	2,690,114	1,544,734	1,145,380
Capital Grants and Contributions	2,489,260	3,880,215	(1,390,955)
Total Program Revenues	11,849,710	6,732,033	5,117,677
General Revenues:			
Property Taxes	2,098,282	2,072,706	25,576
Payments in Lieu of Taxes	33,080	0	33,080
Income Tax	6,370,304	6,525,740	(155,436)
Grants and Entitlements	658,033	545,437	112,596
Interest	327,387	376,793	(49,406)
Gain on Sale of Capital Assets	0	137,587	(137,587)
Other	551,858	406,923	144,935
Total General Revenues	10,038,944	10,065,186	(26,242)
<i>Total Revenues</i>	21,888,654	16,797,219	5,091,435
<i>Program Expenses:</i>			
General Government	2,303,919	2,826,474	522,555
Security of Persons and Property	6,137,480	2,652,411	(3,485,069)
Transportation	2,388,925	2,237,809	(151,116)
Community Environment	48,537	52,379	3,842
Public Health Services	145,434	262,469	117,035
Leisure Time Activities	364,577	391,354	26,777
Interest and Fiscal Charges	194,855	199,599	4,744
<i>Total Expenses</i>	11,583,727	8,622,495	(2,961,232)
<i>Changes in Net Position</i>	10,304,927	8,174,724	2,130,203
<i>Net Position Beginning of Year</i>	34,127,026	25,952,302	8,174,724
<i>Net Position End of Year</i>	\$44,431,953	\$34,127,026	\$10,304,927

Total revenues increased due to an increase in charges for services and sales, which is due to new special assessments for the Nash Heights gravity sanitary sewer system improvements with the City of Barberton, the South Cleveland-Massillon Road improvements, and the Newpark Drive reconstruction project.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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Total security of persons and property expenses increased over the prior year. These expenses increased due to benefit changes for their OPEB plan that were recognized in 2019.

General government and transportation expenses decreased and increased, respectively, during the year. Because of the change in pension expense based on the change in amortization related to changes in assumption and the net difference between projected and actual earnings on pension plan investments, general governmental and transportation pension expenses were partially the reason for the overall increases during the year. The increase in transportation was also due to increase maintenance and repair costs to the road program.

### **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 one 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, a full time captain, three full time sergeants, eleven full time patrol officers, seven 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 and 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-six 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 decreases in both revenues and expenditures but expenditures saw a larger decrease, which resulted in an increase in fund balances. 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, increasing the City-wide fund balance. Significant changes to the City's major funds are described as follows.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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For the general fund, the carryover balance increased. This increase was due to decreased expenditures and transfers out during the year. Expenditures decreased due to less spending in general and security of persons and property being funded by pandemic grant monies in those restricted special revenues funds. Transfers out were to fund the service and other governmental funds. The service fund, formerly the street construction, maintenance and repair fund, changed title during the year to better match the accounting system and name used in City Council meetings. There was an increase in the service fund during 2020, but a lesser increase than in the prior year. This lesser increase was due to reduced transfers in from the general fund. The fire and EMS fund had an increase in fund balance. A decrease in expenditures created an increase in fund balance, which was because of COVID-19 funding covering part of the necessary expenditures in those grant funds during the year rather than the fire and EMS fund entirely. The special assessment fund decreased its fund balance slightly from the prior year due to debt obligations paid during the year. The water and sewer improvements fund balance increased over the prior year, which can be attributed to new special assessments related to the Nash Heights gravity sanitary sewer system improvements with the City of Barberton. The Cleveland-Massillon Road widening fund saw an increase in fund balance. Even though capital outlay expenses decreased from the Cleveland-Massillon Road widening fund, the decrease in funding for the widening project still caused an overall increase in fund balance.

### **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 custodial funds. The Finance Director presents City Council with a detailed line item budget for all departments. Following a Finance Committee budget hearing, which is open to the public, the annual budget is adopted at a personal service and other expenditures within each fund level of control by City Council at a regularly scheduled council meeting. Any budgetary modifications must be made by ordinance of the City Council.

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

For the general fund, original budgeted revenues exceeded final budgeted revenues due to unexpected decreases in revenues due to the COVID-19 pandemic that began in March of 2020. Final budgeted expenditures decreased from original budgeted expenditures due to a conservative budgeting approach. Because of conservative budgeting, actual expenditures were lower than final budgeted expenditures.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

Capital assets have increased over the prior year due to additions exceeding depreciation and deletions. Additions, or purchases, consisted of road and waterline projects, new service department equipment and vehicles, police department garage repairs and equipment/vehicles, fire department equipment, and miscellaneous road and waterline repairs and resurfacings throughout the City. For more information about the City's capital assets, see Note 9 to the basic financial statements.

**City of Norton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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## **Debt**

The general obligation bonds outstanding are to finance various projects in the City, including fire station projects, street engineering, ballfields, Barber Road sanitary sewer improvements, and City building improvements. The bonds are paid from income taxes, cable franchise fees, special assessments, 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 benefitted property owners.

For more information about the City's debt, see Notes 10, 11, and 12 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.

Due to the current situation with the Coronavirus (COVID-19) the City realized a decrease in income tax collections in 2020; however, we do believe that the biggest impact from income tax collections will be realized in 2021. This is due to business closures and employee layoffs during the pandemic. The City will adjust the revenue certification in 2021 to reflect the loss of revenue for income tax, along with the potential loss of revenue for gasoline excise taxes. The budget will be implemented to stay within the certification to maintain a balanced budget for 2021.

## **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](http://www.cityofnorton.org).

## **Basic Financial Statements**

**City of Norton, Ohio**  
*Statement of Net Position*  
*December 31, 2020*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$13,482,738
Materials and Supplies Inventory	351,649
Accounts Receivable	505,969
Accrued Interest Receivable	23,996
Intergovernmental Receivable	779,070
Prepaid Items	67,027
Income Taxes Receivable	1,694,718
Property Taxes Receivable	2,377,594
Payments in Lieu of Taxes Receivable	171,711
Loans Receivable	75,000
Special Assessments Receivable	6,766,667
Assets Held for Resale	937,365
Nondepreciable Capital Assets	13,878,806
Depreciable Capital Assets, Net	23,908,988
<i>Total Assets</i>	<u>65,021,298</u>
<b>Deferred Outflows of Resources</b>	
Deferred Charges on Refunding	20,680
Deferred Outflows - Pension	1,548,196
Deferred Outflows - OPEB	882,463
<i>Total Deferred Outflows of Resources</i>	<u>2,451,339</u>
<b>Liabilities</b>	
Accounts Payable	171,239
Deposits Held Payable	96,087
Accrued Wages	112,754
Employee Withholdings Payable	3,595
Intergovernmental Payable	173,216
Contracts Payable	259,637
Accrued Interest Payable	40,114
Long-Term Liabilities:	
Due Within One Year	1,388,085
Due in More Than One Year:	
Net Pension Liability (See Note 14)	6,749,509
Net OPEB Liability (See Note 15)	2,093,255
Other Amounts	8,114,525
<i>Total Liabilities</i>	<u>19,202,016</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	2,149,599
Payments in Lieu of Taxes	171,711
Deferred Gain on Refunding	38,022
Deferred Inflows - Pension	1,002,817
Deferred Inflows - OPEB	476,519
<i>Total Deferred Inflows of Resources</i>	<u>3,838,668</u>
<b>Net Position</b>	
Net Investment in Capital Assets	29,906,287
Restricted for:	
Capital Projects	1,854,908
Debt Service	1,712,854
Police	478,252
Fire/EMS	1,879,176
Transportation	1,503,543
Public Utilities	1,717,917
Economic Development	834,389
Unclaimed Monies	15,858
Unrestricted	4,528,769
<i>Total Net Position</i>	<u>\$44,431,953</u>

See accompanying notes to the basic financial statements



**City of Norton, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2020

		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
<b>Governmental Activities</b>					
General Government	\$2,303,919	\$1,007,023	\$138	\$0	(\$1,296,758)
Security of Persons and Property	6,137,480	408,935	1,685,373	0	(4,043,172)
Transportation	2,388,925	902,578	1,004,603	2,489,260	2,007,516
Community Environment	48,537	129,537	0	0	81,000
Public Health Services	145,434	4,213,618	0	0	4,068,184
Leisure Time Activities	364,577	8,645	0	0	(355,932)
Interest and Fiscal Charges	194,855	0	0	0	(194,855)
<i>Totals</i>	<u>\$11,583,727</u>	<u>\$6,670,336</u>	<u>\$2,690,114</u>	<u>\$2,489,260</u>	<u>265,983</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					372,014
Police and Fire Disability and Pension					69,752
Fire/EMS					1,656,516
Payments in Lieu of Taxes					33,080
Income Taxes Levied for:					
General Purposes					5,876,534
Water and Sewer Improvements					493,770
Grants and Entitlements not Restricted to Specific Programs					658,033
Interest					327,387
Other					551,858
<i>Total General Revenues</i>					<u>10,038,944</u>
Change in Net Position					10,304,927
<i>Net Position Beginning of Year</i>					<u>34,127,026</u>
<i>Net Position End of Year</i>					<u>\$44,431,953</u>

See accompanying notes to the basic financial statements

**City of Norton, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2020*

	General	Service	Fire and EMS	Special Assessment
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$4,137,559	\$606,687	\$1,270,550	\$191,301
Materials and Supplies Inventory	9,934	341,715	0	0
Accounts Receivable	169	5,725	417,201	0
Accrued Interest Receivable	23,446	470	0	0
Intergovernmental Receivable	228,598	357,801	118,642	0
Prepaid Items	38,498	8,698	19,831	0
Income Taxes Receivable	1,620,905	0	0	0
Property Taxes Receivable	467,134	0	1,822,872	0
Payments in Lieu of Taxes Receivable	0	0	0	0
Loans Receivable	0	0	0	0
Special Assessments Receivable	0	43,312	0	1,775,259
Assets Held for Resale	0	0	0	0
Interfund Receivable	103,000	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	111,945	0	0	0
<b>Total Assets</b>	<b>\$6,741,188</b>	<b>\$1,364,408</b>	<b>\$3,649,096</b>	<b>\$1,966,560</b>
<b>Liabilities</b>				
Accounts Payable	\$47,462	\$17,930	\$55,864	\$0
Deposits Held Payable from Restricted Assets	96,087	0	0	0
Accrued Wages	54,520	9,743	48,491	0
Employee Withholdings Payable	725	935	878	0
Intergovernmental Payable	77,539	14,193	21,829	0
Contracts Payable	68,627	0	0	0
Interfund Payable	0	0	0	0
<b>Total Liabilities</b>	<b>344,960</b>	<b>42,801</b>	<b>127,062</b>	<b>0</b>
<b>Deferred Inflows of Resources</b>				
Property Taxes	426,729	0	1,642,858	0
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	889,340	269,167	673,594	1,775,259
<b>Total Deferred Inflows of Resources</b>	<b>1,316,069</b>	<b>269,167</b>	<b>2,316,452</b>	<b>1,775,259</b>
<b>Fund Balances</b>				
Nonspendable	64,290	350,413	19,831	0
Restricted	0	702,027	1,185,751	191,301
Committed	123,758	0	0	0
Assigned	1,485,992	0	0	0
Unassigned	3,406,119	0	0	0
<b>Total Fund Balances</b>	<b>5,080,159</b>	<b>1,052,440</b>	<b>1,205,582</b>	<b>191,301</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$6,741,188</b>	<b>\$1,364,408</b>	<b>\$3,649,096</b>	<b>\$1,966,560</b>

See accompanying notes to the basic financial statements

Water and Sewer Improvements	Cleveland - Massillon Road Widening	Other Governmental Funds	Total Governmental Funds
\$3,023,426	\$319,069	\$3,822,201	\$13,370,793
0	0	0	351,649
0	0	82,874	505,969
0	0	80	23,996
0	0	74,029	779,070
0	0	0	67,027
73,813	0	0	1,694,718
0	0	87,588	2,377,594
0	0	171,711	171,711
75,000	0	0	75,000
3,732,242	487,800	728,054	6,766,667
0	0	937,365	937,365
0	0	0	103,000
0	0	0	111,945
<u>\$6,904,481</u>	<u>\$806,869</u>	<u>\$5,903,902</u>	<u>\$27,336,504</u>
\$0	\$0	\$49,983	\$171,239
0	0	0	96,087
0	0	0	112,754
0	0	1,057	3,595
58,082	0	1,573	173,216
83,198	0	107,812	259,637
0	0	103,000	103,000
141,280	0	263,425	919,528
0	0	80,012	2,149,599
0	0	171,711	171,711
3,881,055	487,800	783,496	8,759,711
3,881,055	487,800	1,035,219	11,081,021
0	0	0	434,534
75,000	319,069	4,043,339	6,516,487
2,807,146	0	24,951	2,955,855
0	0	536,968	2,022,960
0	0	0	3,406,119
2,882,146	319,069	4,605,258	15,335,955
<u>\$6,904,481</u>	<u>\$806,869</u>	<u>\$5,903,902</u>	<u>\$27,336,504</u>

**City of Norton, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2020*

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<b>Total Governmental Fund Balances</b>	<b>\$15,335,955</b>
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*Amounts reported for governmental activities in the  
statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	37,787,794
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:

Delinquent Property Taxes	227,995
Municipal Income Tax	786,916
Charges for Services	375,496
Special Assessments	6,766,667
Intergovernmental	527,637
Consideration on Transfer of Operations	<u>75,000</u>

Total	8,759,711
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In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(40,114)
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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:

General Obligation Bonds	(2,734,194)
Special Assessment Bonds	(1,427,256)
OPWC Loan	(343,427)
SIB Loans	(3,009,185)
Capital Leases	(1,055,852)
Compensated Absences	<u>(932,696)</u>

Total	(9,502,610)
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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.	20,680
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Deferred inflows or resources represent deferred gain on refundings, which are not reported in the funds.	(38,022)
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The net pension/OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	1,548,196
Deferred Outflows - OPEB	882,463
Net Pension Liability	(6,749,509)
Net OPEB Liability	(2,093,255)
Deferred Inflows - Pension	(1,002,817)
Deferred Inflows - OPEB	<u>(476,519)</u>

Total	<u>(7,891,441)</u>
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<i>Net Position of Governmental Activities</i>	<u><u>\$44,431,953</u></u>
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See accompanying notes to the basic financial statements

**City of Norton, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2020*

	General	Service	Fire and EMS	Special Assessment
<b>Revenues</b>				
Property Taxes	\$366,097	\$0	\$1,629,753	\$0
Payments in Lieu of Taxes	0	0	0	0
Municipal Income Tax	5,832,687	0	0	0
Charges for Services	142,610	47,052	230,248	0
Special Assessments	0	23,111	0	176,923
Licenses, Permits and Fees	34,745	0	0	0
Fines and Forfeitures	13,861	0	0	0
Intergovernmental	816,952	809,711	237,935	0
Contributions and Donations	571	0	0	0
Interest	326,386	474	0	0
Rentals	8,645	0	0	0
Other	293,992	89,450	150,416	0
<i>Total Revenues</i>	<u>7,836,546</u>	<u>969,798</u>	<u>2,248,352</u>	<u>176,923</u>
<b>Expenditures</b>				
Current:				
General Government	2,134,951	0	0	3,464
Security of Persons and Property	1,494,926	0	2,118,306	0
Transportation	1,199,292	1,703,843	0	0
Community Environment	44,598	0	0	0
Public Health Services	0	0	0	0
Leisure Time Activities	303,912	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	53,000	113,564	96,244	143,020
Interest and Fiscal Charges	10,305	9,797	5,462	59,465
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>5,240,984</u>	<u>1,827,204</u>	<u>2,220,012</u>	<u>205,949</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,595,562</u>	<u>(857,406)</u>	<u>28,340</u>	<u>(29,026)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	2,607	1,801	1,825	0
Refunding General Obligation Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
OPWC Loan Issued	0	0	0	0
SIB Loans Issued	0	0	0	0
Inception of Capital Leases	0	336,818	0	0
Transfers In	0	800,000	0	0
Transfers Out	(1,300,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,297,393)</u>	<u>1,138,619</u>	<u>1,825</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>1,298,169</u>	<u>281,213</u>	<u>30,165</u>	<u>(29,026)</u>
<i>Fund Balances Beginning of Year</i>	<u>3,781,990</u>	<u>771,227</u>	<u>1,175,417</u>	<u>220,327</u>
<i>Fund Balances End of Year</i>	<u>\$5,080,159</u>	<u>\$1,052,440</u>	<u>\$1,205,582</u>	<u>\$191,301</u>

(continued)

**City of Norton, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds (continued)*  
*For the Year Ended December 31, 2020*

	Water and Sewer Improvements	Cleveland - Massillon Road Widening	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$68,643	\$2,064,493
Payments in Lieu of Taxes	0	0	33,080	33,080
Municipal Income Tax	498,223	0	0	6,330,910
Charges for Services	0	0	370,865	790,775
Special Assessments	234,730	0	2,298	437,062
Licenses, Permits and Fees	0	0	0	34,745
Fines and Forfeitures	0	0	3,039	16,900
Intergovernmental	75,000	1,779,893	2,314,018	6,033,509
Contributions and Donations	0	0	125	696
Interest	0	0	527	327,387
Rentals	0	0	0	8,645
Other	0	0	18,000	551,858
<i>Total Revenues</i>	<u>807,953</u>	<u>1,779,893</u>	<u>2,810,595</u>	<u>16,630,060</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	1,262	2,139,677
Security of Persons and Property	0	0	1,610,335	5,223,567
Transportation	0	0	249,356	3,152,491
Community Environment	0	0	783	45,381
Public Health Services	0	0	433,207	433,207
Leisure Time Activities	0	0	0	303,912
Capital Outlay	492,414	2,759,644	972,352	4,224,410
Debt Service:				
Principal Retirement	91,980	0	110,000	607,808
Interest and Fiscal Charges	11,379	0	101,575	197,983
Issuance Costs	0	0	60,000	60,000
<i>Total Expenditures</i>	<u>595,773</u>	<u>2,759,644</u>	<u>3,538,870</u>	<u>16,388,436</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>212,180</u>	<u>(979,751)</u>	<u>(728,275)</u>	<u>241,624</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	6,233
Refunding General Obligation Bonds Issued	0	0	1,910,000	1,910,000
Payment to Refunded Bond Escrow Agent	0	0	(1,856,053)	(1,856,053)
General Obligation Bonds Issued	0	0	415,000	415,000
OPWC Loan Issued	0	0	62,891	62,891
SIB Loans Issued	0	1,048,970	450,000	1,498,970
Inception of Capital Leases	0	0	0	336,818
Transfers In	0	0	500,000	1,300,000
Transfers Out	0	0	0	(1,300,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>1,048,970</u>	<u>1,481,838</u>	<u>2,373,859</u>
<i>Net Change in Fund Balances</i>	<u>212,180</u>	<u>69,219</u>	<u>753,563</u>	<u>2,615,483</u>
<i>Fund Balances Beginning of Year</i>	<u>2,669,966</u>	<u>249,850</u>	<u>3,851,695</u>	<u>12,720,472</u>
<i>Fund Balances End of Year</i>	<u>\$2,882,146</u>	<u>\$319,069</u>	<u>\$4,605,258</u>	<u>\$15,335,955</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, 2020*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$2,615,483</b>
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*Amounts reported for governmental activities in the  
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Asset Additions	\$6,244,805	
Current Year Depreciation	(1,120,955)	
Total		5,123,850

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.

(47,565)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	33,789	
Municipal Income Taxes	39,394	
Charges for Services	146,322	
Special Assessments	5,235,887	
Intergovernmental	(121,798)	
Consideration on Transfer of Operations	(75,000)	
Total		5,258,594

Repayment of bond, loan, 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.

2,463,861

Some expenses reported in the statement of activities do not require the use expenditures in the governmental funds:

Accrued Interest on Bonds	(4,241)	
Amortization of Premium on Bonds	14,262	
Amortization of Deferred Charges on Refunding	(6,893)	
Total		3,128

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.

(27,569)

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.

Refunding General Obligation Bonds Issued	(1,910,000)	
General Obligation Bonds Issued	(415,000)	
OPWC Loan Issued	(62,891)	
SIB Loans Issued	(1,498,970)	
Inception of Capital Leases	(336,818)	
Total		(4,223,679)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	572,154	
OPEB	15,486	
Total		587,640

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities are reported as pension/OPEB expense in the statement of activities.

