



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF NORTON
SUMMIT COUNTY
DECEMBER 31, 2019

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1

This page intentionally left blank.



101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

**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, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated July 30, 2020, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and referred to the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

July 30, 2020

CITY OF

NORTON, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED—DECEMBER 31

2019

City of Norton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2019

Issued by:

City of Norton
Department of Finance

(This Page Intentionally Left Blank)

City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents

	<u>Page</u>
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	v
GFOA Certificate of Achievement	ix
Principal Officials	x
Organizational Chart	xi
II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	22
Street Construction, Maintenance and Repair Fund.....	23
Fire/EMS Fund.....	24
Economic Development Fund	25
Notes to the Basic Financial Statements	26
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Six Years	76

City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents (continued)

	<u>Page</u>
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Public Employees Retirement System – Last Three Years.....	78
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Six Years	80
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Three Years	82
Schedule of City Contributions – Ohio Public Employees Retirement System – Last Seven Years	84
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years	86
Notes to the Required Supplementary Information.....	88
Combining and Individual Fund Statements and Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions – Nonmajor Governmental Funds.....	92
Combining Balance Sheet – Nonmajor Governmental Funds.....	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	96
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	100
Combining Balance Sheet – Nonmajor Capital Projects Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	106
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund.....	109
Street Construction, Maintenance and Repair Fund	113
Fire/EMS Fund	114
Economic Development Fund.....	115
Special Assessment Bond Retirement Fund	116
Water and Sewer Improvements Fund.....	117
Cleveland-Massillon Widening Fund	118

City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents (continued)

	<u>Page</u>
Nonmajor Funds:	
State Highway Improvement Fund	119
Special Permissive License Plate Tax Fund	120
DARE Program Fund.....	121
Drug Law Enforcement Fund	122
Law Enforcement Fund	123
DWI Enforcement and Education Fund.....	124
Cemetery Fund.....	125
Special Events Fund.....	126
Police and Fire Disability and Pension Fund.....	127
Water System Fund.....	128
Sanitary Sewer Fund.....	129
Police Equipment Fund.....	130
Road Program Fund.....	131
Community Center Fund	132
Greenwich Road Fund	133
Recycling Fund.....	134
Compensated Absences Fund	135
General Obligation Bond Retirement Fund.....	136
Land and Land Improvements Fund.....	137
Streets, Highways and Bridges Fund.....	138
Newpark Drive Reconstruction Fund	139
Eastern Road Waterline Fund.....	140

III. Statistical Section

Statistical Section Descriptions.....	S1
Net Position by Component – Last Ten Years.....	S2
Changes in Net Position – Last Ten Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years	S8
Changes in Fund Balances, Governmental Funds – Last Ten Years	S10
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years	S12
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S14
Property Tax Levies and Collections – Last Ten Years.....	S16
Income Tax Revenue Base and Collections – Last Ten Years	S18
Principal Real Estate Property Taxpayers – 2019 and 2010	S20

City of Norton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents (continued)

	<u>Page</u>
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita – Last Ten Years.....	S21
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S23
Legal Debt Margin – Last Ten Years.....	S24
Demographic and Economic Statistics – Last Ten Years	S26
Principal Employers – 2018 and 2010	S28
Operating Indicators by Function/Program – Last Ten Years	S30
Capital Assets Statistics by Function/Program – Last Ten Years.....	S34
City Government Employees by Function/Program – Last Ten Years.....	S36



CITY OF NORTON

4060 Columbia Woods Drive
Norton, Ohio 44203

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

Mayor Mike Zita

July 30, 2020

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, 2019, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

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

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

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

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

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

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

LOCAL ECONOMY

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

CITY PROJECTS

Engineering An action list, which had been developed by Michael Benza and Associates, Incorporated, continued to be used as a strategic guideline for planning for the resurfacing of poor roads and general maintenance of good roads so that good roads continue to rate at a high standard. In addition, the City also relies on its Service Department manager's review of road conditions in determining which roads will be repaired and its annual road repair budget.

Construction The City undertook several infrastructure projects in 2019. A water and sewer line project amounting to \$635,000 was started in order to extend on Cleveland-Massillon Road from north of the Norton primary school just short of Reimer Road. This provided water and sewer to the new Dollar General store that was erected in that area. It also set infrastructure in place for a new business that will have both medical offices and light retail.

A water line project amounting to \$650,000 was also underway for Eastern Road in order to serve residents and businesses in that locale.