Pension	(1,172,971)	
OPEB	(275,845)	
Total		(1,448,816)

<i>Change in Net Position of Governmental Activities</i>	<u><u>\$10,304,927</u></u>
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See accompanying notes to the basic financial statements

**City of Norton, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$373,611	\$373,750	\$366,097	(\$7,653)
Municipal Income Tax	6,435,000	6,435,000	5,795,134	(639,866)
Charges for Services	152,800	152,800	141,549	(11,251)
Licenses, Permits and Fees	16,350	16,350	35,804	19,454
Fines and Forfeitures	8,500	8,500	11,461	2,961
Intergovernmental	445,178	511,016	745,335	234,319
Interest	126,500	126,500	196,139	69,639
Contributions and Donations	0	0	571	571
Rentals	8,002	8,002	6,970	(1,032)
Other	140,204	69,680	336,491	266,811
<i>Total Revenues</i>	<u>7,706,145</u>	<u>7,701,598</u>	<u>7,635,551</u>	<u>(66,047)</u>
<b>Expenditures</b>				
Current:				
General Government	3,002,679	3,031,784	2,326,553	705,231
Security of Persons and Property	3,125,791	1,723,986	1,585,185	138,801
Community Environment	78,894	83,009	51,161	31,848
Leisure Time Activities	314,296	314,296	289,965	24,331
Debt Service:				
Principal Retirement	53,000	53,000	53,000	0
Interest and Fiscal Charges	10,305	10,305	10,305	0
<i>Total Expenditures</i>	<u>6,584,965</u>	<u>5,216,380</u>	<u>4,316,169</u>	<u>900,211</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,121,180</u>	<u>2,485,218</u>	<u>3,319,382</u>	<u>834,164</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	5,000	5,000	2,607	(2,393)
Advances Out	(36,000)	(103,000)	(103,000)	0
Transfers Out	(1,200,000)	(3,979,100)	(3,056,500)	922,600
<i>Total Other Financing Sources (Uses)</i>	<u>(1,231,000)</u>	<u>(4,077,100)</u>	<u>(3,156,893)</u>	<u>920,207</u>
<i>Net Change in Fund Balance</i>	<u>(109,820)</u>	<u>(1,591,882)</u>	<u>162,489</u>	<u>1,754,371</u>
<i>Fund Balance Beginning of Year</i>	<u>2,346,329</u>	<u>2,346,329</u>	<u>2,346,329</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>339,219</u>	<u>339,219</u>	<u>339,219</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,575,728</u>	<u>\$1,093,666</u>	<u>\$2,848,037</u>	<u>\$1,754,371</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*  
*Service Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$6,000	\$6,000	\$47,052	\$41,052
Special Assessments	7,500	7,500	23,111	15,611
Intergovernmental	1,174,300	849,630	822,983	(26,647)
Interest	1,000	1,000	261	(739)
Other	16,100	16,100	90,580	74,480
<i>Total Revenues</i>	<u>1,204,900</u>	<u>880,230</u>	<u>983,987</u>	<u>103,757</u>
<b>Expenditures</b>				
Current:				
Transportation	2,012,069	1,689,586	1,315,852	373,734
Debt Service:				
Principal Retirement	97,060	113,564	113,564	0
Interest and Fiscal Charges	9,699	9,797	9,797	0
<i>Total Expenditures</i>	<u>2,118,828</u>	<u>1,812,947</u>	<u>1,439,213</u>	<u>373,734</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(913,928)</u>	<u>(932,717)</u>	<u>(455,226)</u>	<u>477,491</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	2,000	2,000	1,801	(199)
Transfers In	799,400	1,499,400	800,000	(699,400)
<i>Total Other Financing Sources</i>	<u>801,400</u>	<u>1,501,400</u>	<u>801,801</u>	<u>(699,599)</u>
<i>Net Change in Fund Balance</i>	<u>(112,528)</u>	<u>568,683</u>	<u>346,575</u>	<u>(222,108)</u>
<i>Fund Balance Beginning of Year</i>	<u>181,202</u>	<u>181,202</u>	<u>181,202</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>50,115</u>	<u>50,115</u>	<u>50,115</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$118,789</u>	<u>\$800,000</u>	<u>\$577,892</u>	<u>(\$222,108)</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 and EMS Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$1,576,633	\$1,681,490	\$1,629,753	(\$51,737)
Charges for Services	390,300	390,300	222,889	(167,411)
Intergovernmental	183,110	183,110	237,935	54,825
Other	20,500	15,500	174,483	158,983
<i>Total Revenues</i>	<u>2,170,543</u>	<u>2,270,400</u>	<u>2,265,060</u>	<u>(5,340)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	2,442,020	2,475,680	2,117,233	358,447
Debt Service:				
Principal Retirement	96,244	96,244	96,244	0
Interest and Fiscal Charges	5,462	5,462	5,462	0
<i>Total Expenditures</i>	<u>2,543,726</u>	<u>2,577,386</u>	<u>2,218,939</u>	<u>358,447</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(373,183)</u>	<u>(306,986)</u>	<u>46,121</u>	<u>353,107</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>1,825</u>	<u>1,825</u>
<i>Net Change in Fund Balance</i>	<u>(373,183)</u>	<u>(306,986)</u>	<u>47,946</u>	<u>354,932</u>
<i>Fund Balance Beginning of Year</i>	<u>1,111,993</u>	<u>1,111,993</u>	<u>1,111,993</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>88,337</u>	<u>88,337</u>	<u>88,337</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$827,147</u>	<u>\$893,344</u>	<u>\$1,248,276</u>	<u>\$354,932</u>

See accompanying notes to the basic financial statements

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**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, one insurance purchasing pool, the South Central Ohio Insurance Consortium, and three jointly governed organizations, the Northeast Ohio Public Energy Council, the Regional Income Tax Agency, and the Akron-Summit County Energy Special Improvement District. These organizations are described in Notes 21, 22, and 23 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, 2020*

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***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. 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.

***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 governmental funds.

***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.

***Service Special Revenue Fund*** The service 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 and EMS Special Revenue Fund*** The fire and EMS fund accounts for and reports restricted property taxes for operations and capital purchases of the fire and 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, 2020*

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***Special Assessment Debt Service Fund*** The special assessment 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.

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

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 (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has no fiduciary funds.

***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. 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, 2020*

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**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 6). 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, charges for services, fines and forfeitures, State-levied locally shared taxes (including gasoline tax and motor vehicle license fees), grants, interest, and miscellaneous reimbursements.

**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 deferred charges on refunding, pension and OPEB reported on the government-wide statement of net position. Deferred charges on refunding result from the difference in the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 14 and 15.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, a deferred gain on refunding, pension, OPEB and unavailable revenue. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 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, municipal income tax, charges for services, special assessments, intergovernmental grants and entitlements, and consideration on transfer of operations. 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 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 14 and 15.)

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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

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

***Budgetary Process***

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

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

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

***Cash, Cash Equivalents and Investments***

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

During 2020, investments were limited to an American Treasury Obligation Fund, government securities, negotiable certificates of deposit, and commercial papers. All of these investments are reported at fair value, which is based on quoted market prices.

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 2020 amounted to \$326,386, of which \$223,200 was assigned from other City funds.

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

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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***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 and deposits held to individuals and organizations.

***Materials and Supplies 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.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2020, 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.

***Assets Held for Resale***

Assets held for resale represent land purchased by the City, which will be sold for development or ownership.

***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	5 - 20 or 75 years
Equipment, Furniture and Fixtures	5 - 30 years
Vehicles	2 - 50 years
Infrastructure	5 - 20 or 100 years

The City's infrastructure consists of waterlines and roads and includes infrastructure acquired after 2003.



**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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***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.

***Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans 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 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, loans, and capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

***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, 2020*

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

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2021 appropriated budget. City Council assigned fund balance for community center, historical, recycling, scrap tire, and road program.

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

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

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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***Premiums***

On the government-wide financial statements, premiums are deferred and amortized over the term of the debt issuance using the straight line method. Premiums are presented as an increase of the face amount of the debt issuance payable. On fund financial statements, premiums are receipted in the year the debt issuances are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the debt 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.

***Deferred Charges/Gain 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.

***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.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 3 – Change in Accounting Principle**

For 2020, the City implemented the Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The City has no assets with a legally enforceable liability; therefore, there will be no effect on the net position as of December 31, 2019.

**Note 4 – Deposits and Investments**

Active deposits are public deposits 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, and Government National Mortgage 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 including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) 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 market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

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

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

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

### ***Deposits***

***Custodial credit risk*** for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2020, \$1,652,479 of the City's total bank balance of \$5,113,477 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the City's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be 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 market 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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2020

**Investments**

Investments are reported at fair value. As of December 31, 2020, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level 1 Input:				
American Treasury Obligation Fund	\$11,621	Less than one year	A-1	0.14 %
Fair Value - Level 2 Inputs:				
Federal National Mortgage Association Notes	314,036	Less than five years	AA+	3.68
Negotiable Certificates of Deposit	7,263,950	Less than five years	N/A	85.17
Commercial Paper	939,436	Less than one year	A-1	11.01
Total Fair Value - Level 2 Inputs	8,517,422			99.86
Total Investments	\$8,529,043			100.00 %

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, 2020. The American Treasury Obligation Fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's other 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 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, negotiable certificates of deposit, STAR Ohio, and money market funds, certain assets class ownership limitations exist. Those are: no more than forty percent of the City's total investment portfolio will be invested in commercial paper, no more than twenty-five percent in repurchase agreements, no more than five percent in state and local government securities, and no more than five percent in corporate bonds.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 5 – 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).
4. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
5. Budgetary revenues and expenditures of the community center, historical, recycling, and road program funds are reclassified to the general fund for GAAP reporting.
6. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).

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

	Net Change in Fund Balances		
	General	Service	Fire and EMS
GAAP Basis	\$1,298,169	\$281,213	\$30,165
Net Adjustment for Revenue Accruals	55,049	(322,655)	16,708
Beginning Unrecorded Cash	2,565	26	0
Beginning Fair Value Adjustment for Investments	78,095	0	0
Ending Fair Value Adjustment for Investments	(207,966)	0	0
Net Adjustment for Expenditure Accruals	2,229,716	415,851	22,469
Advances Out	(103,000)	0	0
Perspective Differences:			
Community Center Fund	(19,172)	0	0
Historical Greenwich Road Fund	(2,619)	0	0
Recycling Fund	(13)	0	0
Road Program Fund	(3,028,794)	0	0
Encumbrances	(139,541)	(27,860)	(21,396)
Budget Basis	<u>\$162,489</u>	<u>\$346,575</u>	<u>\$47,946</u>

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 6 – Receivables**

Receivables at December 31, 2020, consisted of accounts receivable, interest, intergovernmental receivables arising from grants, entitlements and shared revenues, municipal income taxes, property taxes, payments in lieu of taxes, loans, and special assessments.

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

Special assessments expected to be collected in one year amount to \$519,750, with the remaining \$6,246,917 expected to be collected in more than one year. At December 31, 2020, the amount of delinquent special assessments was \$108,161.

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2020, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

	Assessed Values
Real Estate:	
Residential/Agricultural	\$248,019,750
Other Real Estate	46,188,900
Tangible Personal Property Public Utility	11,187,960
Total	<u>\$305,396,610</u>



**City of Norton, Ohio**  
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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, 2020, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2020 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.

***Payments in Lieu of Taxes***

According to State law, the City has established several tax increment financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

***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 improvements capital projects fund. See Note 20 for information regarding the Municipal Utility District with the City of Barberton.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately three percent.

In March of 2020, Ohio's General Assembly passed House Bill 197, which addressed various topics, including income tax collection. This legislation indicated that for the period of the state of emergency related to COVID-19 declared on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee's home, to which the employee is required to report for employment duties because of the declaration shall be deemed to be a day performing personal services at the employee's principal place of work. The City's income tax receivable/revenue has been calculated consistent with the provisions of House Bill 197.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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***Intergovernmental Receivables***

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

	<u>Amounts</u>
Gasoline Tax and Cents Per Gallon	\$335,685
Local Government	182,572
Homestead and Rollback	149,541
Motor Vehicle License Registration	47,675
Permissive Motor Vehicle License Tax	40,282
State Municipal Tax	16,422
Norton City School District Salt	2,819
Police Fines and Forfeitures	1,535
Building Maintenance and Insurance	1,458
BWC Reimbursement	985
Miscellaneous Revenues	96
Total	<u><u>\$779,070</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 City received the amount associated with 2020 during the year. The amount outstanding for the City of Barberton at December 31, 2020 is \$75,000. 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 18 for details of the transfer.

**Note 7 – Tax Abatements**

As of December 31, 2020, 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 2020 related to this abatement in the amount of \$2,633.

**Note 8 - Assets Held for Resale**

Assets held for resale represent land purchased from the Summit County Metro Parks, which will be sold for future development or ownership. At December 31, 2020, the City held land for resale with a value of \$937,365.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2020

**Note 9 – Capital Assets**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/19	Additions	Reductions	Balance 12/31/20
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$1,209,297	\$0	\$0	\$1,209,297
Construction in Progress	11,201,964	3,679,466	(2,211,921)	12,669,509
<b><i>Total Capital Assets, not being depreciated</i></b>	<b>12,411,261</b>	<b>3,679,466</b>	<b>(2,211,921)</b>	<b>13,878,806</b>
<b><i>Capital Assets, being depreciated:</i></b>				
Land Improvements	1,580,266	0	0	1,580,266
Buildings and Improvements	5,662,387	20,843	0	5,683,230
Equipment, Furniture and Fixtures	1,668,737	139,206	(150,462)	1,657,481
Vehicles	4,203,249	514,425	(622,800)	4,094,874
Infrastructure:				
Water Lines	6,663,238	832,109	0	7,495,347
Roads	9,629,199	3,270,677	0	12,899,876
<b><i>Total Capital Assets, being depreciated</i></b>	<b>29,407,076</b>	<b>4,777,260</b>	<b>(773,262)</b>	<b>33,411,074</b>
<b><i>Less Accumulated Depreciation:</i></b>				
Land Improvements	(646,716)	(83,964)	0	(730,680)
Buildings and Improvements	(1,202,626)	(110,609)	0	(1,313,235)
Equipment, Furniture and Fixtures	(983,307)	(98,571)	116,946	(964,932)
Vehicles	(2,363,838)	(222,001)	608,751	(1,977,088)
Infrastructure:				
Water Lines	(1,095,461)	(70,794)	0	(1,166,255)
Roads	(2,814,880)	(535,016)	0	(3,349,896)
<b><i>Total Accumulated Depreciation</i></b>	<b>(9,106,828)</b>	<b>(1,120,955) *</b>	<b>725,697</b>	<b>(9,502,086)</b>
<b><i>Total Capital Assets being depreciated, net</i></b>	<b>20,300,248</b>	<b>3,656,305</b>	<b>(47,565)</b>	<b>23,908,988</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$32,711,509</b>	<b>\$7,335,771</b>	<b>(\$2,259,486)</b>	<b>\$37,787,794</b>

\* Depreciation expense was charged to governmental functions as follows:

General Government	\$77,532
Security of Persons and Property	223,854
Transportation	686,933
Public Health Services	70,793
Leisure Time Activities	61,843
<b>Total Depreciation Expense</b>	<b>\$1,120,955</b>

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2020

## Note 10 – Short-Term Obligations

A summary of note transactions for the year ended December 31, 2020 follows:

	Balance 12/31/19	Additions	Reductions	Balance 12/31/20
<b>Governmental Activities</b>				
2019 Series Property Acquisition Notes	\$800,000	\$0	(\$800,000)	\$0
Premium	2,000	0	(2,000)	0
<i>Total Short-Term Obligations</i>	<u>\$802,000</u>	<u>\$0</u>	<u>(\$802,000)</u>	<u>\$0</u>

On July 9, 2019, the City issued \$800,000 in property acquisition notes to pay the costs of acquiring certain property in the City for City purposes and to pay certain costs of issuance of the notes at an interest rate of 2.25 percent. The notes matured on July 9, 2020.

## 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
<b>General Obligation Bonds:</b>				
2012 Refunding Bonds:				
Ballfields	2012	2 - 3%	\$157,000	12/01/23
Gardner Engineering	2012	2 - 3	115,000	12/01/23
Barber Road Sanitary Sewer	2012	2 - 3	871,182	12/01/23
2020 Refunding Bonds from Direct Placement	2020	1.65	1,910,000	12/01/35
2020 Various Purpose Bonds from Direct Placement	2020	1.65	415,000	12/01/35
<b>Special Assessment Bonds</b>				
<i>with Governmental Commitment:</i>				
2010 Various Purpose Bonds - Series B:				
Wadsworth, Berry, McGowan Waterlines	2010	2 - 5	294,399	12/01/30
Cleveland-Massillon Waterline	2010	2 - 5	522,896	12/01/30
Gardner Phase II	2010	2 - 5	224,042	12/01/30
Hazelwood Connect	2010	2 - 5	102,019	12/01/30
Johnson Meadows	2010	2 - 5	146,644	12/01/30
2012 Various Purpose Bonds:				
Greenwich Street Sewer	2012	2 - 4	232,000	12/01/32
Gardner Street Waterline	2012	2 - 4	195,000	12/01/32
Oak Street Sewer	2012	2 - 4	230,000	12/01/32
2012 Refunding Bonds:				
Barber Road	2012	2 - 3	516,818	12/01/23
<b>OPWC Loan from Direct Borrowing:</b>				
Eastern Road Waterline Extension	2019	0.00	343,427	07/01/50
<b>State Infrastructure Bank Loan</b>				
<i>from Direct Borrowings:</i>				
Cleveland-Massillon Road Widening	2019	3.00	2,557,185	Not Finalized
Newpark Drive Reconstruction	2019	3.00	452,000	12/23/24

**City of Norton, Ohio**  
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For the Year Ended December 31, 2020

A schedule of changes in bonds and other long-term obligations of the City during 2020 following:

	Amounts Outstanding 12/31/19	Additions	Reductions	Amounts Outstanding 12/31/20	Amounts Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds:</b>					
2010 Various Purpose Bonds - Series A:					
Fire Station - Serial	\$85,000	\$0	(\$85,000)	\$0	\$0
Fire Station - Term	1,845,000	0	(1,845,000)	0	0
Premium	49,075	0	(49,075)	0	0
<i>Total 2010 Various Purpose Bonds</i>	<u>1,979,075</u>	<u>0</u>	<u>(1,979,075)</u>	<u>0</u>	<u>0</u>
2012 Refunding Bonds:					
Ballfields	65,000	0	(15,000)	50,000	15,000
Gardner Engineering	55,000	0	(10,000)	45,000	15,000
Barber Road Sanitary Sewer	377,274	0	(88,734)	288,540	93,870
Premium	34,206	0	(8,552)	25,654	0
<i>Total 2012 Refunding Bonds</i>	<u>531,480</u>	<u>0</u>	<u>(122,286)</u>	<u>409,194</u>	<u>123,870</u>
2020 Refunding Bonds from Direct Placement	<u>0</u>	<u>1,910,000</u>	<u>0</u>	<u>1,910,000</u>	<u>115,000</u>
2020 Various Purpose Bonds from Direct Placement	<u>0</u>	<u>415,000</u>	<u>0</u>	<u>415,000</u>	<u>25,000</u>
<b>Total General Obligation Bonds</b>	<u>2,510,555</u>	<u>2,325,000</u>	<u>(2,101,361)</u>	<u>2,734,194</u>	<u>263,870</u>
<b>Special Assessment Bonds</b>					
<b>with Governmental Commitment:</b>					
2010 Various Purpose Bonds - Series B:					
Wadsworth, Berry, McGowan Waterlines - Serial	13,691	0	(13,691)	0	0
Cleveland-Massillon Waterline - Serial	24,323	0	(24,323)	0	0
Gardner Phase II - Serial	10,420	0	(10,420)	0	0
Hazelwood Connect - Serial	4,745	0	(4,745)	0	0
Johnson Meadows - Serial	6,821	0	(6,821)	0	0
Wadsworth, Berry, McGowan Waterlines - Term	173,444	0	0	173,444	13,693
Cleveland-Massillon Waterline - Term	308,063	0	0	308,063	24,320
Gardner Phase II - Term	131,994	0	0	131,994	10,421
Hazelwood Connect - Term	60,104	0	0	60,104	4,745
Johnson Meadows - Term	86,395	0	0	86,395	6,821
Premium	28,750	0	(1,797)	26,953	0
<i>Total 2010 Various Purpose Bonds</i>	<u>848,750</u>	<u>0</u>	<u>(61,797)</u>	<u>786,953</u>	<u>60,000</u>
2012 Various Purpose Bonds:					
Greenwich Street Sewer - Serial	44,000	0	(11,000)	33,000	11,000
Gardner Street Waterline - Serial	37,000	0	(9,000)	28,000	9,000
Oak Street Sewer - Serial	45,000	0	(9,000)	36,000	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	17,485	0	(1,345)	16,140	0
<i>Total 2012 Various Purpose Bonds</i>	<u>493,485</u>	<u>0</u>	<u>(30,345)</u>	<u>463,140</u>	<u>31,000</u>
2012 Refunding Bonds:					
Barber Road - Serial	226,726	0	(57,266)	169,460	55,130
Premium	10,271	0	(2,568)	7,703	0
<i>Total 2012 Refunding Bonds</i>	<u>236,997</u>	<u>0</u>	<u>(59,834)</u>	<u>177,163</u>	<u>55,130</u>
<b>Total Special Assessment Bonds</b>					
<b>with Governmental Commitment</b>	<u>\$1,579,232</u>	<u>\$0</u>	<u>(\$151,976)</u>	<u>\$1,427,256</u>	<u>\$146,130</u>

(continued)

**City of Norton, Ohio**  
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For the Year Ended December 31, 2020

	Amounts Outstanding 12/31/19	Additions	Reductions	Amounts Outstanding 12/31/20	Amounts Due in One Year
<b>Governmental Activities (continued)</b>					
<b><i>OPWC Loans from Direct Borrowing:</i></b>					
Eastern Road Waterline Extension	\$280,536	\$62,891	\$0	\$343,427	\$11,447
<b><i>SIB Loans from Direct Borrowings:</i></b>					
Cleveland-Massillon Road Widening	1,508,215	1,048,970	0	2,557,185	108,822
Newpark Drive Reconstruction	2,000	450,000	0	452,000	72,557
<b><i>Total SIB Loans</i></b>	<b>1,510,215</b>	<b>1,498,970</b>	<b>0</b>	<b>3,009,185</b>	<b>181,379</b>
<b><i>Other Long-Term Liabilities:</i></b>					
Capital Leases	981,842	336,818	(262,808)	1,055,852	250,628
Compensated Absences	905,127	444,110	(416,541)	932,696	534,631
<b><i>Total Other Long-Term Liabilities</i></b>	<b>1,886,969</b>	<b>780,928</b>	<b>(679,349)</b>	<b>1,988,548</b>	<b>785,259</b>
<b><i>Net Pension Liability:</i></b>					
OPERS	2,344,958	0	(555,768)	1,789,190	0
OPF	6,203,936	0	(1,243,617)	4,960,319	0
<b><i>Total Net Pension Liability</i></b>	<b>8,548,894</b>	<b>0</b>	<b>(1,799,385)</b>	<b>6,749,509</b>	<b>0</b>
<b><i>Net OPEB Liability:</i></b>					
OPERS	1,228,406	137,522	0	1,365,928	0
OPF	692,133	35,194	0	727,327	0
<b><i>Total Net OPEB Liability</i></b>	<b>1,920,539</b>	<b>172,716</b>	<b>0</b>	<b>2,093,255</b>	<b>0</b>
<b><i>Total Long-Term Liabilities</i></b>	<b>\$18,236,940</b>	<b>\$4,840,505</b>	<b>(\$4,732,071)</b>	<b>\$18,345,374</b>	<b>\$1,388,085</b>

***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, special assessments, and transfers received into 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 were being retired from the general obligation fund, and were refunded completely in 2020.