The City is working with Engineering Associates LLC to plan for a waterline extension loop on State Route 261.

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.

Plans for Cleveland-Massillon Road widening were approved by the Ohio Department of Transportation (ODOT) in late 2018. Trans Systems began the ODOT process to acquire necessary right-of-ways. Phases II and III go through the dense commercial development in the center of the City; therefore, there are many complex issues related to right of ways. The City administration has worked closely with Trans Systems and landowners to achieve the best resolution of all issues. Federal funding, which had caused a delay in the Phase II and III schedules, has been approved. Construction began in mid-April of 2019 and is expected to be completed in mid to late 2020.

FINANCIAL PLANNING AND POLICIES

The City continues to target 15 to 25 percent carryover balances as a percentage of appropriations needed to cover accrued obligations and unexpected expenditures. Further, the healthy balances are intended to be attractive to financing sources when the City issues debt. The City received an AA+ bond rating in August 2017. It is also notable that the City received \$132,525 in entertainment device charges for services from seven skilled gaming locations in 2019.

NEW TAXES SUPPORT LOCAL GOVERNMENT

In November of 2004, the voters of Norton approved a half (1/2) percent increase for City income tax and then in 2005 out-sourced the collection to Central Collection Agency, a regional income tax collecting service in Cleveland.

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, 2019 income tax results for the general fund were \$5,957,282, of which \$614,950 was moved to other funds due to the change in the tax credit. The proceeds from this change are intended to be used on water and sewer improvements. The fund that accounts for this was established in 2009, and as of December 31, 2019, has an ending unencumbered cash balance of \$2,518,123.

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, 2018. 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 16 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 received the Ohio Auditor of State Award of Distinction in 2018. This award was only given to five percent of the over 5,900 municipalities in Ohio. 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, 2018

Christopher P. Morill

Executive Director/CEO

City of Norton, Ohio

Principal Officials

December 31, 2019

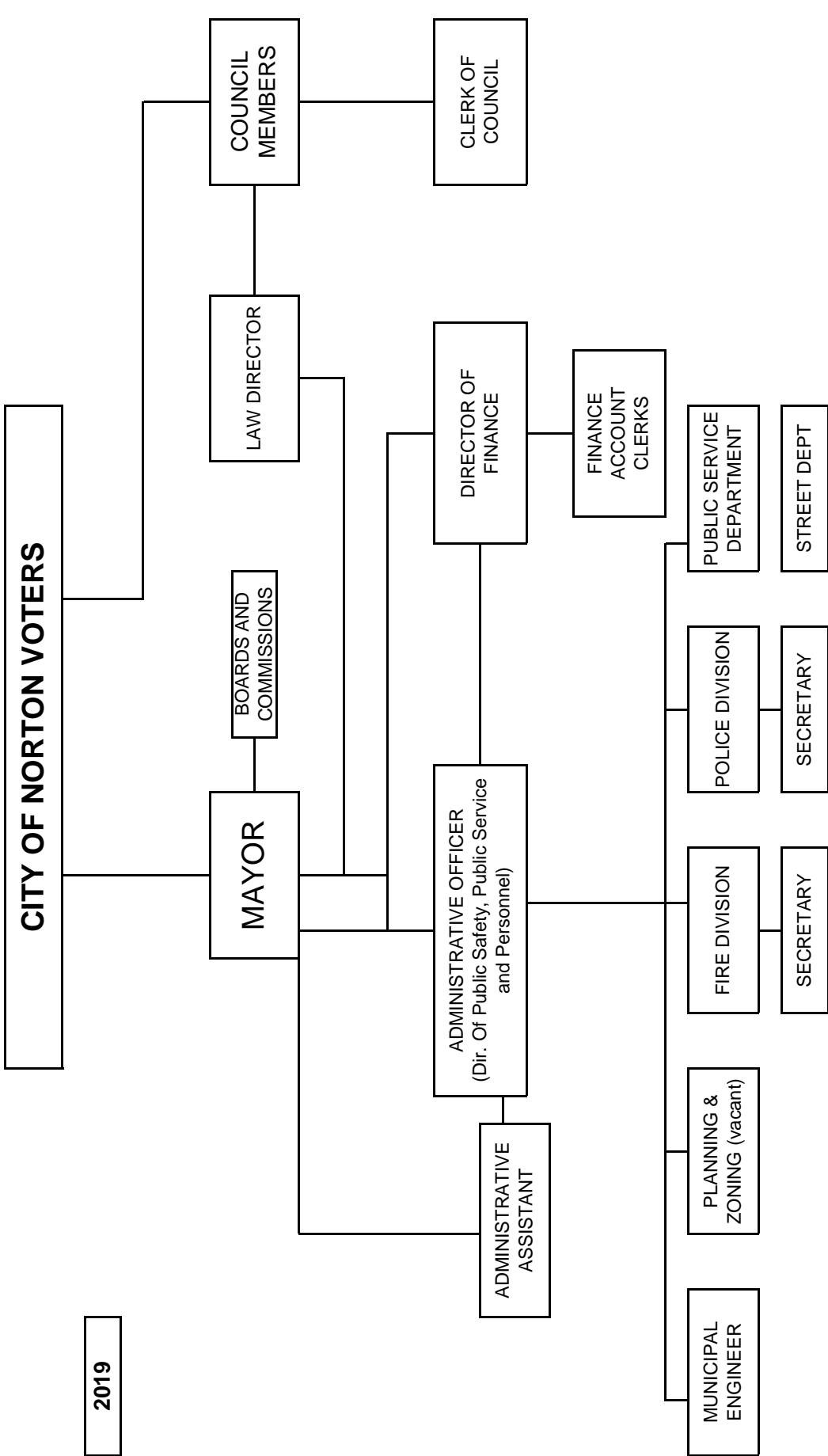
Elected Officials

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
Ronald Messner (1)..... Director of Finance and Tax Administrator
Justin Markey..... Director of Law
John Dalessandro Police Chief
Mike Schultz..... Chief of Fire/EMS
William Braman..... Zoning Inspector
Kerry Macomber..... Clerk of Council

(1) Effective April 6, 2020, this individual was replaced by Pamela Keener as Director of Finance and Tax Administrator.



2019

(This Page Intentionally Left Blank)

Financial

Section

(This Page Intentionally Left Blank)

OHIO AUDITOR OF STATE KEITH FABER



101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Norton, Summit County, Ohio, as of December 31, 2019, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Street Construction Maintenance and Repair, Fire/EMS, and Economic Development Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2019, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, as discussed in Note 26 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2020, 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

July 30, 2020

(This Page Intentionally Left Blank)

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The discussion and analysis for the City of Norton's (City) financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2019. 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 2019 follows:

- The City purchased acreage from the Summit County Metro Parks at a cost of \$1,260,000, \$800,000 being financed with a one year note. The City plans to turn this acreage into a light industrial park and sell acreage to businesses that may have interest in moving to this area. As of December 31, 2019, a substantial purchase was made by Clinton Aluminum, which left \$937,365 remaining as assets held for resale at the end of the year.

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 2019 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.

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 2019. The statement of net position and the statement of activities provide summary information concerning the financial position and operations of the City as an entity, as well as the overall evaluation of the City's financial status.

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

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

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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, restated 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 twenty-nine 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 seven major funds: the general fund, the street construction, maintenance and repair fund, the fire/EMS fund, the economic development fund, the special assessment bond retirement fund, the water and sewer improvements fund, and the Cleveland-Massillon 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.

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 2019 as they compare to 2018.

Table 1
Net Position

	Governmental Activities		
	2019	Restated 2018	Change
<i>Assets</i>			
Current and Other Assets	\$20,636,750	\$19,744,007	\$892,743
Capital Assets, Net	32,711,509	24,532,947	8,178,562
Total Assets	53,348,259	44,276,954	9,071,305
<i>Deferred Outflows of Resources</i>			
Deferred Charges on Refunding	27,573	34,466	(6,893)
Pension	3,011,248	1,686,949	1,324,299
OPEB	724,911	507,561	217,350
Total Deferred Outflows of Resources	\$3,763,732	\$2,228,976	\$1,534,756

(continued)

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Table 1
Net Position (continued)