In 2012, the City issued various purpose general obligation refunding bonds, in the amount of \$1,721,182 with a portion of the bonds being paid off in 2018, to refund a portion of the 2003 various purpose general obligation bonds. The bonds were issued with interest rates varying from 2 to 3 percent. The bonds were issued for a 12 year period with a final maturity on December 1, 2023. A portion of the bonds were paid for by the water and sewer improvements fund and land improvements fund, with the remainder being paid by the general obligation fund.

On December 17, 2020, the City issued direct placement various purpose general obligation refunding bonds and other various purpose general obligation bonds, in the amounts of \$1,910,000 and \$415,000, respectively. The refunding bonds were issued to refund the 2010A various purpose bonds, while the other various purpose bonds were issued for the purpose of renovating the City's administrative office building. The bonds were issued with an interest rate of 1.65 percent. The bonds were issued for a 15 year period with a final maturity on December 1, 2035. The bonds are being retired from the general obligation fund.

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
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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, \$1,845,000 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, 2020, \$1,845,000 of the defeased bonds are still outstanding.

The 2020 general obligation term bonds from direct placement maturing on December 1, 2035, are subject to optional redemption, 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 2020 general obligation term bonds from direct placement maturing on December 1, 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
	\$2,325,000
2021	\$140,000
2022	140,000
2023	140,000
2024	145,000
2025	145,000
2026	150,000
2027	150,000
2028	155,000
2029	155,000
2030	165,000
2031	165,000
2032	165,000
2033	170,000
2034	170,000
Total	\$2,155,000
<i>Stated Maturity</i>	<i>12/1/2035</i>

The remaining principal amount of the term bonds (\$170,000) will mature at the stated maturity.

***Special Assessment Bonds***

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

***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

**City of Norton, Ohio**  
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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 bonds will be paid over 20 years. The bonds are being retired from the special assessment 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.

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 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 18 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.



**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
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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 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 18 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, 2020, \$560,000 of the defeased bonds are still outstanding.

The City has entered into a contractual agreement for a construction loan from the Ohio Public Works Commission (OPWC) from direct borrowing. Under the terms of these agreements, the OPWC will reimburse, advance or directly pay the construction costs of approved projects. A line of credit has been established with the OPWC in the amount of \$476,500 for the Eastern Road waterline extension project. The loan was finalized by December 31, 2020, in the amount of \$343,427, which will mature on July 1, 2050.

The OPWC loan from direct borrowing contains provisions that in an event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, the OPWC may require that such payment be taken from the City's share of the City undivided local government fund, (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable. The loans will be paid with income tax monies from the water and sewer improvements fund.

**City of Norton, Ohio**  
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The City has entered into contractual agreements for two construction loans from the State Infrastructure Bank (SIB). Under the terms of these agreements, the SIB will reimburse, advance or directly pay the construction costs of approved projects. A line of credit has been established with the SIB in the amount of \$3,158,000 for the widening and resurfacing of Cleveland-Massillon Road from Norton/Barberton corporation line to north of Pleasant Drive and at the Greenwich/Norton intersection to accommodate additional turn lanes, which will additionally include necessary improvements as deemed necessary. The other line of credit has been established with the SIB in the amount of \$452,000 for the reconstruction of the Newpark Drive and Barber Road intersection. The Newpark Drive reconstruction loan was finalized by December 31, 2020, which will mature on December 23, 2024. The balance of the unfinalized loan at December 31, 2020, was \$2,557,185. Since the loan was not yet finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates.

The repayment of the SIB loans are pledged from municipal income tax revenues in the water and sewer improvements capital projects fund or any other legally available city revenue source in the event the first doesn't generate enough revenue. The loans will be repaid over 10 and 5 years, respectively, at an interest rate of 3.0 percent per year. The SIB loans from direct borrowings contain provisions that in an event of default the outstanding amounts shall become immediately due and payable. The loans will be paid with transfers from the general fund to the Newpark Drive reconstruction fund.

The capital leases will be paid from the general fund and the service and fire and EMS funds.

Compensated absences will be paid from the compensated absences fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension/OPEB contributions are made from the general fund and the service, fire and EMS, and police pension funds. For additional information related to the net pension liability and net OPEB liability see Notes 14 and 15.

The City's overall debt margin was \$26,025,726 and the unvoted legal debt margin was \$10,755,896 at December 31, 2020.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2020, are as follows:

	General Obligation Bonds					
	Term Bonds from Direct					
	Serial Bonds		Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$123,870	\$11,506	\$140,000	\$36,658	\$263,870	\$48,164
2022	126,390	7,790	140,000	36,053	266,390	43,843
2023	133,280	3,998	140,000	33,743	273,280	37,741
2024	0	0	145,000	31,432	145,000	31,432
2025	0	0	145,000	29,040	145,000	29,040
2026-2030	0	0	775,000	108,240	775,000	108,240
2031-2035	0	0	840,000	41,827	840,000	41,827
Totals	<u>\$383,540</u>	<u>\$23,294</u>	<u>\$2,325,000</u>	<u>\$316,993</u>	<u>\$2,708,540</u>	<u>\$340,287</u>

**City of Norton, Ohio**  
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	Special Assessment Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$86,130	\$20,156	\$60,000	\$34,981	\$146,130	\$55,137
2022	88,610	17,573	65,000	31,981	153,610	49,554
2023	91,720	14,914	65,000	28,731	156,720	43,645
2024	0	0	105,000	37,644	105,000	37,644
2025	0	0	110,000	32,744	110,000	32,744
2026-2030	0	0	615,000	87,794	615,000	87,794
2031-2032	0	0	90,000	4,219	90,000	4,219
Totals	<u>\$266,460</u>	<u>\$52,643</u>	<u>\$1,110,000</u>	<u>\$258,094</u>	<u>\$1,376,460</u>	<u>\$310,737</u>

	From Direct Borrowings		
	OPWC		
	Loan	SIB Loan	
	Principal	Principal	Interest
2021	\$11,447	\$72,557	\$9,160
2022	11,448	148,396	15,039
2023	11,447	152,882	10,553
2024	11,448	78,165	3,553
2025	11,447	0	0
2026-2030	57,238	0	0
2031-2035	57,238	0	0
2036-2040	57,238	0	0
2041-2045	57,238	0	0
2046-2050	57,238	0	0
Totals	<u>\$343,427</u>	<u>\$452,000</u>	<u>\$38,305</u>

## Note 12 – Capital Leases

During 2020, the City entered into lease agreements for a freightliner truck and street sweeper. In prior years, the City entered into lease agreements for an excavator, loader, back hoe, ambulances, dump truck, freightliner trucks, tandem truck, heart monitors and an energy conservation project in the City's buildings. 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	\$312,873
Vehicles	1,231,697
Building Improvements	556,000
Less: Accumulated Depreciation	<u>(415,693)</u>
Total	<u>\$1,684,877</u>

**City of Norton, Ohio**  
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The leases provide for minimum, annual lease payments as follows:

	Principal	Interest	Total
2021	\$250,628	\$27,527	\$278,155
2022	257,593	20,347	277,940
2023	158,431	12,839	171,270
2024	117,713	9,172	126,885
2025	103,698	6,280	109,978
2026-2027	167,789	5,257	173,046
Totals	<u>\$1,055,852</u>	<u>\$81,422</u>	<u>\$1,137,274</u>

### **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 Plan Risk Management, Incorporated Whitaker-Myers Group	Bond - Mayor	\$0	\$50,000
	Bond - Finance Director	0	100,000
	Public Officials Liability	25,000	11,000,000
	Law Enforcement Liability	25,000	11,000,000
	Commercial and Personal Property	10,000	11,776,103
	Inland Marine	1,000	921,000
	General Liability	0	11,000,000
	Commercial Crime - Employee Theft Per Loss	5,000	1,000,000
	Cyberrisk	25,000	1,000,000
	Automobile Uninsured Motorists	0	50,000
	Automobile Underinsured Motorists	0	50,000
	Umbrella Liability	0	11,000,000

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

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

### ***Employee Health Benefits***

As of December 1, 2020, the City has contracted with the South Central Ohio Insurance Consortium's (SCOIC) Health Benefits Program, an insurance purchasing pool, to provide employee health, dental, life, vision, and prescription benefits for its employees (see Note 22). Rates are set through an annual calculation process. The City pays a monthly contribution, which is paid in common funds from which claim payments are made for all participants. The City pays premiums of \$2,711 for family coverage and \$903 for single coverage per employee per month. The City pays monthly dental premiums of up to \$56 for family and single coverage.

The City had shared risk pool coverage and stop-loss insurance through SCOIC for individual claims from \$35,000 to \$500,000 per year for medical and prescription claims. SCOIC purchases stop-loss coverage for individual claims over \$1,500,000. SCOIC members also participate in a Jefferson Health

**City of Norton, Ohio**  
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Plan (JHP) shared risk pool for individual claims from \$500,000 to \$1,500,000. The JHP has a stop-loss coverage insurance policy through Sun Life, which covered individual claims in excess of \$1,500,000 per employee per year for medical and prescription claims. The City has no stop-loss coverage for dental claims. The maximum dental benefit per covered person is \$1,500 per calendar year.

#### **Note 14 – Defined Benefit Pension Plans**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

##### ***Net Pension Liability (Asset)/Net OPEB Liability***

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/OPEB 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/OPEB liabilities (asset) represent the City's proportionate share of each pension/OPEB plans' collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plans' fiduciary net position. The net pension/OPEB liabilities (asset) calculations are 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 these estimates annually.

The Ohio Revised Code limits the City's obligation for these liabilities 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 and OPEB.

GASB 68/75 assume the liabilities are solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liabilities (asset). Resulting adjustments to the net pension/OPEB liabilities (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

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***Plan Description – Ohio Public Employees Retirement System (OPERS)***

City employees, other than full-time police and firefighters, participate in the 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans 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 for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' Comprehensive Annual Financial Report referenced previously for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average salary 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a COLA on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2020 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2020, the City's contractually required contribution was \$179,210 for the traditional plan and \$14,698 for the member-directed plan. Of these amounts, \$19,074 is reported as an intergovernmental payable for the traditional plan and \$1,565 for the member-directed plan. The City does not contribute to the combined plan.

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

City full-time police and firefighters participate in 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](http://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's Comprehensive Annual Financial Report 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 an annual cost of living adjustment (COLA). The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the Consumer Price Index over the 12 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.



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

	<u>Police</u>	<u>Firefighters</u>
<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2020 Actual Contribution Rates</b>		
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 \$392,944 for 2020. Of this amount, \$37,854 is reported as an intergovernmental payable.

***Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability (asset) 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 of the City's defined benefit pension plans:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.00905200%	0.07363310%	
Prior Measurement Date	<u>0.00856200%</u>	<u>0.07600400%</u>	
Change in Proportionate Share	<u>0.00049000%</u>	<u>-0.00237090%</u>	
Proportionate Share of the			
Net Pension Liability	\$1,789,190	\$4,960,319	\$6,749,509
Pension Expense	\$314,300	\$858,671	\$1,172,971

2020 pension expense for the member-directed defined contribution plan was \$14,698. The aggregate pension expense for all pension plans was \$1,187,669 for 2020.

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At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS	OPF	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$0	\$187,764	\$187,764
Changes of assumptions	95,564	121,763	217,327
Changes in proportion and differences between City contributions and proportionate share of contributions	73,251	497,700	570,951
City contributions subsequent to the measurement date	179,210	392,944	572,154
<i>Total Deferred Outflows of Resources</i>	<u>\$348,025</u>	<u>\$1,200,171</u>	<u>\$1,548,196</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$22,622	\$255,824	\$278,446
Net difference between projected and actual earnings on pension plan investments	356,903	239,623	596,526
Changes in proportion and differences between City contributions and proportionate share of contributions	0	127,845	127,845
<i>Total Deferred Inflows of Resources</i>	<u>\$379,525</u>	<u>\$623,292</u>	<u>\$1,002,817</u>

\$572,154 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 or increase to the net pension asset in 2021. 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:	OPERS	OPF	Total
2021	\$8,435	\$172,669	\$181,104
2022	(92,211)	138,614	46,403
2023	14,779	141,786	156,565
2024	(141,713)	(236,110)	(377,823)
2025	0	(33,024)	(33,024)
Total	<u>(\$210,710)</u>	<u>\$183,935</u>	<u>(\$26,775)</u>

**Actuarial Assumptions – OPERS**

Actuarial valuations of an ongoing plan involve estimates of the value 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, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented as follows:

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	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 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	1.4 percent, simple through 2020, then 2.15 percent, simple	1.4 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. 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 was 17.2 percent for 2019.

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 long-term expected 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. Best estimates of arithmetic real rates of return were

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provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. 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 for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$2,950,952	\$1,789,190	\$744,799

**Actuarial Assumptions – OPF**

OPF's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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 the value 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

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future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented as follows:

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

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 expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return

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has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2019, are summarized as follows:

Asset Class	Target Allocation	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Midstream Energy Infrastructure	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

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 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 preceding, 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 8.00 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 of 8.00 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 City's proportionate share of net pension liability calculated using the discount rate of 8.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$6,874,830	\$4,960,319	\$3,359,021

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***Social Security System***

As of December 31, 2020, 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 – Defined Benefit OPEB Plans**

See Note 14 for a description of the net OPEB liability.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

The OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment 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 separation, 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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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 75. See OPERS' Comprehensive Annual Financial Report referenced later 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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the traditional pension plan and combined plan. 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 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$5,879 for 2020. Of this amount, \$626 is reported as an intergovernmental payable.

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

The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OPF implemented a new model for health care. Under this new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OPF health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OPF. Even if an OPF member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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



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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, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OPF was \$9,607 for 2020. Of this amount, \$928 is reported as an intergovernmental payable.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.00988900%	0.07363310%	
Prior Measurement Date	<u>0.00942200%</u>	<u>0.07600400%</u>	
Change in Proportionate Share	<u>0.00046700%</u>	<u>-0.00237090%</u>	
Proportionate Share of the			
Net OPEB Liability	\$1,365,928	\$727,327	\$2,093,255
OPEB Expense	\$166,677	\$109,168	\$275,845

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At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OPF	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$37	\$0	\$37
Changes of assumptions	216,212	425,224	641,436
Changes in proportion and differences between City contributions and proportionate share of contributions	36,156	189,348	225,504
City contributions subsequent to the measurement date	5,879	9,607	15,486
<i>Total Deferred Outflows of Resources</i>	<u>\$258,284</u>	<u>\$624,179</u>	<u>\$882,463</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$124,920	\$78,217	\$203,137
Changes of assumptions	0	155,005	155,005
Net difference between projected and actual earnings on OPEB plan investments	69,553	33,469	103,022
Changes in proportion and differences between City contributions and proportionate share of contributions	1,497	13,858	15,355
<i>Total Deferred Inflows of Resources</i>	<u>\$195,970</u>	<u>\$280,549</u>	<u>\$476,519</u>

\$15,486 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OPF	Total
2021	\$55,259	\$63,431	\$118,690
2022	30,841	63,431	94,272
2023	56	70,296	70,352
2024	(29,721)	59,473	29,752
2025	0	63,031	63,031
Thereafter	0	14,361	14,361
Total	<u>\$56,435</u>	<u>\$334,023</u>	<u>\$390,458</u>

**Actuarial Assumptions – OPERS**

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

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Prior measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the traditional pension plan, combined plan and member-directed plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. 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 Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care 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. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

**Discount Rate** A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.16 percent) or one percentage point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$1,787,536	\$1,365,928	\$1,028,357

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the City's proportionate share of the net OPEB liability calculated using the assumed trend rates, and the City's proportionate share of the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in

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the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$1,325,620	\$1,365,928	\$1,405,721

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Actuarial Assumptions – OPF***

OPF's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Single discount rate:	
Current measurement date	3.56 percent
Prior measurement date	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The OPF health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

**Discount Rate** For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OPF's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year

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Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$901,840	\$727,327	\$582,321

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

## **Note 16 - Contingencies**

### ***Grants***

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2020.

### ***Litigation***

The City of Norton is not a party to any legal proceedings.

## **Note 17 – Other Employee Benefits**

### ***Compensated Absences***

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

Employees earn sick leave at the rate of 10 hours per month of service. Sick leave accumulation is unlimited, but upon retirement or death, an employee with less than ten years of service receives a prorated amount of one tenth for each year up to ten years after which they are paid the accumulated amount of unused sick leave up to a maximum of 120 days.

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***Employee Health Insurance***

The City provides health insurance through the COSE Health Insurance Program provided by Medical Mutual through November 30, 2020. Effective as of December 1, 2020, the City provided health insurance through the South Central Ohio Insurance Consortium Council of Governments. Programs are provided by Cigna.

**Note 18 – 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 sewer operations were reported by the City of Norton during 2020.

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 completed in April of 2018. The total cost of the project was determined to be just over \$7.5 million, and assessments were levied in January of 2019 to charge to the applicable residents. The City will be responsible for making annual payments from the City's own water and sewer improvement capital project fund and from the special assessments levied for the project to the City of Barberton beginning in April of 2019 over a 30 year period.

As a result of the transfer of operations in 2017, the City will receive a payment of \$375,000 from the City of Barberton (See Note 6).

**Note 19 – Interfund Activity**

***Interfund Balances***

At December 31, 2020, the Newpark Drive reconstruction fund owed \$103,000 to the general fund for service provided, which will be paid back within one year.

***Interfund Transfers***

Transfers from the general fund of \$1,300,000 were used to move unrestricted revenues collected in the general fund to finance various programs accounted for in the service fund in the amounts of \$800,000 and other governmental funds in the amount of \$500,000, in accordance with budgetary authorizations, to pay debt.



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**Note 20 – Municipal Utility District**

Pursuant to Section 715.84 of the Ohio Revised Code, the City has created a Municipal Utility District (MUD) and has entered into a related cost sharing agreement with the City of Barberton effective on April 30, 1996. The contract provides for the participants to distribute municipal income tax generated in the MUD from the businesses located within the MUD among the contracting parties. In exchange to the City of Barberton ultimately collecting these income tax revenues, the City of Barberton provides water and sanitary sewer service to the businesses in the MUD. According to the contract, after administrative fees, 40% will be allocated to the City (based on the 1.5 percent rate). During 2020, the City collected and distributed \$372,664 in income tax revenue from the MUD to the City of Barberton.

**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 2020, the City contributed \$501,200 to the Council for dispatch services and \$81,267 for information technology services. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

**Note 22 – Insurance Purchasing Pool**

The City is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost-effective cooperative health program for its member organizations. The governing board consists of the mayor or other designee appointed by each of the members of the SCOIC. Members include 23 public entities with approximately 3,500 employee lives covered for medical and prescription benefits with many different plan designs in place, as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom Carroll Local School District serves as the fiscal agent for the SCOIC.

SCOIC contracts with the Jefferson Health Plan (JHP) (formerly, the Ohio Mid-Eastern Regional Educational Service Agency), for internal pool and stop loss coverage. The SCOIC members are considered self-insured and pay a monthly premium to SCOIC that is actuarially calculated based on the participants' actual claims experience, which are utilized for the payments of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. SCOIC members

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participate in a shared-risk pool through SCOIC for individual claims from \$35,000 to \$500,000. SCOIC members also participate in a JHP shared risk pool for individual claims from \$500,000 to \$1,500,000. Sun Life provides stop loss coverage for individual claims over \$1,500,000. In the event that the City would withdraw from SCOIC, the City would be required to give a 180-day notice prior to the end of their three-year contract, be responsible for all run-out claims, and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom-Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

**Note 23 – Jointly Governed Organizations**

***Northeast Ohio Public Energy Council***

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 225 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. In 2020, the City made no contributions. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Ronald McVoy, the Board Chairman, at 31360 Solon Road, Suite 33, Solon, Ohio, 44139 or at the website [www.nopec.org](http://www.nopec.org).

***Regional Income Tax Agency***

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. There were no associated costs in 2020, as the relationship with RITA did not begin until January of 2021.