	Governmental Activities		
	2019	Restated 2018	Change
<i>Liabilities</i>			
Current and Other Liabilities	\$2,402,585	\$698,577	(\$1,704,008)
Long-term Liabilities			
Due Within One Year	1,007,845	966,668	(41,177)
Due in More than One Year:			
Net Pension Liability	8,548,894	5,693,097	(2,855,797)
Net OPEB Liability	1,920,539	5,059,736	3,139,197
Other Amounts	6,759,662	5,383,073	(1,376,589)
Total Liabilities	<u>20,639,525</u>	<u>17,801,151</u>	<u>(2,838,374)</u>
<i>Deferred Inflows of Resources</i>			
Property Taxes	2,048,449	2,047,873	(576)
Pension	65,667	547,439	481,772
OPEB	231,324	157,165	(74,159)
Total Deferred Outflows of Resources	<u>2,345,440</u>	<u>2,752,477</u>	<u>407,037</u>
<i>Net Position</i>			
Net Investment in Capital Assets	26,082,717	20,431,843	5,650,874
Restricted:			
Capital Projects	664,262	390,117	274,145
Debt Service	914,230	889,748	24,482
Police	613,847	730,136	(116,289)
Fire/EMS	1,769,738	1,766,264	3,474
Transportation	1,350,554	846,707	503,847
Public Utilities	2,024,302	2,205,841	(181,539)
Economic Development	381,470	158,783	222,687
Unclaimed Monies	15,107	14,879	228
Unrestricted (Deficit)	<u>310,799</u>	<u>(1,482,016)</u>	<u>1,792,815</u>
Total Net Position	<u>\$34,127,026</u>	<u>\$25,952,302</u>	<u>\$8,174,724</u>

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2019. 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.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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 from the prior year due to an increase in capital assets mostly due to the increase in construction in progress related to the Cleveland-Massillon Road widening project. Liabilities increased over the prior year due to increases in contracts payable, notes payable, and long-term obligations. The increase in contracts payable relates to the Newpark Drive reconstruction, as well as to the Cleveland-Massillon Road widening. There were notes payable and long-term obligation increases due to the purchase of the Summit County Metro Parks, Eastern Road waterline project, Cleveland-Massillon Road widening, and Newpark Dive reconstruction.

Table 2 shows the changes in net position for 2019 compared to 2018.

Table 2
Changes in Net Position

	Governmental Activities		
	2019	Restated 2018	Change
<i>Revenues:</i>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$1,307,084	\$1,704,345	(\$397,261)
Operating Grants and Contributions	1,544,734	1,151,850	392,884
Capital Grants and Contributions	3,880,215	1,077,712	2,802,503
Total Program Revenues	6,732,033	3,933,907	2,798,126
<i>General Revenues:</i>			
Property Taxes	2,072,706	2,011,560	61,146
Income Tax	6,525,740	6,336,185	189,555
Grants and Entitlements	545,437	690,108	(144,671)
Interest	376,793	48,658	328,135
Gain on Sale of Capital Assets	137,587	0	137,587
Other	406,923	353,752	53,171
Total General Revenues	10,065,186	9,440,263	624,923
Total Revenues	\$16,797,219	\$13,374,170	\$3,423,049

(continued)

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Table 2
Changes in Net Position (continued)

	Governmental Activities		
	2019	Restated 2018	Change
<i>Program Expenses:</i>			
General Government	\$2,826,474	\$2,650,174	(\$176,300)
Security of Persons and Property	2,652,411	5,573,805	2,921,394
Transportation	2,237,809	1,887,289	(350,520)
Community Environment	52,379	51,948	(431)
Public Health Services	262,469	135,116	(127,353)
Leisure Time Activities	391,354	407,627	16,273
Interest and Fiscal Charges	199,599	188,739	(10,860)
<i>Total Expenses</i>	<u>8,622,495</u>	<u>10,894,698</u>	<u>2,272,203</u>
<i>Changes in Net Position</i>	8,174,724	2,479,472	5,695,252
<i>Net Position Beginning of Year - Restated</i>	<u>25,952,302</u>	<u>23,472,830</u>	<u>2,479,472</u>
<i>Net Position End of Year</i>	<u>\$34,127,026</u>	<u>\$25,952,302</u>	<u>\$8,174,724</u>

Total revenues increased due, in large part, to an increase in capital grants and contributions, which is due to increased grants received by the Cleveland-Massillon widening fund.

Total security of persons and property expenses decreased from the prior year. For 2019, Ohio Police and Fire Pension Fund (OPF) recognized a change in benefit terms for their OPEB plan. Under this new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for healthcare and Medicare Part B reimbursements. This new model replaced the self-insurance healthcare plan used in prior years. These changes contributed to OPEB expense decreasing from \$324,406 in 2018 to a negative OPEB expense of (\$3,368,690) for 2019.

General government and transportation expenses increased during the year. Due to changes in assumptions to pension systems, 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.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The operations of the City's safety forces account for the second largest expense in governmental activities, representing about one third 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, five part time patrol officers and one full time office manager. As of December 31, 2013, dispatch was run as a joint project with Copley Township. In January of 2014, the dispatch operations changed over to the Southwest Summit Council of Governments which includes the cities of Barberton, Norton, and Copley Township.