***Akron-Summit County Energy Special Improvement District***

The Akron-Summit County Energy Special Improvement District (ESID) was created pursuant to Ohio Revised Code Chapter 1710 for the purpose of enhancing the value of properties within the ESID and improving the environment by developing and assisting in developing special energy improvement projects. The ESID administers a Property Assessed Clean Energy (PACE) program, which provides financing secured by special assessments on real property for special energy improvement projects. Participation in the PACE program is limited to property owners who have agreed to add their property to the ESID and who otherwise meet the PACE program's terms and condition. The ESID is governed by a Board of Directors, which consists of one director appointed by each mayor of each municipality wherein

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property in the ESID is located and one director appointed by the legislative authority of each of those municipalities. Additionally, the Board of Directors consists of one director appointed by the legislative authority of each township wherein property in the ESID is located. The two positions for the City are both currently held by the Administrative Officer. Altogether, there are 26 member positions, one for each parcel of property currently in the ESID, and 40 director positions based on the appointees of the municipalities and townships, plus 3 member-appointed directors.

The ESID has designated the Development Finance Authority of Summit County (DFA) as its program administrator, which includes the financing of energy projects. The DFA utilizes Summit County as its Fiscal Agent for the receipt and disbursement of monies related to energy project financing. On January 11, 2019, the DFA, on behalf of the ESID, authorized an \$8,250 loan to finance energy improvements for the City to be repaid from special assessments collected on behalf of the ESID, by Summit County according to the loan agreement entered into by the ESID, the DFA, and the City. The Summit County fiscal office makes the required debt service payments on the loan as they come due. In 2019, \$100 of loan proceeds have been disbursed to vendors for the energy improvements and the City has repaid \$100 to the DFA, on behalf of the ESID. No additional financial activities occurred during 2020 between the ESID, the DFA, and the City.

## **Note 24 – Significant Commitments**

### ***Encumbrances***

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

General	\$139,541
Service	27,860
Fire and EMS	21,396
Other Governmental Funds	<u>330,477</u>
Total	<u><u>\$519,274</u></u>

### ***Contractual Commitments***

At December 31, 2020, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
South 261 Water Loop Project Engineering	\$354,800	\$173,650	\$181,150
Barber Road Reconstruction Engineering	55,000	43,855	11,145
Norton Acres Storm Sewer Engineering	50,750	14,592	36,158
Reimer/Carl Waterline Engineering	<u>26,000</u>	<u>23,400</u>	<u>2,600</u>
Total	<u><u>\$486,550</u></u>	<u><u>\$255,497</u></u>	<u><u>\$231,053</u></u>

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**Note 25 – 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	Service	Fire and EMS	Special Assessment
<u><b>Nonspendable:</b></u>				
Materials and Supplies Inventory	\$9,934	\$341,715	\$0	\$0
Prepays Items	38,498	8,698	19,831	0
Unclaimed Monies	15,858	0	0	0
<i>Total Nonspendable</i>	<u>64,290</u>	<u>350,413</u>	<u>19,831</u>	<u>0</u>
<u><b>Restricted for:</b></u>				
Capital Projects	0	0	0	0
Debt Service	0	0	0	191,301
Police	0	0	0	0
Fire/EMS	0	0	1,185,751	0
Transportation	0	702,027	0	0
Public Utilities	0	0	0	0
Economic Development	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>702,027</u>	<u>1,185,751</u>	<u>191,301</u>
<u><b>Committed to:</b></u>				
Public Utilities	0	0	0	0
Purchases on Order	64,496	0	0	0
Compensated Absences	59,262	0	0	0
Cemetery	0	0	0	0
Special Events	0	0	0	0
<i>Total Committed</i>	<u>123,758</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u><b>Assigned to:</b></u>				
Capital Projects	0	0	0	0
Transportation	907,267	0	0	0
2021 Appropriations	508,507	0	0	0
Purchases on Order	34,796	0	0	0
Community Center	1,326	0	0	0
Historical	1,688	0	0	0
Recycling	27,628	0	0	0
Scrap Tire	643	0	0	0
Police Dog Donations	4,137	0	0	0
<i>Total Assigned</i>	<u>1,485,992</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>3,406,119</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances</b>	<u><u>\$5,080,159</u></u>	<u><u>\$1,052,440</u></u>	<u><u>\$1,205,582</u></u>	<u><u>\$191,301</u></u>

(continued)

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For the Year Ended December 31, 2020

Fund Balances (continued)	Water and Sewer Improvements	Cleveland- Massillon Road Widening	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Materials and Supplies Inventory	\$0	\$0	\$0	\$351,649
Prepays Items	0	0	0	67,027
Unclaimed Monies	0	0	0	15,858
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>434,534</u>
<u>Restricted for:</u>				
Capital Projects	0	319,069	697,432	1,016,501
Debt Service	0	0	20,234	211,535
Police	0	0	625,777	625,777
Fire/EMS	0	0	0	1,185,751
Transportation	0	0	133,347	835,374
Public Utilities	75,000	0	1,892,228	1,967,228
Economic Development	0	0	674,321	674,321
<i>Total Restricted</i>	<u>75,000</u>	<u>319,069</u>	<u>4,043,339</u>	<u>6,516,487</u>
<u>Committed to:</u>				
Public Utilities	2,807,146	0	0	2,807,146
Purchases on Order	0	0	0	64,496
Compensated Absences	0	0	0	59,262
Cemetery	0	0	19,567	19,567
Special Events	0	0	5,384	5,384
<i>Total Committed</i>	<u>2,807,146</u>	<u>0</u>	<u>24,951</u>	<u>2,955,855</u>
<u>Assigned to:</u>				
Capital Projects	0	0	536,968	536,968
Transportation	0	0	0	907,267
2021 Appropriations	0	0	0	508,507
Purchases on Order	0	0	0	34,796
Community Center	0	0	0	1,326
Historical	0	0	0	1,688
Recycling	0	0	0	27,628
Scrap Tire	0	0	0	643
Police Dog Donations	0	0	0	4,137
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>536,968</u>	<u>2,022,960</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,406,119</u>
<b>Total Fund Balances</b>	<u><u>\$2,882,146</u></u>	<u><u>\$319,069</u></u>	<u><u>\$4,605,258</u></u>	<u><u>\$15,335,955</u></u>

In addition to the above fund balance constraints, the City has a general fund rainy day arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the City established a rainy day fund by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other form of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. The Council authorized the funding of this

**City of Norton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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arrangement as resources become available in the general fund. The reserve money in the rainy day fund shall not exceed two months of the prior year's general fund operating expenditures. The balance in the reserve at December 31, 2020 is \$300,000.

**Note 26 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

## **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 Seven Years (1) \**

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.00905200%	0.00856200%	0.00840100%	0.00895200%
City's Proportionate Share of the Net Pension Liability	\$1,789,190	\$2,344,958	\$1,317,954	\$2,032,847
City's Covered Payroll	\$1,273,564	\$1,156,400	\$1,110,154	\$1,157,242
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.49%	202.78%	118.72%	175.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%

(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 year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information



2016	2015	2014
0.00921100%	0.01085700%	0.01085700%
\$1,595,462	\$1,309,476	\$1,279,899
\$1,146,400	\$1,331,017	\$1,550,131
139.17%	98.38%	82.57%
81.08%	86.45%	86.36%

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

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.00988900%	0.00942200%	0.00940000%	0.00990000%
City's Proportionate Share of the Net OPEB Liability	\$1,365,928	\$1,228,406	\$1,020,771	\$999,934
City's Covered Payroll	\$1,493,989	\$1,366,675	\$1,331,279	\$1,367,542
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.43%	89.88%	76.68%	73.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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**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 Seven Years (1) \**

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.07363310%	0.07600400%	0.07128600%	0.07069400%
City's Proportionate Share of the Net Pension Liability	\$4,960,319	\$6,203,936	\$4,375,143	\$4,477,688
City's Covered Payroll	\$1,812,923	\$2,015,639	\$1,624,772	\$1,477,940
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	273.61%	307.79%	269.28%	302.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%	68.36%

(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 year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

2016	2015	2014
0.05931100%	0.04933120%	0.04933120%
\$3,815,516	\$2,555,560	\$2,402,584
\$1,187,377	\$1,051,452	\$1,136,466
321.34%	243.05%	211.41%
66.77%	71.71%	73.00%

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

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.07363310%	0.07600400%	0.07128600%	0.07069400%
City's Proportionate Share of the Net OPEB Liability	\$727,327	\$692,133	\$4,038,965	\$3,355,685
City's Covered Payroll	\$1,812,923	\$2,015,639	\$1,624,772	\$1,477,940
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.12%	34.34%	248.59%	227.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.08%	46.57%	14.13%	15.96%

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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**City of Norton, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Public Employees Retirement System*  
*Last Eight Years (1)*

	2020	2019	2018	2017
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$179,210	\$178,299	\$161,896	\$144,320
Contributions in Relation to the Contractually Required Contribution	(179,210)	(178,299)	(161,896)	(144,320)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,280,071	\$1,273,564	\$1,156,400	\$1,110,154
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
<b>Net OPEB Liability - OPEB Plan (3)</b>				
Contractually Required Contribution	\$5,879	\$8,817	\$8,411	\$8,845
Contributions in Relation to the Contractually Required Contribution	(5,879)	(8,817)	(8,411)	(8,845)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$1,427,046	\$1,493,989	\$1,366,675	\$1,331,279
OPEB Contributions as a Percentage of Covered Payroll	<u>0.41%</u>	<u>0.59%</u>	<u>0.62%</u>	<u>0.66%</u>

(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.

(2) The OPEB plan includes the members from the traditional plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

(3) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information



2016	2015	2014	2013
\$138,869	\$137,568	\$159,722	\$201,517
(138,869)	(137,568)	(159,722)	(201,517)
\$0	\$0	\$0	\$0
\$1,157,242	\$1,146,400	\$1,331,017	\$1,550,131
12.00%	12.00%	12.00%	13.00%

\$8,412

(8,412)

\$0

\$1,367,542

0.62%

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

	2020	2019	2018	2017
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$392,944	\$369,613	\$412,260	\$330,904
Contributions in Relation to the Contractually Required Contribution	(392,944)	(369,613)	(412,260)	(330,904)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,921,405	\$1,812,923	\$2,015,639	\$1,624,772
Pension Contributions as a Percentage of Covered Payroll	<u>20.45%</u>	<u>20.39%</u>	<u>20.45%</u>	<u>20.37%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$9,607	\$9,064	\$10,078	\$8,124
Contributions in Relation to the Contractually Required Contribution	(9,607)	(9,064)	(10,078)	(8,124)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>20.95%</u>	<u>20.89%</u>	<u>20.95%</u>	<u>20.87%</u>

(1) The City's covered payroll is the same for pension and OPEB.

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
\$301,741	\$238,670	\$206,448	\$187,229	\$113,745	\$132,626
(301,741)	(238,670)	(206,448)	(187,229)	(113,745)	(132,626)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,477,940	\$1,187,377	\$1,051,452	\$1,136,466	\$855,682	\$1,011,500
20.42%	20.10%	19.63%	16.47%	13.29%	13.11%
\$7,390	\$5,937	\$5,257	\$6,772	\$7,678	\$8,952
(7,390)	(5,937)	(5,257)	(6,772)	(7,678)	(8,952)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.60%	0.90%	0.89%
20.92%	20.60%	20.13%	17.07%	14.19%	14.00%

**City of Norton, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2020*

**Changes in Assumptions – OPERS Pension– Traditional Plan**

Amounts reported beginning in 2019 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 prior years are presented as follows:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage 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	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 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.

**Changes in Assumptions – OPERS Pension – Combined Plan**

For 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

**City of Norton, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2020*

**Changes in Assumptions – OPF Pension**

Amounts reported beginning in 2018 incorporate changes in assumptions used by OPF in calculating the total pension liability in the latest actuarial valuation. There were no changes in assumptions for 2019-2020. These assumptions compared with those used in 2017 and prior are presented as follows:

	Beginning in 2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were 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.

**City of Norton, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2020*

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**Changes in Assumptions – OPERS OPEB**

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, ultimate in 2029 7.25 percent, initial
2018	3.25 percent, ultimate in 2028

**Changes in Assumptions – OPF OPEB**

Single Discount Rate:	
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

**Changes in Benefit Terms – OPF OPEB**

For 2019, OPF recognized a change in benefit terms. Under this new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

**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 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.

***Permissive Tax Fund*** To account for and report restricted revenues received from license plates. Expenditures are restricted for street construction, maintenance and repair.

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

***Drug 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.

***DWI Enforcement 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.

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

***Local COVID-19 Relief Fund*** To account for and report revenues received from the State COVID-19 Relief Distribution and expenses incurred due to the public health emergency with respect to the Coronavirus Disease of 2019 (COVID-19).

***Summit County COVID-19 Payroll Support Grant Program Fund*** To account for and report revenues received from the County COVID-19 Relief Distribution and expenses incurred due to the public health emergency with respect to COVID-19.

***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 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.

(continued)



## ***Fund Descriptions – Nonmajor Governmental Funds (continued)***

### ***Nonmajor Special Revenue Funds (continued)***

***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.

***Economic Development Fund*** To account for and report fines and forfeiture revenues restricted for economic development, the payment of any economic development expenses and a revolving fund restricted for the purpose of land acquisition and infrastructure improvements.

***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.

***Historical 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.

***Road Program Fund*** To account for and report assigned revenues received primarily from general fund transfers. 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.

***Compensated Absences Fund*** To account for and report accumulation of resources for the payment of sick leave, vacation leave, and compensatory time off upon retirement, as well as to account for the 27th pay in years that occurs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

### ***Nonmajor Debt Service Fund***

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

***General Obligation Debt Service 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 Improvements Fund*** To account for and report charges for services revenues and expenditures assigned for the acquisition of land and major land improvements.

(continued)

***Fund Descriptions – Nonmajor Governmental Funds (continued)***

***Nonmajor Capital Projects Funds (continued)***

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

***Street Improvements Fund*** To account for and report grant revenues restricted for the maintaining of City streets and highways within City limits.

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

***Sanitary Sewer Improvements Fund*** To account for and report amounts assigned for sanitary sewer projects.

***Tax Increment Financing Fund*** To account for and report payments in lieu of taxes restricted for the purpose of improving City of Norton businesses in the defined benefit areas by or on behalf of the City.

***Capital Projects Fund*** To account for and report monies restricted for the purpose of various capital projects throughout the City.

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

***Eastern Road Waterline Fund*** To account for and report grants and loan proceeds restricted for the construction of this waterline extension.

***Medina Line Road Resurfacing Fund*** To account for and report grants restricted for the resurfacing construction of this road.

**City of Norton, Ohio**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,744,148	\$20,234	\$1,057,819	\$3,822,201
Accounts Receivable	80,570	0	2,304	82,874
Accrued Interest Receivable	80	0	0	80
Intergovernmental Receivable	74,029	0	0	74,029
Property Taxes Receivable	87,588	0	0	87,588
Payments in Lieu of Taxes Receivable	0	0	171,711	171,711
Special Assessments Receivable	0	428,654	299,400	728,054
Assets Held for Resale	602,065	0	335,300	937,365
<i>Total Assets</i>	<u>\$3,588,480</u>	<u>\$448,888</u>	<u>\$1,866,534</u>	<u>\$5,903,902</u>
<b>Liabilities</b>				
Accounts Payable	\$45,103	\$0	\$4,880	\$49,983
Employee Withholdings Payable	1,057	0	0	1,057
Intergovernmental Payable	1,573	0	0	1,573
Contracts Payable	54,669	0	53,143	107,812
Interfund Payable	0	0	103,000	103,000
<i>Total Liabilities</i>	<u>102,402</u>	<u>0</u>	<u>161,023</u>	<u>263,425</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	80,012	0	0	80,012
Payments in Lieu of Taxes	0	0	171,711	171,711
Unavailable Revenue	55,442	428,654	299,400	783,496
<i>Total Deferred Inflows of Resources</i>	<u>135,454</u>	<u>428,654</u>	<u>471,111</u>	<u>1,035,219</u>
<b>Fund Balances</b>				
Restricted	3,325,673	20,234	697,432	4,043,339
Committed	24,951	0	0	24,951
Assigned	0	0	536,968	536,968
<i>Total Fund Balances</i>	<u>3,350,624</u>	<u>20,234</u>	<u>1,234,400</u>	<u>4,605,258</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,588,480</u>	<u>\$448,888</u>	<u>\$1,866,534</u>	<u>\$5,903,902</u>

**City of Norton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2020*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$68,643	\$0	\$0	\$68,643
Payments in Lieu of Taxes	0	0	33,080	33,080
Charges for Services	270,311	0	100,554	370,865
Special Assessments	0	2,298	0	2,298
Fines and Forfeitures	3,039	0	0	3,039
Intergovernmental	1,604,651	0	709,367	2,314,018
Contributions and Donations	125	0	0	125
Interest	527	0	0	527
Other	10,000	0	8,000	18,000
<i>Total Revenues</i>	<u>1,957,296</u>	<u>2,298</u>	<u>851,001</u>	<u>2,810,595</u>
<b>Expenditures</b>				
Current:				
General Government	1,230	32	0	1,262
Security of Persons and Property	1,610,335	0	0	1,610,335
Transportation	249,356	0	0	249,356
Community Environment	783	0	0	783
Public Health Services	433,207	0	0	433,207
Capital Outlay	0	0	972,352	972,352
Debt Service:				
Principal Retirement	0	95,000	15,000	110,000
Interest and Fiscal Charges	7,000	92,625	1,950	101,575
Issuance Costs	0	49,290	10,710	60,000
<i>Total Expenditures</i>	<u>2,301,911</u>	<u>236,947</u>	<u>1,000,012</u>	<u>3,538,870</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(344,615)</u>	<u>(234,649)</u>	<u>(149,011)</u>	<u>(728,275)</u>
<b>Other Financing Sources (Uses)</b>				
Refunding General Obligation Bonds Issued	0	1,910,000	0	1,910,000
Payment to Refunded Bond Escrow Agent	0	(1,856,053)	0	(1,856,053)
General Obligation Bonds Issued	0	0	415,000	415,000
OPWC Loan Issued	0	0	62,891	62,891
SIB Loans Issued	0	0	450,000	450,000
Transfers In	300,000	200,000	0	500,000
<i>Total Other Financing Sources (Uses)</i>	<u>300,000</u>	<u>253,947</u>	<u>927,891</u>	<u>1,481,838</u>
<i>Net Change in Fund Balances</i>	<u>(44,615)</u>	<u>19,298</u>	<u>778,880</u>	<u>753,563</u>
<i>Fund Balances Beginning of Year</i>	<u>3,395,239</u>	<u>936</u>	<u>455,520</u>	<u>3,851,695</u>
<i>Fund Balances End of Year</i>	<u>\$3,350,624</u>	<u>\$20,234</u>	<u>\$1,234,400</u>	<u>\$4,605,258</u>

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2020*

	State Highway	Permissive Tax	DARE Grant	Drug Enforcement
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$42,291	\$73,018	\$68,324	\$2,811
Accounts Receivable	0	0	0	0
Accrued Interest Receivable	80	0	0	0
Intergovernmental Receivable	28,500	40,282	0	0
Property Taxes Receivable	0	0	0	0
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$70,871</u>	<u>\$113,300</u>	<u>\$68,324</u>	<u>\$2,811</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$2,235	\$0	\$0
Employee Withholdings Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Contracts Payable	0	5,690	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>7,925</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	18,140	24,759	0	0
<i>Total Deferred Inflows of Resources</i>	<u>18,140</u>	<u>24,759</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	52,731	80,616	68,324	2,811
Committed	0	0	0	0
<i>Total Fund Balances</i>	<u>52,731</u>	<u>80,616</u>	<u>68,324</u>	<u>2,811</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$70,871</u>	<u>\$113,300</u>	<u>\$68,324</u>	<u>\$2,811</u>

(continued)

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2020*

	Law Enforcement	DWI Enforcement	Law Enforcement Assistance	Local COVID-19 Relief
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$211,850	\$4,751	\$4,780	\$1,057
Accounts Receivable	0	0	0	0
Accrued Interest Receivable	0	0	0	0
Intergovernmental Receivable	0	280	0	0
Property Taxes Receivable	0	0	0	0
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$211,850</u>	<u>\$5,031</u>	<u>\$4,780</u>	<u>\$1,057</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Employee Withholdings Payable	0	0	0	1,057
Intergovernmental Payable	0	0	0	0
Contracts Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,057</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	211,850	5,031	4,780	0
Committed	0	0	0	0
<i>Total Fund Balances</i>	<u>211,850</u>	<u>5,031</u>	<u>4,780</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$211,850</u>	<u>\$5,031</u>	<u>\$4,780</u>	<u>\$1,057</u>

Cemetery	Special Events	Police Pension	Water System	Sanitary Sewer	Police Equipment
\$19,567	\$5,384	\$174,486	\$720,100	\$1,150,593	\$192,936
0	0	0	70,514	0	10,000
0	0	0	0	0	0
0	0	4,967	0	0	0
0	0	87,588	0	0	0
0	0	0	0	0	0
<u>\$19,567</u>	<u>\$5,384</u>	<u>\$267,041</u>	<u>\$790,614</u>	<u>\$1,150,593</u>	<u>\$202,936</u>
\$0	\$0	\$0	\$0	\$0	\$42,868
0	0	0	0	0	0
0	0	1,573	0	0	0
0	0	0	0	48,979	0
0	0	1,573	0	48,979	42,868
0	0	80,012	0	0	0
0	0	12,543	0	0	0
0	0	92,555	0	0	0
0	0	172,913	790,614	1,101,614	160,068
19,567	5,384	0	0	0	0
19,567	5,384	172,913	790,614	1,101,614	160,068
<u>\$19,567</u>	<u>\$5,384</u>	<u>\$267,041</u>	<u>\$790,614</u>	<u>\$1,150,593</u>	<u>\$202,936</u>

(continued)

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2020*

	Economic Development	Total Nonmajor Special Revenue Funds
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$72,200	\$2,744,148
Accounts Receivable	56	80,570
Accrued Interest Receivable	0	80
Intergovernmental Receivable	0	74,029
Property Taxes Receivable	0	87,588
Assets Held for Resale	602,065	602,065
	<u>602,065</u>	<u>602,065</u>
<i>Total Assets</i>	<u><u>\$674,321</u></u>	<u><u>\$3,588,480</u></u>
<b>Liabilities</b>		
Accounts Payable	\$0	\$45,103
Employee Withholdings Payable	0	1,057
Intergovernmental Payable	0	1,573
Contracts Payable	0	54,669
	<u>0</u>	<u>54,669</u>
<i>Total Liabilities</i>	<u>0</u>	<u>102,402</u>
<b>Deferred Inflows of Resources</b>		
Property Taxes	0	80,012
Unavailable Revenue	0	55,442
	<u>0</u>	<u>55,442</u>
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>135,454</u>
<b>Fund Balances</b>		
Restricted	674,321	3,325,673
Committed	0	24,951
	<u>0</u>	<u>24,951</u>
<i>Total Fund Balances</i>	<u>674,321</u>	<u>3,350,624</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$674,321</u></u>	<u><u>\$3,588,480</u></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, 2020*

	State Highway	Permissive Tax	DARE Grant	Drug Enforcement
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	65,552	102,805	5,257	0
Contributions and Donations	0	0	0	0
Interest	527	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>66,079</u>	<u>102,805</u>	<u>5,257</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	(18)	441
Transportation	110,000	139,356	0	0
Community Environment	0	0	0	0
Public Health Services	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>110,000</u>	<u>139,356</u>	<u>(18)</u>	<u>441</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(43,921)</u>	<u>(36,551)</u>	<u>5,275</u>	<u>(441)</u>
<b>Other Financing Sources</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(43,921)</u>	<u>(36,551)</u>	<u>5,275</u>	<u>(441)</u>
<i>Fund Balances Beginning of Year</i>	<u>96,652</u>	<u>117,167</u>	<u>63,049</u>	<u>3,252</u>
<i>Fund Balances End of Year</i>	<u><u>\$52,731</u></u>	<u><u>\$80,616</u></u>	<u><u>\$68,324</u></u>	<u><u>\$2,811</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, 2020*

	Law Enforcement	DWI Enforcement	Law Enforcement Assistance	Local COVID-19 Relief
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	35	2,370	0	0
Intergovernmental	0	0	0	1,054,032
Contributions and Donations	0	0	0	0
Interest	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>35</u>	<u>2,370</u>	<u>0</u>	<u>1,054,032</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property	9,354	0	0	1,054,032
Transportation	0	0	0	0
Community Environment	0	0	0	0
Public Health Services	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>9,354</u>	<u>0</u>	<u>0</u>	<u>1,054,032</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,319)</u>	<u>2,370</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(9,319)</u>	<u>2,370</u>	<u>0</u>	<u>0</u>
<i>Fund Balances Beginning of Year</i>	<u>221,169</u>	<u>2,661</u>	<u>4,780</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$211,850</u></u>	<u><u>\$5,031</u></u>	<u><u>\$4,780</u></u>	<u><u>\$0</u></u>

Summit County COVID-19 PSGP	Cemetery	Special Events	Police Pension	Water System	Sanitary Sewer
\$0	\$0	\$0	\$68,643	\$0	\$0
0	758	0	0	242,088	3,800
0	0	0	0	0	0
367,060	0	0	9,945	0	0
0	0	125	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
367,060	758	125	78,588	242,088	3,800
0	0	0	1,230	0	0
367,060	0	0	80,862	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	1,800	0	0	282,428	148,979
0	0	0	0	0	0
367,060	1,800	0	82,092	282,428	148,979
0	(1,042)	125	(3,504)	(40,340)	(145,179)
0	0	0	0	0	0
0	(1,042)	125	(3,504)	(40,340)	(145,179)
0	20,609	5,259	176,417	830,954	1,246,793
\$0	\$19,567	\$5,384	\$172,913	\$790,614	\$1,101,614

(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, 2020*

	Police Equipment	Economic Development	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Property Taxes	\$0	\$0	\$68,643
Charges for Services	23,665	0	270,311
Fines and Forfeitures	0	634	3,039
Intergovernmental	0	0	1,604,651
Contributions and Donations	0	0	125
Interest	0	0	527
Other	10,000	0	10,000
<i>Total Revenues</i>	<u>33,665</u>	<u>634</u>	<u>1,957,296</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	1,230
Security of Persons and Property	98,604	0	1,610,335
Transportation	0	0	249,356
Community Environment	0	783	783
Public Health Services	0	0	433,207
Debt Service:			
Interest and Fiscal Charges	0	7,000	7,000
<i>Total Expenditures</i>	<u>98,604</u>	<u>7,783</u>	<u>2,301,911</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(64,939)</u>	<u>(7,149)</u>	<u>(344,615)</u>
<b>Other Financing Sources</b>			
Transfers In	0	300,000	300,000
<i>Net Change in Fund Balances</i>	<u>(64,939)</u>	<u>292,851</u>	<u>(44,615)</u>
<i>Fund Balances Beginning of Year</i>	<u>225,007</u>	<u>381,470</u>	<u>3,395,239</u>
<i>Fund Balances End of Year</i>	<u><u>\$160,068</u></u>	<u><u>\$674,321</u></u>	<u><u>\$3,350,624</u></u>

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2020*

	<u>Land Improvements</u>	<u>Building Improvements</u>	<u>Street Improvements</u>	<u>Storm Sewer Improvements</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$302,668	\$14,964	\$15,624	\$6,329
Accounts Receivable	2,304	0	0	0
Payments in Lieu of Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Assets Held for Resale	200,000	0	135,300	0
<i>Total Assets</i>	<u>\$504,972</u>	<u>\$14,964</u>	<u>\$150,924</u>	<u>\$6,329</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$4,880	\$0
Contracts Payable	0	0	0	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>4,880</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>				
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	0	0	146,044	0
Assigned	504,972	14,964	0	6,329
<i>Total Fund Balances</i>	<u>504,972</u>	<u>14,964</u>	<u>146,044</u>	<u>6,329</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$504,972</u>	<u>\$14,964</u>	<u>\$150,924</u>	<u>\$6,329</u>

(continued)

**City of Norton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds (continued)*  
*December 31, 2020*

	Sanitary Sewer Improvements	Tax Increment Financing	Capital Projects	Newpark Drive Reconstruction
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$10,703	\$12,059	\$404,290	\$239,475
Accounts Receivable	0	0	0	0
Payments in Lieu of Taxes Receivable	0	171,711	0	0
Special Assessments Receivable	0	0	0	299,400
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$10,703</u>	<u>\$183,770</u>	<u>\$404,290</u>	<u>\$538,875</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	1,936	0
Interfund Payable	0	0	0	103,000
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>1,936</u>	<u>103,000</u>
<b>Deferred Inflows of Resources</b>				
Payments in Lieu of Taxes	0	171,711	0	0
Unavailable Revenue	0	0	0	299,400
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>171,711</u>	<u>0</u>	<u>299,400</u>
<b>Fund Balances</b>				
Restricted	0	12,059	402,354	136,475
Assigned	10,703	0	0	0
<i>Total Fund Balances</i>	<u>10,703</u>	<u>12,059</u>	<u>402,354</u>	<u>136,475</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$10,703</u></u>	<u><u>\$183,770</u></u>	<u><u>\$404,290</u></u>	<u><u>\$538,875</u></u>

<u>Eastern Road Waterline</u>	<u>Medina Line Road Resurfacing</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$500	\$51,207	\$1,057,819
0	0	2,304
0	0	171,711
0	0	299,400
0	0	335,300
<u>\$500</u>	<u>\$51,207</u>	<u>\$1,866,534</u>
\$0	\$0	\$4,880
0	51,207	53,143
0	0	103,000
0	51,207	161,023
0	0	171,711
0	0	299,400
0	0	471,111
500	0	697,432
0	0	536,968
500	0	1,234,400
<u>\$500</u>	<u>\$51,207</u>	<u>\$1,866,534</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, 2020*

	Land Improvements	Building Improvements	Street Improvements	Storm Sewer Improvements
<b>Revenues</b>				
Payments in Lieu of Taxes	\$0	\$0	\$0	\$0
Charges for Services	100,554	0	0	0
Intergovernmental	0	0	0	0
Other	0	0	8,000	0
<i>Total Revenues</i>	<u>100,554</u>	<u>0</u>	<u>8,000</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	67,349	0	31,077	0
Debt Service:				
Principal Retirement	15,000	0	0	0
Interest and Fiscal Charges	1,950	0	0	0
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>84,299</u>	<u>0</u>	<u>31,077</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>16,255</u>	<u>0</u>	<u>(23,077)</u>	<u>0</u>
<b>Other Financing Sources</b>				
General Obligation Bonds Issued	0	0	0	0
OPWC Loan Issued	0	0	0	0
SIB Loans Issued	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	16,255	0	(23,077)	0
<i>Fund Balances Beginning of Year</i>	<u>488,717</u>	<u>14,964</u>	<u>169,121</u>	<u>6,329</u>
<i>Fund Balances End of Year</i>	<u><u>\$504,972</u></u>	<u><u>\$14,964</u></u>	<u><u>\$146,044</u></u>	<u><u>\$6,329</u></u>



Sanitary Sewer Improvements	Tax Increment Financing	Capital Projects	Newpark Drive Reconstruction	Eastern Road Waterline	Medina Line Road Resurfacing	Total Nonmajor Capital Projects Funds
\$0	\$33,080	\$0	\$0	\$0	\$0	\$33,080
0	0	0	0	0	0	100,554
0	0	0	276,460	0	432,907	709,367
0	0	0	0	0	0	8,000
0	33,080	0	276,460	0	432,907	851,001
0	21,021	1,936	355,671	62,391	432,907	972,352
0	0	0	0	0	0	15,000
0	0	0	0	0	0	1,950
0	0	10,710		0	0	10,710
0	21,021	12,646	355,671	62,391	432,907	1,000,012
0	12,059	(12,646)	(79,211)	(62,391)	0	(149,011)
0	0	415,000	0	0	0	415,000
0	0	0	0	62,891	0	62,891
0	0	0	450,000	0	0	450,000
0	0	415,000	450,000	62,891	0	927,891
0	12,059	402,354	370,789	500	0	778,880
10,703	0	0	(234,314)	0	0	455,520
<u>\$10,703</u>	<u>\$12,059</u>	<u>\$402,354</u>	<u>\$136,475</u>	<u>\$500</u>	<u>\$0</u>	<u>\$1,234,400</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, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$373,611	\$373,750	\$366,097	(\$7,653)
Municipal Income Tax	6,435,000	6,435,000	5,795,134	(639,866)
Charges for Services	152,800	152,800	141,549	(11,251)
Licenses, Permits and Fees	16,350	16,350	35,804	19,454
Fines and Forfeitures	8,500	8,500	11,461	2,961
Intergovernmental	445,178	511,016	745,335	234,319
Interest	126,500	126,500	196,139	69,639
Contributions and Donations	0	0	571	571
Rentals	8,002	8,002	6,970	(1,032)
Other	140,204	69,680	336,491	266,811
<i>Total Revenues</i>	<i>7,706,145</i>	<i>7,701,598</i>	<i>7,635,551</i>	<i>(66,047)</i>
<b>Expenditures</b>				
Current:				
General Government:				
City Council:				
Personal Services	148,831	148,921	131,704	17,217
Other than Personal Services	42,682	42,682	21,947	20,735
Total City Council	191,513	191,603	153,651	37,952
Mayor's Office:				
Personal Services	50,119	50,144	45,256	4,888
Other than Personal Services	3,093	3,093	211	2,882
Capital Outlay	750	750	0	750
Total Mayor's Office	53,962	53,987	45,467	8,520
Administrative Office:				
Personal Services	175,588	175,678	150,351	25,327
Other than Personal Services	33,731	33,731	14,350	19,381
Capital Outlay	1,700	1,700	928	772
Total Administrative Office	211,019	211,109	165,629	45,480
Finance Office:				
Personal Services	289,667	289,982	252,626	37,356
Other than Personal Services	114,947	114,947	83,921	31,026
Capital Outlay	1,775	1,775	1,437	338
Total Finance Office	\$406,389	\$406,704	\$337,984	\$68,720

(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, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax:				
Personal Services	\$8,534	\$8,944	\$8,400	\$544
Other than Personal Services	745,050	744,750	656,295	88,455
Total Income Tax	753,584	753,694	664,695	88,999
Other General Government:				
Personal Services	343	2,015	1,704	311
Other than Personal Services	608,533	604,573	408,357	196,216
Capital Outlay	350	350	273	77
Total Other General Government	609,226	606,938	410,334	196,604
Law Director:				
Personal Services	52,638	53,368	53,281	87
Other than Personal Services	274,594	274,594	125,653	148,941
Total Law Director	327,232	327,962	178,934	149,028
Engineer:				
Other than Personal Services	90,985	120,985	109,312	11,673
Planning Commission:				
Other than Personal Services	13,040	13,040	1,338	11,702
Parks and Recreation Board:				
Other than Personal Services	8,390	8,390	211	8,179
Building and Zoning Board:				
Other than Personal Services	60,459	60,459	32,342	28,117
Civil Service Commission:				
Other than Personal Services	16,630	16,630	6,610	10,020
Records Commission:				
Personal Services	15,688	15,688	14,285	1,403
Other than Personal Services	1,250	1,500	1,387	113
Capital Outlay	500	250	43	207
Total Records Commission	\$17,438	\$17,438	\$15,715	\$1,723

(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, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Storm Sewer:				
Other than Personal Services	\$242,812	\$242,812	\$204,331	\$38,481
Total General Government	3,002,679	3,031,751	2,326,553	705,198
Security of Persons and Property:				
Police Department:				
Personal Services	2,366,484	1,244,451	1,183,152	61,299
Other than Personal Services	685,935	413,499	354,956	58,543
Capital Outlay	73,372	66,036	47,077	18,959
Total Security of Persons and Property	3,125,791	1,723,986	1,585,185	138,801
Community Environment:				
Community Development:				
Other than Personal Services	38,364	38,364	29,746	8,618
Building and Zoning:				
Personal Services	16,830	20,978	20,978	0
Other than Personal Services	23,700	23,700	437	23,263
Total Building and Zoning	40,530	44,678	21,415	23,263
Total Community Environment	78,894	83,042	51,161	31,881
Leisure Time Activities:				
Parks:				
Personal Services	205,958	218,458	210,379	8,079
Other than Personal Services	108,338	95,838	79,586	16,252
Total Leisure Time Activities	314,296	314,296	289,965	24,331
Debt Service:				
Principal Retirement	53,000	53,000	53,000	0
Interest and Fiscal Charges	10,305	10,305	10,305	0
Total Debt Service	63,305	63,305	63,305	0
Total Expenditures	6,584,965	5,216,380	4,316,169	900,211
Excess of Revenues Over (Under) Expenditures	\$1,121,180	\$2,485,218	\$3,319,382	\$834,164

(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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	\$5,000	\$5,000	\$2,607	(\$2,393)
Advances Out	(36,000)	(103,000)	(103,000)	0
Transfers Out	(1,200,000)	(3,979,100)	(3,056,500)	922,600
<i>Total Other Financing Sources (Uses)</i>	<u>(1,231,000)</u>	<u>(4,077,100)</u>	<u>(3,156,893)</u>	<u>920,207</u>
<i>Net Change in Fund Balance</i>	(109,820)	(1,591,882)	162,489	1,754,371
<i>Fund Balance Beginning of Year</i>	2,346,329	2,346,329	2,346,329	0
Prior Year Encumbrances Appropriated	<u>339,219</u>	<u>339,219</u>	<u>339,219</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,575,728</u></u>	<u><u>\$1,093,666</u></u>	<u><u>\$2,848,037</u></u>	<u><u>\$1,754,371</u></u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Service Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$6,000	\$6,000	\$47,052	\$41,052
Special Assessments	7,500	7,500	23,111	15,611
Intergovernmental	1,174,300	849,630	822,983	(26,647)
Interest	1,000	1,000	261	(739)
Other	16,100	16,100	90,580	74,480
<i>Total Revenues</i>	<u>1,204,900</u>	<u>880,230</u>	<u>983,987</u>	<u>103,757</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Service Department:				
Personal Services	927,287	913,162	719,038	194,124
Other than Personal Services	928,782	538,314	369,027	169,287
Capital Outlay	156,000	238,110	227,787	10,323
Total Transportation	<u>2,012,069</u>	<u>1,689,586</u>	<u>1,315,852</u>	<u>373,734</u>
Debt Service:				
Principal Retirement	97,060	113,564	113,564	0
Interest and Fiscal Charges	9,699	9,797	9,797	0
Total Debt Service	<u>106,759</u>	<u>123,361</u>	<u>123,361</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,118,828</u>	<u>1,812,947</u>	<u>1,439,213</u>	<u>373,734</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(913,928)</u>	<u>(932,717)</u>	<u>(455,226)</u>	<u>477,491</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	2,000	2,000	1,801	(199)
Transfers In	799,400	1,499,400	800,000	(699,400)
<i>Total Other Financing Sources</i>	<u>801,400</u>	<u>1,501,400</u>	<u>801,801</u>	<u>(699,599)</u>
<i>Net Change in Fund Balance</i>	<u>(112,528)</u>	<u>568,683</u>	<u>346,575</u>	<u>(222,108)</u>
<i>Fund Balance Beginning of Year</i>	<u>181,202</u>	<u>181,202</u>	<u>181,202</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>50,115</u>	<u>50,115</u>	<u>50,115</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$118,789</u>	<u>\$800,000</u>	<u>\$577,892</u>	<u>(\$222,108)</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire and EMS Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$1,576,633	\$1,681,490	\$1,629,753	(\$51,737)
Charges for Services	390,300	390,300	222,889	(167,411)
Intergovernmental	183,110	183,110	237,935	54,825
Other	20,500	15,500	174,483	158,983
<i>Total Revenues</i>	<u>2,170,543</u>	<u>2,270,400</u>	<u>2,265,060</u>	<u>(5,340)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	1,862,827	1,863,877	1,840,583	23,294
Other than Personal Services	491,492	524,102	253,009	271,093
Capital Outlay	87,701	87,701	23,641	64,060
Total Security of Persons and Property	<u>2,442,020</u>	<u>2,475,680</u>	<u>2,117,233</u>	<u>358,447</u>
Debt Service:				
Principal Retirement	96,244	96,244	96,244	0
Interest and Fiscal Charges	5,462	5,462	5,462	0
Total Debt Service	<u>101,706</u>	<u>101,706</u>	<u>101,706</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,543,726</u>	<u>2,577,386</u>	<u>2,218,939</u>	<u>358,447</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(373,183)</u>	<u>(306,986)</u>	<u>46,121</u>	<u>353,107</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>1,825</u>	<u>1,825</u>
<i>Net Change in Fund Balance</i>	<u>(373,183)</u>	<u>(306,986)</u>	<u>47,946</u>	<u>354,932</u>
<i>Fund Balance Beginning of Year</i>	<u>1,111,993</u>	<u>1,111,993</u>	<u>1,111,993</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>88,337</u>	<u>88,337</u>	<u>88,337</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$827,147</u></u>	<u><u>\$893,344</u></u>	<u><u>\$1,248,276</u></u>	<u><u>\$354,932</u></u>



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special Assessments	\$189,000	\$189,000	\$176,923	(\$12,077)
<b>Expenditures</b>				
Current:				
General Government:				
County Auditor Fees:				
Other than Personal Services	2,500	3,905	3,464	441
Debt Service:				
Principal Retirement	141,681	143,406	143,020	386
Interest and Fiscal Charges	60,568	62,228	59,465	2,763
Total Debt Service	202,249	205,634	202,485	3,149
Total Expenditures	204,749	209,539	205,949	3,590
Net Change in Fund Balance	(15,749)	(20,539)	(29,026)	(8,487)
Fund Balance Beginning of Year	220,327	220,327	220,327	0
Fund Balance End of Year	\$204,578	\$199,788	\$191,301	(\$8,487)

**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, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Municipal Income Tax	\$600,000	\$600,000	\$600,000	\$0
Special Assessments	0	0	234,730	234,730
Intergovernmental	75,000	75,000	75,000	0
<i>Total Revenues</i>	<u>675,000</u>	<u>675,000</u>	<u>909,730</u>	<u>234,730</u>
<b>Expenditures</b>				
Capital Outlay:				
Public Health Services:				
Other than Personal Services	411,733	411,733	318,142	93,591
Capital Outlay	679,983	679,983	354,642	325,341
Total Capital Outlay	<u>1,091,716</u>	<u>1,091,716</u>	<u>672,784</u>	<u>418,932</u>
Debt Service:				
Principal Retirement	92,000	92,000	91,980	20
Interest and Fiscal Charges	18,300	18,300	11,379	6,921
Total Debt Service	<u>110,300</u>	<u>110,300</u>	<u>103,359</u>	<u>6,941</u>
<i>Total Expenditures</i>	<u>1,202,016</u>	<u>1,202,016</u>	<u>776,143</u>	<u>425,873</u>
<i>Net Change in Fund Balance</i>	(527,016)	(527,016)	133,587	660,603
<i>Fund Balance Beginning of Year</i>	2,518,123	2,518,123	2,518,123	0
Prior Year Encumbrances Appropriated	<u>371,716</u>	<u>371,716</u>	<u>371,716</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,362,823</u>	<u>\$2,362,823</u>	<u>\$3,023,426</u>	<u>\$660,603</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cleveland-Massillon Road Widening Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$2,509,030	\$1,904,132	\$1,779,893	(\$124,239)
<b>Expenditures</b>				
Capital Outlay:				
Transportation:				
Capital Outlay	958,995	3,086,097	2,759,644	326,453
<i>Excess of Revenues Over (Under) Expenditures</i>	1,550,035	(1,181,965)	(979,751)	202,214
<b>Other Financing Sources</b>				
SIB Loan Issued	1,048,970	1,048,970	1,048,970	0
<i>Net Change in Fund Balance</i>	2,599,005	(132,995)	69,219	202,214
<i>Fund Balance Beginning of Year</i>	116,855	116,855	116,855	0
Prior Year Encumbrances Appropriated	132,995	132,995	132,995	0
<i>Fund Balance End of Year</i>	<u>\$2,848,855</u>	<u>\$116,855</u>	<u>\$319,069</u>	<u>\$202,214</u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$44,500	\$66,728	\$22,228
Interest	1,000	655	(345)
<i>Total Revenues</i>	45,500	67,383	21,883
<b>Expenditures</b>			
Current:			
Transportation:			
State Highway:			
Other	110,000	110,000	0
<i>Net Change in Fund Balance</i>	(64,500)	(42,617)	21,883
<i>Fund Balance Beginning of Year</i>	84,908	84,908	0
<i>Fund Balance End of Year</i>	\$20,408	\$42,291	\$21,883

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permissive Tax Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$200,000	\$104,404	(\$95,596)
<b>Expenditures</b>			
Current:			
Transportation:			
Street Maintenance:			
Other than Personal Services	297,844	135,669	162,175
<i>Net Change in Fund Balance</i>	(97,844)	(31,265)	66,579
<i>Fund Balance Beginning of Year</i>	87,201	87,201	0
Prior Year Encumbrances Appropriated	12,844	12,844	0
<i>Fund Balance End of Year</i>	\$2,201	\$68,780	\$66,579

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*DARE Grant Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$6,000	\$7,141	\$1,141
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Personal Services	22,500	(70)	22,570
Other than Personal Services	600	52	548
<i>Total Expenditures</i>	23,100	(18)	23,118
<i>Net Change in Fund Balance</i>	(17,100)	7,159	24,259
<i>Fund Balance Beginning of Year</i>	61,165	61,165	0
<i>Fund Balance End of Year</i>	\$44,065	\$68,324	\$24,259

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Enforcement Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$100	\$0	(\$100)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Capital Outlay	1,500	441	1,059
<i>Net Change in Fund Balance</i>	(1,400)	(441)	959
<i>Fund Balance Beginning of Year</i>	3,252	3,252	0
<i>Fund Balance End of Year</i>	\$1,852	\$2,811	\$959

**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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$200	\$193	(\$7)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Capital Outlay	27,765	25,117	2,648
<i>Net Change in Fund Balance</i>	(27,565)	(24,924)	2,641
<i>Fund Balance Beginning of Year</i>	221,011	221,011	0
<i>Fund Balance End of Year</i>	\$193,446	\$196,087	\$2,641



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*DWI Enforcement Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$2,000	\$2,209	\$209
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Other than Personal Services	4,520	0	4,520
<i>Net Change in Fund Balance</i>	(2,520)	2,209	4,729
<i>Fund Balance Beginning of Year</i>	2,522	2,522	0
Prior Year Encumbrances Appropriated	20	20	0
<i>Fund Balance End of Year</i>	\$22	\$4,751	\$4,729

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Assistance Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	4,780	4,780	0
<i>Fund Balance End of Year</i>	\$4,780	\$4,780	\$0

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local COVID-19 Relief Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,054,033	\$1,054,032	(\$1)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	786,189	786,188	1
Other than Personal Services	267,844	267,844	0
<i>Total Expenditures</i>	1,054,033	1,054,032	1
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Summit County COVID-19 Payroll Support Grant Program Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$367,060	\$367,060	\$0
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	163,136	163,136	0
Other than Personal Services	203,924	203,924	0
<i>Total Expenditures</i>	367,060	367,060	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$300	\$758	\$458
<b>Expenditures</b>			
Current:			
Public Health Services:			
Cemetery:			
Other than Personal Services	11,750	1,800	9,950
<i>Net Change in Fund Balance</i>	(11,450)	(1,042)	10,408
<i>Fund Balance Beginning of Year</i>	20,609	20,609	0
<i>Fund Balance End of Year</i>	\$9,159	\$19,567	\$10,408

**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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Contributions and Donations	\$250	\$125	(\$125)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	250	125	(125)
<i>Fund Balance Beginning of Year</i>	<u>5,259</u>	<u>5,259</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,509</u></u>	<u><u>\$5,384</u></u>	<u><u>(\$125)</u></u>

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$72,016	\$68,643	(\$3,373)
Intergovernmental	6,505	9,945	3,440
<i>Total Revenues</i>	<u>78,521</u>	<u>78,588</u>	<u>67</u>
<b>Expenditures</b>			
Current:			
General Government:			
County Auditor Fees:			
Other than Personal Services	2,000	1,230	770
Security of Persons and Property:			
Police Department:			
Personal Services	175,000	79,289	95,711
<i>Total Expenditures</i>	<u>177,000</u>	<u>80,519</u>	<u>96,481</u>
<i>Net Change in Fund Balance</i>	(98,479)	(1,931)	96,548
<i>Fund Balance Beginning of Year</i>	<u>176,417</u>	<u>176,417</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$77,938</u></u>	<u><u>\$174,486</u></u>	<u><u>\$96,548</u></u>

**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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$176,430	\$202,007	\$25,577
<b>Expenditures</b>			
Current:			
Public Health Services:			
Waterline Improvements:			
Other than Personal Services	35,000	675	34,325
Capital Outlay	933,829	659,982	273,847
<i>Total Expenditures</i>	968,829	660,657	308,172
<i>Net Change in Fund Balance</i>	(792,399)	(458,650)	333,749
<i>Fund Balance Beginning of Year</i>	633,521	633,521	0
Prior Year Encumbrances Appropriated	353,829	353,829	0
<i>Fund Balance End of Year</i>	\$194,951	\$528,700	\$333,749



**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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$30,000	\$3,800	(\$26,200)
<b>Expenditures</b>			
Current:			
Public Health Services:			
Sewerline Improvements:			
Other than Personal Services	70,000	0	70,000
Capital Outlay	350,000	205,540	144,460
<i>Total Expenditures</i>	420,000	205,540	214,460
<i>Net Change in Fund Balance</i>	(390,000)	(201,740)	188,260
<i>Fund Balance Beginning of Year</i>	1,246,793	1,246,793	0
<i>Fund Balance End of Year</i>	\$856,793	\$1,045,053	\$188,260

**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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$18,000	\$23,665	\$5,665
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Capital Outlay	70,000	55,736	14,264
<i>Net Change in Fund Balance</i>	(52,000)	(32,071)	19,929
<i>Fund Balance Beginning of Year</i>	225,007	225,007	0
<i>Fund Balance End of Year</i>	\$173,007	\$192,936	\$19,929

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Economic Development Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$0	\$794	\$794
<b>Expenditures</b>			
Current:			
Community Environment:			
Community Development:			
Capital Outlay	137,603	783	136,820
Debt Service:			
Principal Retirement	800,000	800,000	0
Interest and Fiscal Charges	18,000	18,000	0
Total Debt Service	818,000	818,000	0
<i>Total Expenditures</i>	955,603	818,783	136,820
<i>Excess of Revenues Under Expenditures</i>	(955,603)	(817,989)	137,614
<b>Other Financing Sources</b>			
Sale of Capital Assets	450,000	0	(450,000)
Notes Issued	0	0	0
Transfers In	300,000	300,000	0
<i>Total Other Financing Sources</i>	750,000	300,000	(450,000)
<i>Net Change in Fund Balance</i>	(205,603)	(517,989)	(312,386)
<i>Fund Balance Beginning of Year</i>	586,586	586,586	0
Prior Year Encumbrances Appropriated	3,603	3,603	0
<i>Fund Balance End of Year</i>	\$384,586	\$72,200	(\$312,386)

**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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Rentals	\$8,000	\$1,675	(\$6,325)
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Community Center:			
Other than Personal Services	24,370	18,408	5,962
<i>Net Change in Fund Balance</i>	(16,370)	(16,733)	(363)
<i>Fund Balance Beginning of Year</i>	15,892	15,892	0
Prior Year Encumbrances Appropriated	2,170	2,170	0
<i>Fund Balance End of Year</i>	\$1,692	\$1,329	(\$363)

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Historical Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Historical House:			
Other than Personal Services	4,438	2,740	1,698
<i>Net Change in Fund Balance</i>	(4,438)	(2,740)	1,698
<i>Fund Balance Beginning of Year</i>	4,351	4,351	0
Prior Year Encumbrances Appropriated	88	88	0
<i>Fund Balance End of Year</i>	\$1	\$1,699	\$1,698

**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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$10,500	\$13	(\$10,487)
<b>Expenditures</b>			
Current:			
General Government:			
Recycling:			
Other than Personal Services	12,000	0	12,000
<i>Net Change in Fund Balance</i>	(1,500)	13	1,513
<i>Fund Balance Beginning of Year</i>	27,615	27,615	0
<i>Fund Balance End of Year</i>	\$26,115	\$27,628	\$1,513

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Scrap Tire Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	643	643	0
<i>Fund Balance End of Year</i>	\$643	\$643	\$0

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Road Program Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$0	\$2,237	\$2,237
Intergovernmental	0	123,289	123,289
Interest	4,000	1,524	(2,476)
<i>Total Revenues</i>	4,000	127,050	123,050
<b>Expenditures</b>			
Current:			
Transportation:			
Road Program:			
Capital Outlay	1,283,834	1,145,244	138,590
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,279,834)	(1,018,194)	261,640
<b>Other Financing Sources</b>			
Transfers In	1,756,500	1,756,500	0
<i>Net Change in Fund Balance</i>	476,666	738,306	261,640
<i>Fund Balance Beginning of Year</i>	109,770	109,770	0
Prior Year Encumbrances Appropriated	113,566	113,566	0
<i>Fund Balance End of Year</i>	\$700,002	\$961,642	\$261,640



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Compensated Absences Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
General Government:			
Personal Services	101,450	0	101,450
<i>Excess of Revenues Under Expenditures</i>	(101,450)	0	(101,450)
<b>Other Financing Sources</b>			
Transfers In	225,000	0	(225,000)
<i>Net Change in Fund Balance</i>	123,550	0	(123,550)
<i>Fund Balance Beginning of Year</i>	59,262	59,262	0
<i>Fund Balance End of Year</i>	\$182,812	\$59,262	(\$123,550)

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Special Assessments	\$2,400	\$2,298	(\$102)
<b>Expenditures</b>			
Current:			
General Government:			
County Auditor Fees:			
Other than Personal Services	2,150	32	2,118
Debt Service:			
Principal Retirement	95,000	95,000	0
Interest and Fiscal Charges	92,650	92,625	25
Bond Issuance Costs	49,907	49,290	617
<i>Total Debt Service</i>	237,557	236,915	642
<i>Total Expenditures</i>	239,707	236,947	2,760
<i>Excess of Revenues Under Expenditures</i>	(237,307)	(234,649)	2,658
<b>Other Financing Sources</b>			
Refunding General Obligation Bonds Issued	1,910,000	1,910,000	0
Payment to Refunded Bond Escrow	(1,856,054)	(1,856,053)	0
Transfers In	200,000	200,000	0
<i>Total Other Financing Sources</i>	253,946	253,947	0
<i>Net Change in Fund Balance</i>	16,639	19,298	2,659
<i>Fund Balance Beginning of Year</i>	936	936	0
<i>Fund Balance End of Year</i>	\$17,575	\$20,234	\$2,659

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Land Improvements Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$115,000	\$132,259	\$17,259
<b>Expenditures</b>			
Capital Outlay:			
Community Environment:			
Capital Outlay	202,243	72,229	130,014
Debt Service:			
Principal Retirement	15,000	15,000	0
Interest and Fiscal Charges	2,000	1,950	50
Total Debt Service	17,000	16,950	50
<i>Total Expenditures</i>	219,243	89,179	130,064
<i>Net Change in Fund Balance</i>	(104,243)	43,080	147,323
<i>Fund Balance Beginning of Year</i>	252,465	252,465	0
Prior Year Encumbrances Appropriated	2,243	2,243	0
<i>Fund Balance End of Year</i>	\$150,465	\$297,788	\$147,323

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Improvements Fund*  
*For the Year Ended December 31, 2020*

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

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Improvements Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Other	\$0	\$8,000	\$8,000
<b>Expenditures</b>			
Capital Outlay:			
Transportation:			
Capital Outlay	33,821	33,821	0
<i>Net Change in Fund Balance</i>	(33,821)	(25,821)	8,000
<i>Fund Balance Beginning of Year</i>	26,631	26,631	0
Prior Year Encumbrances Appropriated	7,190	7,190	0
<i>Fund Balance End of Year</i>	\$0	\$8,000	\$8,000

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Storm Sewer Improvements Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	6,329	6,329	0
<i>Fund Balance End of Year</i>	\$6,329	\$6,329	\$0

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitary Sewer Improvements Fund*  
*For the Year Ended December 31, 2020*

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

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tax Increment Financing Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Payments in Lieu of Taxes	\$59,120	\$33,080	(\$26,040)
<b>Expenditures</b>			
Capital Outlay:			
General Government:			
Other than Personal Services	38,260	21,021	17,239
<i>Net Change in Fund Balance</i>	20,860	12,059	(8,801)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$20,860	\$12,059	(\$8,801)



**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Projects Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>			
Capital Outlay:			
General Government:			
Capital Outlay	400,000	0	400,000
Debt Service:			
Bond Issuance Costs	<u>10,844</u>	<u>10,710</u>	<u>134</u>
<i>Total Expenditures</i>	<u>410,844</u>	<u>10,710</u>	<u>400,134</u>
<i>Excess of Revenues Under Expenditures</i>	(410,844)	(10,710)	400,134
<b>Other Financing Sources</b>			
General Obligation Bonds Issued	<u>415,000</u>	<u>415,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,156	404,290	400,134
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,156</u></u>	<u><u>\$404,290</u></u>	<u><u>\$400,134</u></u>

**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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$337,010	\$437,009	\$99,999
<b>Expenditures</b>			
Capital Outlay:			
Transportation:			
Capital Outlay	835,275	835,276	(1)
<i>Excess of Revenues Under Expenditures</i>	(498,265)	(398,267)	99,998
<b>Other Financing Sources</b>			
SIB Loan Issued	450,000	450,000	0
Advances In	0	103,000	103,000
Transfers In	103,000	0	(103,000)
<i>Total Other Financing Sources</i>	553,000	553,000	0
<i>Net Change in Fund Balance</i>	54,735	154,733	99,998
<i>Fund Balance Beginning of Year</i>	57,242	57,242	0
Prior Year Encumbrances Appropriated	27,500	27,500	0
<i>Fund Balance End of Year</i>	\$139,477	\$239,475	\$99,998

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Eastern Road Waterline Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay:			
Public Health Services:			
Capital Outlay	62,645	62,391	254
<i>Excess of Revenues Under Expenditures</i>	(62,645)	(62,391)	254
<b>Other Financing Sources</b>			
OPWC Loan Issued	64,891	62,891	(2,000)
<i>Net Change in Fund Balance</i>	2,246	500	(1,746)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$2,246	\$500	(\$1,746)

**City of Norton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Medina Line Road Resurfacing Fund*  
*For the Year Ended December 31, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$451,993	\$432,907	(\$19,086)
<b>Expenditures</b>			
Capital Outlay:			
Transportation:			
Capital Outlay	451,993	381,700	70,293
<i>Net Change in Fund Balance</i>	0	51,207	51,207
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$51,207	\$51,207

**Statistical**

**Section**

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## Statistical Section

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

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

	2020	2019 (3)	2018 (2)	2017
Governmental Activities				
Net Investment in Capital Assets	\$29,906,287	\$26,082,717	\$20,431,843	\$18,234,870
Restricted:				
Capital Projects	1,854,908	664,262	390,117	384,597
Debt Service	1,712,854	914,230	889,748	1,174,698
Police	478,252	613,847	730,136	300,936
Fire/EMS	1,879,176	1,769,738	1,766,264	1,884,573
Transportation	1,503,543	1,350,554	846,707	675,219
Public Utilities	1,717,917	2,024,302	2,205,841	2,160,341
Economic Development	834,389	381,470	158,783	0
Unclaimed Monies	15,858	15,107	14,879	9,542
Other Purposes	0	0	0	0
Unrestricted (Deficit)	4,528,769	310,799	(1,482,016)	(1,355,012)
<i>Total Governmental Activities Net Position</i>	<u>\$44,431,953</u>	<u>\$34,127,026</u>	<u>\$25,952,302</u>	<u>\$23,469,764</u>

- (1) The City reported the impact of GASB Statement No. 68 beginning in 2015.  
(2) The City reported the impact of GASB Statement No. 75 beginning in 2018.  
(3) The City reported the impact of GASB Statement No. 84 beginning in 2019.



2016	2015 (1)	2014	2013	2012	2011
\$21,366,802	\$19,026,829	\$17,549,395	\$15,997,153	\$15,103,220	\$15,529,859
419,111	255,837	298,792	319,094	454,614	325,017
2,030,745	1,883,002	2,135,396	2,206,606	2,269,790	399,345
128,039	133,343	108,101	87,313	62,123	83,564
1,823,272	1,919,138	1,714,333	1,600,748	1,338,729	1,186,143
721,503	972,141	960,450	1,035,559	780,096	647,652
2,197,256	1,980,557	1,662,644	1,621,036	1,497,061	851,439
0	0	0	0	0	0
9,542	8,329	8,329	7,033	6,633	5,320
0	64,363	63,297	60,950	57,990	52,709
2,711,856	3,736,490	3,152,937	6,049,719	5,446,624	4,212,600
<u>\$31,408,126</u>	<u>\$29,980,029</u>	<u>\$27,653,674</u>	<u>\$28,985,211</u>	<u>\$27,016,880</u>	<u>\$23,293,648</u>

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

	2020	2019 (3)	2018 (2)	2017
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$1,007,023	\$520,682	\$260,145	\$510,674
Security of Persons and Property	408,935	391,222	666,507	661,825
Transportation	902,578	59,738	500,760	15,568
Community Environment	129,537	37,447	2,685	3,807
Public Health Services	4,213,618	265,057	249,304	170,235
Leisure Time Activities	8,645	32,938	24,944	14,267
Subtotal - Charges for Services	6,670,336	1,307,084	1,704,345	1,376,376
Operating Grants and Contributions:				
General Government	138	169	72,585	15,939
Security of Persons and Property	1,685,373	257,631	257,938	255,391
Transportation	1,004,603	1,284,684	821,277	810,800
Leisure Time Activities	0	2,250	50	1,614
Subtotal - Operating Grants and Contributions	2,690,114	1,544,734	1,151,850	1,083,744
Capital Grants and Contributions:				
General Government	0	57,080	0	0
Transportation	2,489,260	3,791,692	1,003,114	570,681
Public Health Services	0	31,443	74,598	40,000
Subtotal - Capital Grants and Contributions	2,489,260	3,880,215	1,077,712	610,681
<i>Total Governmental Activities Program Revenues</i>	11,849,710	6,732,033	3,933,907	3,070,801
<b>Expenses</b>				
Governmental Activities:				
General Government	2,303,919	2,826,474	2,650,174	2,074,731
Security of Persons and Property	6,137,480	2,652,411	5,573,805	5,126,841
Transportation	2,388,925	2,237,809	1,887,289	1,827,182
Community Environment	48,537	52,379	51,948	61,897
Public Health Services	145,434	262,469	135,116	103,112
Leisure Time Activities	364,577	391,354	407,627	326,356
Interest and Fiscal Charges	194,855	199,599	188,739	218,080
<i>Total Governmental Activities Expenses</i>	11,583,727	8,622,495	10,894,698	9,738,199
<b>Net (Expense)/Revenue</b>	\$265,983	(\$1,890,462)	(\$6,960,791)	(\$6,667,398)

2016	2015 (1)	2014	2013	2012	2011
\$331,914	\$320,652	\$301,110	\$361,645	\$2,264,295	\$302,108
369,815	390,310	457,479	452,148	410,342	598,990
13,888	20,008	80,220	45,147	5,346	97,791
3,468	4,381	14,538	11,415	13,861	9,913
251,703	326,831	283,247	269,186	335,691	98,585
16,753	11,498	6,418	4,862	3,977	8,123
987,541	1,073,680	1,143,012	1,144,403	3,033,512	1,115,510
14,190	20,362	21,670	15,076	0	0
250,064	600,938	244,608	285,302	236,940	245,158
834,131	730,329	754,921	776,227	759,919	776,542
2,488	8,314	2,912	0	0	0
1,100,873	1,359,943	1,024,111	1,076,605	996,859	1,021,700
0	0	0	0	0	0
314,191	335,767	554,695	214,930	145,167	257,935
0	0	0	0	0	8,388
314,191	335,767	554,695	214,930	145,167	266,323
2,402,605	2,769,390	2,721,818	2,435,938	4,175,538	2,403,533
2,182,194	2,215,323	1,897,592	1,936,401	2,024,702	1,867,424
4,639,014	4,279,816	4,054,819	4,046,180	3,404,024	3,894,241
1,864,094	1,861,856	2,219,620	1,585,557	1,369,735	1,361,018
50,195	83,176	182,717	176,888	205,175	136,519
154,236	26,810	279,427	88,571	90,538	336,423
278,580	359,994	115,566	153,148	132,009	173,648
216,860	218,992	218,845	250,152	355,527	280,450
9,385,173	9,045,967	8,968,586	8,236,897	7,581,710	8,049,723
(\$6,982,568)	(\$6,276,577)	(\$6,246,768)	(\$5,800,959)	(\$3,406,172)	(\$5,646,190)

(continued)

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

	2020	2019 (3)	2018 (2)	2017
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$372,014	\$368,191	\$358,665	\$344,233
Police and Fire Disability and Pension	69,752	69,036	67,250	64,544
Fire/EMS	1,656,516	1,635,479	1,585,645	1,611,809
Payments in Lieu of Taxes	33,080	0	0	0
Income Taxes Levied for:				
General Purposes	5,876,534	5,925,548	5,782,387	5,677,465
Debt Service	0	0	0	0
Water and Sewer Improvements	493,770	600,192	553,798	634,629
Grants and Entitlements not Restricted to				
Specific Programs	658,033	545,437	690,108	491,771
Interest	327,387	376,793	48,658	54,646
Gain on Sale of Assets Held for Resale	0	137,587	0	0
Other	551,858	406,923	353,752	126,991
<i>Total Governmental Activities</i>	<u>10,038,944</u>	<u>10,065,186</u>	<u>9,440,263</u>	<u>9,006,088</u>
Special Item - Loss on Transfer of Operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,949,503)</u>
<b>Change in Net Position</b>	<u><u>\$10,304,927</u></u>	<u><u>\$8,174,724</u></u>	<u><u>\$2,479,472</u></u>	<u><u>(\$3,610,813)</u></u>

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

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.

(3) Expenses are first impacted by the implementation of GASB Statement No. 84 beginning in 2019.

2016	2015 (1)	2014	2013	2012	2011
\$337,668	\$337,438	\$344,483	\$334,169	\$382,368	\$337,450
63,312	63,270	64,597	62,650	63,078	71,888
1,583,197	1,762,935	1,636,440	1,651,119	1,215,093	1,303,819
0	0	0	0	0	0
5,291,209	5,236,793	4,523,622	4,391,800	4,316,218	4,227,715
0	0	0	0	0	80,000
636,854	648,945	624,802	694,590	549,706	406,234
394,364	422,526	430,244	455,722	409,661	753,015
14,469	4,355	4,331	6,920	6,069	6,412
0	0	0	0	0	0
89,592	126,670	112,396	172,320	187,211	179,916
8,410,665	8,602,932	7,740,915	7,769,290	7,129,404	7,366,449
0	0	0	0	0	0
<u>\$1,428,097</u>	<u>\$2,326,355</u>	<u>\$1,494,147</u>	<u>\$1,968,331</u>	<u>\$3,723,232</u>	<u>\$1,720,259</u>

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

	2020	2019 (1)	2018	2017
<b>General Fund</b>				
Nonspendable	\$64,290	\$57,254	\$55,215	\$44,898
Committed	123,758	302,024	160,374	215,625
Assigned	1,485,992	1,002,186	871,348	549,876
Unassigned	3,406,119	2,420,526	2,992,508	3,134,220
Total General Fund	5,080,159	3,781,990	4,079,445	3,944,619
<b>All Other Governmental Funds</b>				
Nonspendable	370,244	1,369,735	222,801	299,924
Restricted	6,516,487	5,157,109	5,927,429	5,341,443
Committed	2,832,097	2,545,834	2,549,497	1,777,814
Assigned	536,968	(343,773)	542,078	296,859
Unassigned (Deficit)	0	209,577	(12,642)	(17,799)
Total All Other Governmental Funds	10,255,796	8,938,482	9,229,163	7,698,241
<b>Total Governmental Funds</b>	<u>\$15,335,955</u>	<u>\$12,720,472</u>	<u>\$13,308,608</u>	<u>\$11,642,860</u>

(1) The City reported the impact of GASB Statement No. 84 beginning in 2019.

2016	2015	2014	2013	2012	2011
\$38,681	\$26,969	\$37,610	\$98,982	\$44,748	\$32,783
49,313	139,396	288,342	288,560	119,975	253,670
391,007	1,319,338	2,294,197	897,613	424,568	96,525
2,889,200	2,432,922	1,057,499	2,661,398	3,154,498	2,403,847
3,368,201	3,918,625	3,677,648	3,946,553	3,743,789	2,786,825
446,443	243,160	189,003	383,514	329,246	260,680
4,519,704	4,612,381	4,035,695	3,984,514	3,613,285	2,476,805
1,611,360	1,832,367	1,635,499	1,472,771	1,176,524	767,541
276,999	254,185	241,059	237,206	151,091	91,777
N/A	(139,208)	(162,453)	(184,773)	(253,907)	(236,462)
6,854,506	6,802,885	5,938,803	5,893,232	5,016,239	3,360,341
\$10,222,707	\$10,721,510	\$9,616,451	\$9,839,785	\$8,760,028	\$6,147,166

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

	2020	2019	2018	2017
<b>Revenues</b>				
Property Taxes	\$2,064,493	\$2,044,466	\$2,063,144	\$2,002,191
Payments in Lieu of Taxes	33,080	0	0	0
Municipal Income Tax	6,330,910	6,887,698	5,998,755	6,535,766
Charges for Services	790,775	1,003,298	944,643	946,949
Special Assessments	437,062	186,444	178,454	357,932
Licenses, Permits and Fees	34,745	36,105	29,203	37,581
Fines and Forfeitures	16,900	52,571	1,054,056	40,186
Intergovernmental	6,033,509	5,796,343	3,001,957	2,076,566
Contributions and Donations	696	62,866	60,163	250
Interest	327,387	376,793	48,658	54,646
Rentals	8,645	32,938	15,454	0
Other	551,858	406,923	503,752	126,991
<i>Total Revenues</i>	<u>16,630,060</u>	<u>16,886,445</u>	<u>13,898,239</u>	<u>12,179,058</u>
<b>Expenditures</b>				
Current:				
General Government	2,139,677	2,511,077	2,580,372	2,624,479
Security of Persons and Property	5,223,567	5,112,694	4,823,870	4,638,589
Transportation	3,152,491	3,254,656	2,723,223	2,248,245
Community Environment	45,381	51,976	53,651	59,318
Public Health Services	433,207	639,330	147,748	13,658
Leisure Time Activities	303,912	337,852	290,941	242,472
Capital Outlay	4,224,410	6,979,297	1,227,055	758,799
Debt Service:				
Principal Retirement	607,808	606,398	702,457	550,761
Interest and Fiscal Charges	197,983	214,536	197,006	214,275
Issuance Costs	60,000	10,000	0	0
<i>Total Expenditures</i>	<u>16,388,436</u>	<u>19,717,816</u>	<u>12,746,323</u>	<u>11,350,596</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>241,624</u>	<u>(2,831,371)</u>	<u>1,151,916</u>	<u>828,462</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	6,233	102,466	11,721	21,701
Excess from Sale of Assets Held for Resale	0	137,587	0	0
Refunding General Obligation Bonds Issued	1,910,000	0	0	0
Payments to Refunded Bond Escrow Agent	(1,856,053)	0	0	0
Refunded Bonds Redeemed	0	0	0	0
General Obligation Bonds Issued	415,000	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Bonds	0	0	0	0
OPWC Loan Issued	62,891	280,536	0	13,990
SIB Loans Issued	1,498,970	1,510,215	0	0
Inception of Capital Lease	336,818	212,431	499,045	556,000
Notes Issued	0	0	0	0
Transfers In	1,300,000	1,743,967	1,561,794	1,088,410
Transfers Out	(1,300,000)	(1,743,967)	(1,561,794)	(1,088,410)
<i>Total Other Financing Sources (Uses)</i>	<u>2,373,859</u>	<u>2,243,235</u>	<u>510,766</u>	<u>591,691</u>
<i>Net Change in Fund Balances</i>	<u>\$2,615,483</u>	<u>(\$588,136)</u>	<u>\$1,662,682</u>	<u>\$1,420,153</u>
Debt Service as a Percentage of Noncapital Expenditures	8.5%	8.0%	9.1%	8.5%



2016	2015	2014	2013	2012	2011
\$1,993,504	\$2,001,248	\$2,026,631	\$2,082,476	\$1,686,380	\$1,683,465
0	0	0	0	0	0
5,855,346	5,832,540	4,963,954	5,086,439	4,837,150	4,645,951
904,150	948,416	850,157	845,918	889,126	665,220
202,419	203,517	216,399	220,208	189,719	160,343
46,625	58,842	157,191	45,683	47,727	33,694
25,588	35,324	74,276	87,202	90,768	170,662
1,803,860	2,189,512	1,998,353	1,693,928	1,659,832	2,256,857
50	0	0	0	0	0
14,469	4,355	4,331	6,920	6,069	6,412
0	0	0	0	0	0
89,592	126,670	112,396	172,320	187,211	179,916
10,935,603	11,400,424	10,403,688	10,241,094	9,593,982	9,802,520
2,177,948	2,252,940	1,859,765	1,963,390	1,798,467	2,039,058
4,359,494	4,177,697	3,992,931	3,818,902	3,222,091	3,763,267
2,526,130	1,835,865	1,758,558	1,389,802	1,163,451	1,382,450
49,538	83,273	209,388	176,232	181,650	136,317
32,912	7,532	138,189	91,729	112,933	69,907
259,183	307,243	63,375	78,496	92,904	140,871
1,554,870	909,614	1,160,198	712,306	392,174	365,560
558,170	490,121	1,459,298	1,720,000	1,675,000	2,312,000
221,349	231,080	241,729	274,652	237,315	296,328
0	0	0	0	183,519	0
11,739,594	10,295,365	10,883,431	10,225,509	9,059,504	10,505,758
(803,991)	1,105,059	(479,743)	15,585	534,478	(703,238)
33,188	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	2,238,000	0
0	0	0	0	(2,240,740)	0
0	0	0	0	(40,087)	0
0	0	0	0	0	0
0	0	0	0	657,000	0
0	0	0	0	149,211	0
0	0	0	0	0	0
0	0	0	0	0	0
272,000	0	256,409	64,172	0	0
0	0	0	1,000,000	1,315,000	1,315,000
1,666,557	1,409,482	844,785	1,061,733	928,519	1,010,988
(1,666,557)	(1,409,482)	(844,785)	(1,061,733)	(928,519)	(860,178)
305,188	0	256,409	1,064,172	2,078,384	1,465,810
(\$498,803)	\$1,105,059	(\$223,334)	\$1,079,757	\$2,612,862	\$762,572
8.8%	8.3%	17.4%	21.7%	23.0%	27.5%

**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
2020	\$248,019,750	\$46,188,900	\$840,596,143	\$11,187,960	\$12,713,591
2019	210,876,070	41,441,170	720,906,400	10,448,110	11,872,852
2018	209,709,910	40,240,850	714,145,029	9,796,980	11,132,932
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

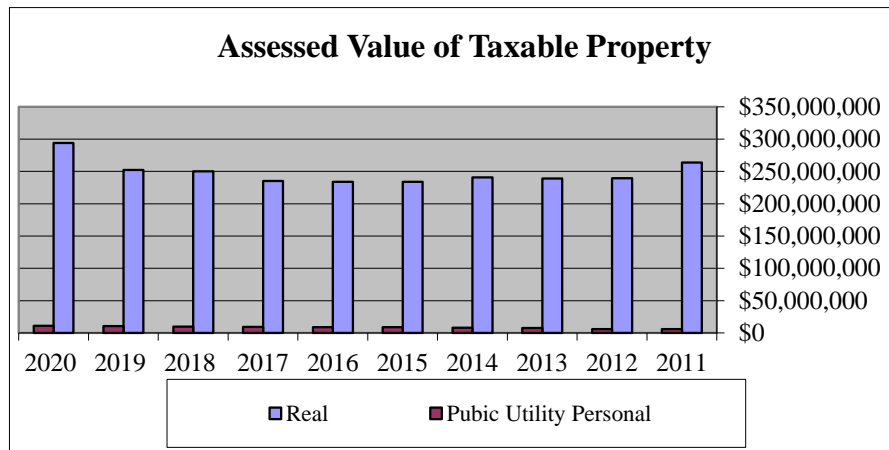
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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.

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

Source: Summit County, Fiscal Officer

Assessed Value	Total Estimated Actual Value	Ratio	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
\$305,396,610	\$853,309,734	35.79%	\$9.5000	\$8.0609
262,765,350	732,779,252	35.86	9.5000	9.0224
259,747,740	725,277,960	35.81	9.5000	9.0078
244,542,920	682,378,919	35.84	9.5000	9.0193
242,744,580	678,138,948	35.80	9.5000	9.4085
242,662,400	678,160,579	35.78	9.5000	9.4149
249,103,800	697,569,841	35.71	9.5000	9.4075
246,745,410	691,849,098	35.66	9.5000	9.5000
245,381,200	690,583,855	35.53	9.5000	9.5000
269,727,600	760,708,381	35.46	9.5000	7.5866



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

	2020	2019	2018	2017
<b>Unvoted Millage</b>				
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>
<b>Voted Millage by Levy</b>				
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	2.4023	2.8154	2.8090	2.8074
Commercial/Industrial and Public Utility Real	2.4533	2.7439	2.7412	2.7788
General Business and Public Utility Personal	3.0000	3.0000	3.0000	3.0000
2012 Fire				
Residential/Agricultural Real	3.6836	4.3170	4.3071	4.3046
Commercial/Industrial and Public Utility Real	3.7617	4.2073	4.2032	4.2608
General Business and Public Utility Personal	<u>4.6000</u>	<u>4.6000</u>	<u>4.6000</u>	<u>4.6000</u>
<b>Total Voted Millage by type of property</b>				
Residential/Agricultural Real	\$6.0859	\$7.1324	\$7.1161	\$7.1120
Commercial/Industrial and Public Utility Real	6.2150	6.9512	6.9444	7.0396
General Business and Public Utility Personal	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>
<b>Total Millage by type of property</b>				
Residential/Agricultural Real	\$7.9859	\$9.0324	\$9.0161	\$9.0120
Commercial/Industrial and Public Utility Real	8.1150	8.8512	8.8444	8.9396
General Business and Public Utility Personal	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>
<b>Total Weighted Average Tax Rate</b>	<u>\$8.0609</u>	<u>\$9.0224</u>	<u>\$9.0078</u>	<u>\$9.0193</u>
<b>Overlapping Rates by Taxing District</b>				
Norton City School District				
Residential/Agricultural Real	\$29.7020	\$33.8476	\$33.9302	\$35.7079
Commercial/Industrial and Public Utility Real	39.4110	43.6786	43.7751	46.1433
General Business and Public Utility Personal	62.8700	63.4000	63.5300	65.4500
Summit County				
Residential/Agricultural Real	11.7668	12.9177	11.9164	11.9075
Commercial/Industrial and Public Utility Real	12.5392	13.5472	12.5857	12.6367
General Business and Public Utility Personal	13.7000	13.7000	12.7000	12.7000
Akron/Summit Library				
Residential/Agricultural Real	1.5888	2.4024	2.4419	2.4414
Commercial/Industrial and Public Utility Real	1.7100	2.4926	2.5413	2.5547
General Business and Public Utility Personal	1.9000	2.5200	2.5600	2.5600
Summit Metropolitan Park District				
Residential/Agricultural Real	1.2114	1.3597	1.3595	1.3583
Commercial/Industrial and Public Utility Real	1.3119	1.4459	1.4508	1.4583
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.

2016	2015	2014	2013	2012	2011
\$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	0.0000	0.0000	0.0000	0.4622
0.0000	0.0000	0.0000	0.0000	0.0000	0.6722
0.0000	0.0000	0.0000	0.0000	0.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.7395
0.0000	0.0000	0.0000	0.0000	0.0000	1.0755
0.0000	0.0000	0.0000	0.0000	0.0000	1.6000
0.0000	0.0000	0.0000	0.0000	0.0000	0.6313
0.0000	0.0000	0.0000	0.0000	0.0000	0.9049
0.0000	0.0000	0.0000	0.0000	0.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.6313
0.0000	0.0000	0.0000	0.0000	0.0000	0.9049
0.0000	0.0000	0.0000	0.0000	0.0000	1.0000
3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
2.7685	2.7862	2.7612	3.0000	3.0000	3.0000
3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
4.6000	4.6000	4.6000	4.6000	4.6000	0.0000
4.2450	4.2722	4.2339	4.6000	4.6000	0.0000
4.6000	4.6000	4.6000	4.6000	4.6000	0.0000
\$7.6000	\$7.6000	\$7.6000	\$7.6000	\$7.6000	\$5.4643
7.0135	7.0584	6.9951	7.6000	7.6000	6.5575
7.6000	7.6000	7.6000	7.6000	7.6000	7.6000
\$9.5000	\$9.5000	\$9.5000	\$9.5000	\$9.5000	\$7.3643
8.9135	8.9584	8.8951	9.5000	9.5000	8.4575
9.5000	9.5000	9.5000	9.5000	9.5000	9.5000
\$9.4085	\$9.4149	\$9.4075	\$9.5000	\$9.5000	\$7.5866
\$37.9003	\$37.8793	\$37.8562	\$37.1794	\$33.2344	\$31.3055
46.0701	46.3062	45.8159	48.7633	44.8455	42.5417
65.6900	65.6900	65.6900	65.6900	61.8000	59.9000
12.6367	12.6392	12.6389	12.6216	12.6205	12.6193
12.4514	12.4764	12.4472	12.6974	12.6935	12.6843
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
2.6000	2.6200	2.1000	2.1100	2.1400	2.1000
2.5529	2.5854	2.0610	2.1100	2.1400	2.1000
2.6000	2.6200	2.1000	2.1100	2.1400	2.1000
1.4599	1.4600	1.4600	1.4600	1.4600	1.4600
1.4287	1.4317	1.4279	1.4600	1.4600	1.4600
1.4600	1.4600	1.4600	1.4600	1.4600	1.4600

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

Year	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections
2020	\$2,374,019	\$2,291,038	96.50%	\$82,980	\$2,374,018
2019	2,355,872	2,279,731	96.77	76,140	2,355,871
2018	2,342,482	2,280,521	97.35	61,179	2,341,700
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

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%	\$140,967	5.94%
100.00	140,444	5.96
99.97	120,455	5.14
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

**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>
2020	2.00 %	\$6,395,134	\$1,410,127	22.05 %	\$4,245,090	66.38 %
2019	2.00	6,572,232	1,594,640	24.26	4,185,756	63.69
2018	2.00	6,381,426	1,564,669	24.52	4,025,920	63.09
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

(1) Cash Basis



Taxes from Net Profits	Percentage of Taxes from Net Profits
\$739,917	11.57 %
791,836	12.05
790,837	12.39
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

**City of Norton, Ohio**  
*Principal Real Estate Property Taxpayers*  
2020 and 2011

Taxpayer	2020	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,029,050	0.69 %
Albrecht, Incorporated	2,170,130	0.74
J R Engineering, Incorporated	1,732,060	0.59
Seal Real Estate Holdings, LLC	1,658,720	0.56
World Real Estate Services, LTD	1,567,620	0.53
Pittsburgh Plate Glass Company	1,148,920	0.39
Falkenstein, Albert J. Trustee	982,970	0.33
Barber Road Storage, LLC	967,530	0.33
Newpark Drive Limited Partnership	931,900	0.32
E. L. Stone Company	613,670	0.21
Total	<u>\$13,802,570</u>	<u>4.69 %</u>
Total Real Assessed Valuation	<u>\$294,208,650</u>	

Taxpayer	2011	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Albrecht, Incorporated	\$2,423,700	0.92 %
Columbia Woods Apartments, LLC	2,241,520	0.85
J R Engineering, Incorporated	1,796,070	0.68
World Real Estate Services, LTD	1,351,650	0.51
Seal Real Estate Holdings, LLC	1,065,420	0.40
Pittsburgh Plate Glass Company	981,450	0.37
Falkenstein Albert J. Trustee	827,820	0.31
Newpark Drive Limited Partnership	798,910	0.30
Barber Road Storage, LLC	797,050	0.30
Trinity Broadcasting Network, Incorporated	544,100	0.21
Total	<u>\$12,827,690</u>	<u>4.85 %</u>
Total Real Assessed Valuation	<u>\$263,950,040</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>
2020	12,085	\$853,309,734	\$2,734,194	0.32 %	\$226.25
2019	12,085	732,779,252	2,510,555	0.34	207.74
2018	12,085	725,277,960	2,715,507	0.37	224.70
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

Sources:

(1) U.S. Bureau of Census

(2) Summit County Fiscal Officer

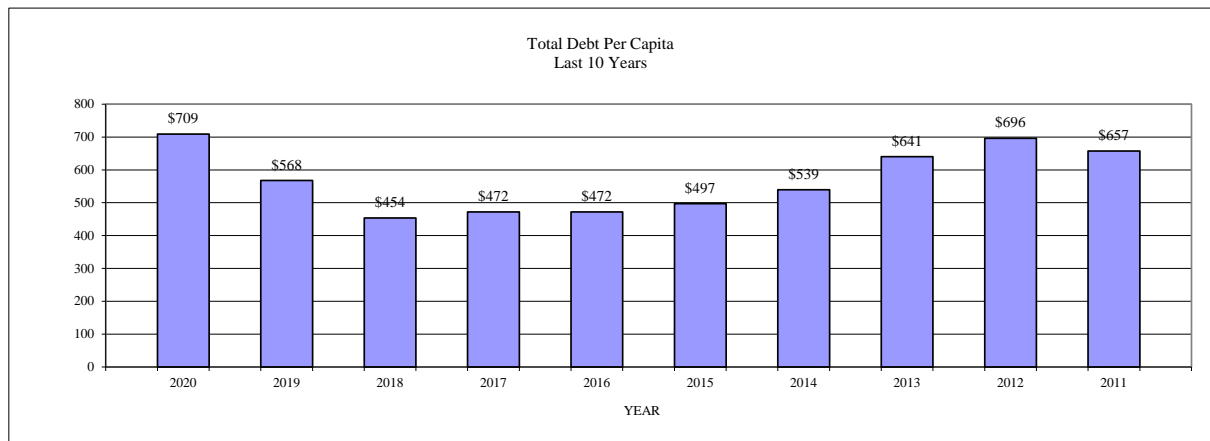
(3) Includes all general obligation bonded debt with the exception of special assessment debt.

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	SIB Loans	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
2020	\$2,734,194	\$0	\$1,427,256	\$343,427	\$3,009,185	\$1,055,852	\$8,569,914	2.72%	\$709
2019	2,510,555	0	1,579,232	280,536	1,510,215	981,842	6,862,380	2.18	568
2018	2,715,507	0	1,718,002	0	0	1,050,809	5,484,318	1.74	454
2017	3,039,200	0	1,858,031	13,990	0	795,231	5,706,452	1.81	472
2016	3,350,373	0	1,995,580	0	0	359,992	5,705,945	1.81	472
2015	3,662,025	0	2,137,650	0	0	211,162	6,010,837	1.91	497
2014	3,967,789	0	2,275,610	0	0	276,283	6,519,682	2.07	539
2013	4,267,401	1,000,000	2,409,719	0	0	64,172	7,741,292	2.46	641
2012	4,557,733	1,315,000	2,543,111	0	0	0	8,415,844	2.67	696
2011	4,717,669	1,315,000	1,910,222	0	0	0	7,942,891	2.52	657

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, 2020*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct:</b>			
General Obligation Bonds	\$2,734,194	100.00%	\$2,734,194
Special Assessment Bonds	1,427,256	100.00	1,427,256
OPWC Loan	343,427	100.00	343,427
SIB Loans	3,009,185	100.00	3,009,185
Capital Leases	1,055,852	100.00	1,055,852
<i>Total Direct Debt</i>	<u>8,569,914</u>		<u>8,569,914</u>
<b>Overlapping:</b>			
Norton City School District			
General Obligation Bonds	23,476,327	84.21	19,769,415
Summit County			
General Obligation Bonds	62,897,497	2.10	1,320,847
Barberton City School District			
General Obligation Bonds	32,960,000	2.03	669,088
<i>Total Overlapping Debt</i>	<u>119,333,824</u>		<u>21,759,350</u>
<b>Total</b>	<u><u>\$127,903,738</u></u>		<u><u>\$30,329,264</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*

	2020	2019	2018	2017
Total Assessed Property Value	<u>\$305,396,610</u>	<u>\$262,765,350</u>	<u>\$259,747,740</u>	<u>\$244,542,920</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$32,066,644</u>	<u>\$27,590,362</u>	<u>\$27,273,513</u>	<u>\$25,677,007</u>
Debt Outstanding:				
General Obligation Bonds	2,708,540	2,427,274	2,619,214	2,929,894
Special Assessment Bonds	1,376,460	1,522,726	1,655,786	1,790,106
OPWC Loan	343,427	280,536	0	13,990
SIB Loans	3,009,185	1,510,215	0	0
Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Total Gross Indebtedness	7,437,612	5,740,751	4,275,000	4,833,990
Less:				
Special Assessment Bonds	(1,376,460)	(1,522,726)	(1,655,786)	(1,790,106)
Amount Available in Debt Service	<u>(20,234)</u>	<u>(936)</u>	<u>2,013</u>	<u>17</u>
Total Net Debt Applicable to Debt Limit	<u>6,040,918</u>	<u>4,217,089</u>	<u>2,621,227</u>	<u>3,043,901</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$26,025,726</u>	<u>\$23,373,273</u>	<u>\$24,652,286</u>	<u>\$22,633,106</u>
Legal Debt Margin as a Percentage of the Debt Limit	81.16%	84.72%	90.39%	88.15%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$16,796,814</u>	<u>\$14,452,094</u>	<u>\$14,286,126</u>	<u>\$13,449,861</u>
Total Gross Indebtedness	7,437,612	5,740,751	4,275,000	4,833,990
Less:				
Special Assessment Bonds	(1,376,460)	(1,522,726)	(1,655,786)	(1,790,106)
Amount Available in Debt Service	<u>(20,234)</u>	<u>(936)</u>	<u>2,013</u>	<u>17</u>
Net Debt Within 5 ½ % Limitations	<u>6,040,918</u>	<u>4,217,089</u>	<u>2,621,227</u>	<u>3,043,901</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$10,755,896</u>	<u>\$10,235,005</u>	<u>\$11,664,899</u>	<u>\$10,405,960</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	64.04%	70.82%	81.65%	77.37%

Source: City Financial Records

2016	2015	2014	2013	2012	2011
<u>\$242,744,580</u>	<u>\$242,662,400</u>	<u>\$249,103,800</u>	<u>\$246,745,410</u>	<u>\$245,381,200</u>	<u>\$269,727,600</u>
<u>\$25,488,181</u>	<u>\$25,479,552</u>	<u>\$26,155,899</u>	<u>\$25,908,268</u>	<u>\$25,765,026</u>	<u>\$28,321,398</u>
3,228,054	3,526,694	3,819,444	4,106,044	4,383,362	4,632,903
1,921,946	2,058,306	2,190,556	2,318,956	2,446,638	1,867,097
0	0	0	0	0	0
0	0	0	0	0	0
<u>200,000</u>	<u>270,000</u>	<u>465,000</u>	<u>1,000,000</u>	<u>1,315,000</u>	<u>1,445,000</u>
5,350,000	5,855,000	6,475,000	7,425,000	8,145,000	7,945,000
(1,921,946)	(2,058,306)	(2,190,556)	(2,318,956)	(2,446,638)	(1,867,097)
<u>1,106</u>	<u>(95)</u>	<u>(151,315)</u>	<u>(147,492)</u>	<u>(170,451)</u>	<u>(36,221)</u>
<u>3,429,160</u>	<u>3,796,599</u>	<u>4,133,129</u>	<u>4,958,552</u>	<u>5,527,911</u>	<u>6,041,682</u>
<u>\$22,059,021</u>	<u>\$21,682,953</u>	<u>\$22,022,770</u>	<u>\$20,949,716</u>	<u>\$20,237,115</u>	<u>\$22,279,716</u>
86.55%	85.10%	84.20%	80.86%	78.54%	78.67%
<u>\$13,350,952</u>	<u>\$13,346,432</u>	<u>\$13,700,709</u>	<u>\$13,570,998</u>	<u>\$13,495,966</u>	<u>\$14,835,018</u>
5,350,000	5,855,000	6,475,000	7,425,000	8,145,000	7,945,000
(1,921,946)	(2,058,306)	(2,190,556)	(2,318,956)	(2,446,638)	(1,867,097)
<u>1,106</u>	<u>(95)</u>	<u>(151,315)</u>	<u>(147,492)</u>	<u>(170,451)</u>	<u>(36,221)</u>
<u>3,429,160</u>	<u>3,796,599</u>	<u>4,133,129</u>	<u>4,958,552</u>	<u>5,527,911</u>	<u>6,041,682</u>
<u>\$9,921,792</u>	<u>\$9,549,833</u>	<u>\$9,567,580</u>	<u>\$8,612,446</u>	<u>\$7,968,055</u>	<u>\$8,793,336</u>
74.32%	71.55%	69.83%	63.46%	59.04%	59.27%

**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)
2020	12,085	\$314,923,015	\$26,059	\$56,645	43.7
2019	12,085	314,923,015	26,059	56,645	43.7
2018	12,085	314,923,015	26,059	56,645	43.7
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

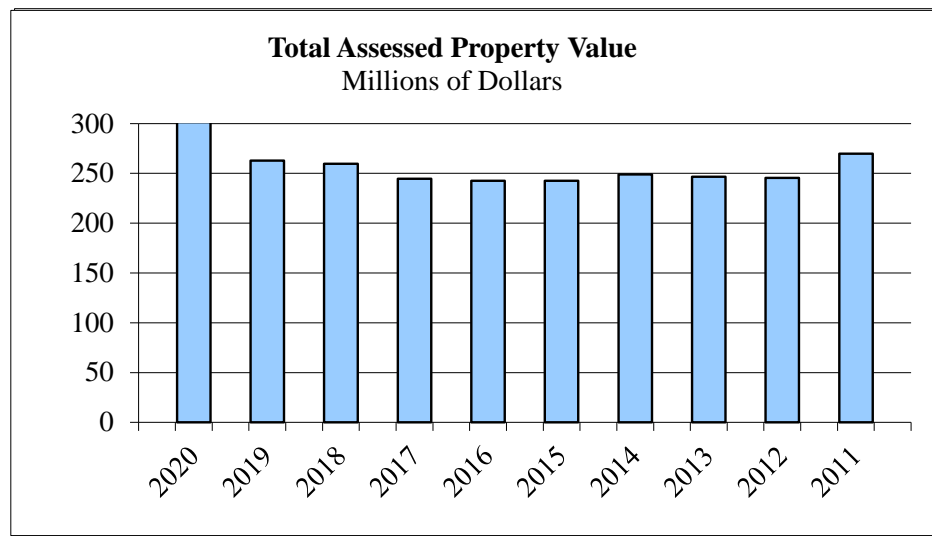
(1) U.S. Bureau of Census

(2) Source: Norton City School District Audited Financials

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

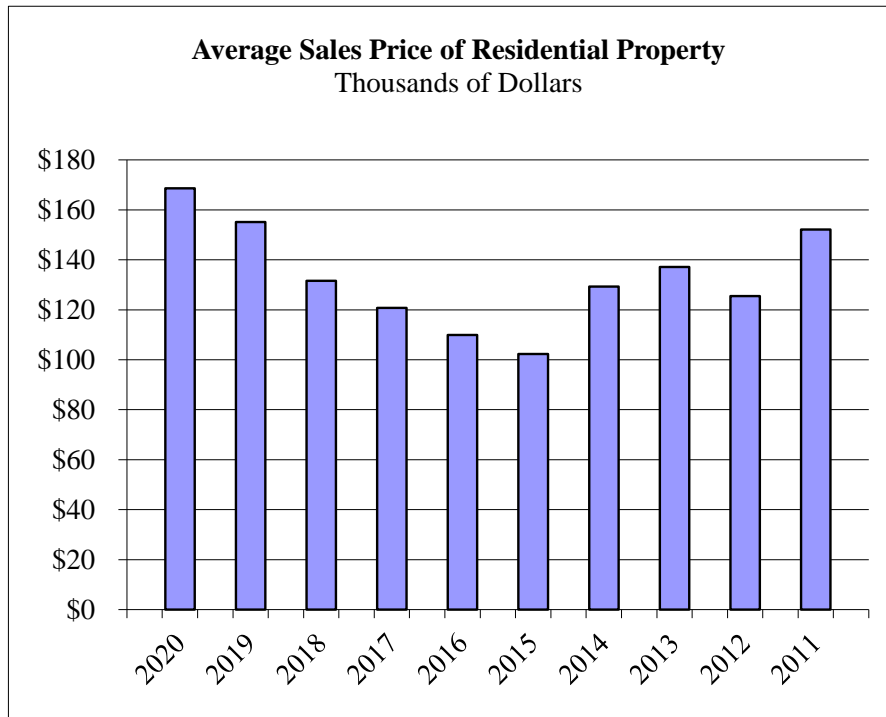
(4) Source: Summit County Fiscal Officer

(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)
26.50 %	2,371	5.50 %	\$168,563	\$305,396,610
18.90	2,546	4.00	155,129	262,765,350
18.90	2,554	4.90	131,600	259,747,740
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



**City of Norton, Ohio**

Principal Employers

2020 and 2011

2020	
Employers	
PPG Industries, Incorporated	
S.A. Comunale Company	
Norton City School District	
Fred Martin Motor Company	
Ganley Ford, Incorporated	
Albrecht, Incorporated	
City of Norton	
Barberton Tree Service	
The Cleveland Clinic	
ICP Adhesive & Sealant	
Total Employees of Top Ten Employers	1,792
Percentage of Total City Employment at Top Ten Employers	32.27%
Total Estimated Employment within the City	5,553
2011	
Employers	
Akwend, LTC	
City of Norton	
Fomo Products, Incorporated	
Fred Martin Motor Company	
Albrecht, Incorporated	
Ganley Ford, Incorporated	
J R Engineering, Incorporated	
Lenic Norton, Incorporated	
Norton City School District	
S.A. Comunale Company	
Total Employees of Top Employers	2,430
Total Estimated Employment within the City	5,699

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	2020	2019	2018	2017
<b>General Government</b>				
<i><b>Council and Clerk</b></i>				
Number of Ordinances	114	119	107	82
Number of Resolutions	16	17	25	22
Number of Planning Commission docket items	12	0	3	3
Zoning Board of Appeals docket items	12	0	15	15
Park and Cemetery Board docket items	7	0	1	1
<i><b>Finance Department</b></i>				
Number of checks/ vouchers issued	1,445	1,765	1,775	1,729
General Fund Interest earnings for fiscal year (cash basis)	\$196,139	\$200,778	\$101,074	\$49,388
Agency Ratings - Fitch	AA	AA	AA	AA
Health Insurance Costs (cash basis in thousands)	\$707	\$850	\$780	\$873
Health Insurance Costs vs General Fund Expenditures %	10.0%	11.0%	14.7%	19.0%
General Fund Receipts (cash basis in thousands)	\$7,636	\$7,769	\$7,324	\$6,822
General Fund Expenditures (cash basis in thousands)	\$4,316	\$5,768	\$5,323	\$4,593
General Fund Cash Balances (in thousands)	\$2,848	\$2,346	\$2,567	\$2,860
<i><b>Municipal Court</b></i>				
Number of Misdemeanor Cases	214	470	523	451
Number of OVI cases	43	52	44	79
Number of Traffic cases	1,082	1,503	1,594	1,347
<i><b>Building Department Indicators</b></i>				
Residential/Commercial Permits Issued (1)	0	0	0	0
Zoning Permits	178	178	140	139
Electric Permits (1)	0	0	0	0
Heating Permits (1)	0	0	0	0
Number of permits issued (1)	0	0	0	0
Permit Revenue	\$11,563	\$27,639	\$23,042	\$22,051

2016	2015	2014	2013	2012	2011
82	57	71	72	68	58
17	32	43	39	36	39
14	3	18	37	49	45
7	8	8	17	26	13
2	1	10	1	3	9
1,788	1,815	1,648	1,680	1,545	1,700
\$13,944	\$4,113	\$4,029	\$6,650	\$5,643	\$6,111
AA	A+	A+	A+	A+	A+
\$811	\$728	\$566	\$607	\$571	\$564
17.5%	12.1%	9.6%	9.0%	9.2%	9.7%
\$6,311	\$5,764	\$6,253	\$6,302	\$6,467	\$6,738
\$4,637	\$6,023	\$5,889	\$6,749	\$6,178	\$5,788
\$2,671	\$3,002	\$2,527	\$1,869	\$2,103	\$1,655
533	268	27	61	51	98
112	84	6	81	43	71
2,223	1,429	787	878	845	1,766
0	26	166	106	119	119
112	17	52	56	64	49
0	22	62	72	90	76
0	25	68	55	77	53
0	90	348	289	350	297
\$19,900	\$28,235	\$41,079	\$22,808	\$27,987	\$20,631

(continued)

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

Function/Program	2020	2019	2018	2017
<b>Security of Persons &amp; Property</b>				
<i><b>Police</b></i>				
Felony Arrests	121	128	171	142
Misdemeanor Arrests	214	470	523	451
Arson	0	0	4	4
Assault	24	49	53	19
Residential Burglary	51	48	42	51
Domestic Violence	93	83	90	112
Drug Offense	243	235	318	353
Homicide	0	0	1	0
Larceny	222	194	233	234
Vandalism/Criminal Damaging	113	145	111	75
Robbery	1	1	3	2
Sex Offense	11	17	31	13
Auto Theft/Stolen Plates	21	16	18	20
Traffic Crashes	532	610	705	525
Traffic Fatalities	2	0	0	1
Driving While Intoxicated	43	52	44	79
Traffic Citations Issued	1,082	1,503	1,594	1,347
Warrant Arrests	166	224	280	249
<i><b>Fire</b></i>				
EMS Calls	1,023	1,162	1,177	1,177
Ambulance Billing Collections (GROSS)	\$217,597	\$304,054	\$270,626	\$278,264
Revenue per run	\$213	\$262	\$230	\$236
Fire Calls	622	627	649	655
<b>Public Health and Welfare</b>				
Cemetery burials	3	5	3	2
Cemetery foundations	0	2	2	3
Cemetery (re)sale of lots	2	2	8	0
Cemetery receipts	\$758	\$335	\$3,936	\$2,021
Health Advisory Board docket items	0	1	1	1

Source: City Records

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

2016	2015	2014	2013	2012	2011
144	79	100	69	100	110
533	301	284	220	287	380
1	0	0	0	2	2
20	25	16	13	19	31
50	54	78	37	21	45
133	128	49	46	54	75
246	108	75	73	57	101
0	2	0	0	0	0
299	255	233	202	222	227
69	90	72	66	69	75
2	3	0	3	3	1
16	8	8	5	13	3
20	12	12	7	23	17
382	326	335	315	294	339
1	1	0	0	4	0
112	69	63	82	144	159
2,223	1,819	1,139	1,376	1,533	2,972
223	145	108	161	219	217
1,126	1,129	1,070	1,004	876	980
\$256,749	\$306,753	\$295,625	\$257,198	\$230,169	\$291,695
\$228	\$272	\$276	\$256	\$263	\$298
538	440	464	369	451	378
1	0	1	2	1	6
1	0	1	1	1	5
2	0	0	1	2	7
\$2,092	\$0	\$2,694	\$2,200	\$512	\$2,765
1	1	1	1	1	15

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

Function/Program	2020	2019	2018	2017
<b>General Government</b>				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	0	0	0	0
Inspection Vehicles	1	1	1	1
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	3,600	3,600	3,600	3,600
Vehicles	14	10	10	10
<b>Fire</b>				
Stations	1	1	1	1
<b>Recreation</b>				
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
<b>Other Public Works</b>				
Service Garage Square Footage	6,800	6,800	6,800	6,800
Streets (lane miles)	260	260	260	260
Service Vehicles	27	17	17	17
City Cemeteries	2	2	2	2
<b>Water Department</b>				
Water Lines (miles)	16.80	16.80	14.80	14.80

Source: City Records



2016	2015	2014	2013	2012	2011
4,080	4,080	4,080	4,080	4,080	4,080
0	0	0	0	0	0
1	1	1	1	1	1
1	1	1	1	1	1
3,600	3,600	3,600	3,600	3,600	3,600
10	10	10	10	11	12
1	1	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
17	16	15	13	15	15
2	2	2	2	2	2
14.80	14.80	14.80	14.80	14.80	14.80

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

Function/Program	2020	2019	2018	2017
<b>General Government</b>				
Mayor	1	1	1	1
Council	8	8	8	8
Finance	3	3	3	3
City Administrator	1	1	1	1
Law	3	2	2	2
Administration	2	1	1	1
Engineer	1	0	0	0
Planning	0	0	0	0
Civil Service	0	0	0	0
Court	0	0	0	0
<b>Security of Persons and Property</b>				
Police	24	22	22	22
Fire Full Time	11	11	11	11
Fire Part Time	26	22	22	22
Fire - Secretary - Other	1	1	1	1
<b>Community Development</b>				
Building	1	1	1	1
<b>Transportation</b>				
Service	11	11	11	11
Totals:	93	84	84	84

Source: City Payroll Department

Method: Using 1.0 for each employee at December 31

2016	2015	2014	2013	2012	2011
1	1	2	2	2	2
8	8	8	8	8	8
3	3	3	3	3	3
1	1	1	1	1	1
2	2	2	2	2	2
1	2	2	2	2	2
0	0	0	0	0	1
0	0	0	0	1	0
0	0	0	0	0	0
0	2	2	2	2	2
22	19	21	28	28	27
11	10	3	3	3	2
22	22	30	25	29	32
1	1	1	1	1	1
1	1	1	1	1	1
11	11	8	8	8	9
84	83	84	86	91	93

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF NORTON**

**SUMMIT COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/20/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)