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

The City's Funds

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

Expenditures and other financing uses exceeded revenues and other financing sources overall, decreasing the City-wide fund balance. Significant changes to the City's major funds are described as follows.

For the general fund, the carryover balance decreased. This decrease was due to increased transfers out during the year to fund the street construction, maintenance and repair and other governmental funds.

The street construction, maintenance and repair fund had an increase in fund balance. This increase was due to conservative spending during the year, along with increases in State-levied intergovernmental revenues. The fire/EMS fund had a decrease in fund balance. Although revenues increased, expenditures also increased, which created a negative net change in fund balance. The economic development fund had an increase in fund balance, which was due to a sale of capital assets and gain on sale of assets held for resale by the City. The special assessment bond retirement fund decreased its fund balance slightly from the prior year. Special assessment revenues decreased from the prior year. The water and sewer improvements capital projects fund balance decreased from the prior year, which can be attributed to expenses related to the extension of the Cleveland-Massillon Road waterline. The Cleveland-Massillon Road widening fund saw an overall increase. Even though capital outlay expenses increased from the Cleveland-Massillon Road widening fund, the proceeds from the new SIB loan allowed the 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 agency funds. The Finance Director presents City Council with a detailed line item budget for all departments. Following a Finance Committee budget hearing, which is open to the public, the annual budget is adopted at a personal service and other expenditures within each fund level of control by City Council at a regularly scheduled council meeting. Any budgetary modifications must be made by ordinance of the City Council.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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, final budgeted revenues exceeded original budgeted revenues due to conservative budgeting at the beginning of the year. Even though final budgeted expenditures increased from original budgeted expenditures, actual expenditures were lower than original budgeted expenditures. This was due to conservative spending during 2019.

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, repairs to the administrative parking lot and driveway, 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.

Debt

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

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

For more information about the City's debt, see Notes 11, 12, and 13 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. The Director of Finance has received the prestigious Ohio Auditor of State Award of Distinction the past three years. Less than five percent of the 5,900 of Ohio municipalities receive this award.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Due to the current situation with the Coronavirus (COVID-19) the City will notice a decrease in income tax collections in 2020. It is difficult to say what the decrease will be as the filing deadline was extended to July 15, 2020. 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.

Basic Financial Statements

City of Norton, Ohio
Statement of Net Position
December 31, 2019

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$12,023,001
Materials and Supplies Inventory	428,837
Accounts Receivable	335,091
Accrued Interest Receivable	22,446
Intergovernmental Receivable	1,201,287
Prepaid Items	45,680
Income Taxes Receivable	1,719,608
Property Taxes Receivable	2,242,655
Loans Receivable	150,000
Special Assessments Receivable	1,530,780
Assets Held for Resale	937,365
Nondepreciable Capital Assets	12,411,261
Depreciable Capital Assets, Net	20,300,248
<i>Total Assets</i>	<i>53,348,259</i>
Deferred Outflows of Resources	
Deferred Charges on Refunding	27,573
Deferred Outflows - Pension	3,011,248
Deferred Outflows - OPEB	724,911
<i>Total Deferred Outflows of Resources</i>	<i>3,763,732</i>
Liabilities	
Accounts Payable	81,755
Deposits Held Payable	99,640
Accrued Wages	174,851
Intergovernmental Payable	213,267
Contracts Payable	986,199
Accrued Interest Payable	44,873
Notes Payable	802,000
Long-Term Liabilities:	
Due Within One Year	1,007,845
Due in More Than One Year:	
Net Pension Liability (See Note 15)	8,548,894
Net OPEB Liability (See Note 16)	1,920,539
Other Amounts	6,759,662
<i>Total Liabilities</i>	<i>20,639,525</i>
Deferred Inflows of Resources	
Property Taxes	2,048,449
Deferred Inflows - Pension	65,667
Deferred Inflows - OPEB	231,324
<i>Total Deferred Inflows of Resources</i>	<i>2,345,440</i>
Net Position	
Net Investment in Capital Assets	26,082,717
Restricted for:	
Capital Projects	664,262
Debt Service	914,230
Police	613,847
Fire/EMS	1,769,738
Transportation	1,350,554
Public Utilities	2,024,302
Economic Development	381,470
Unclaimed Monies	15,107
Unrestricted	310,799
<i>Total Net Position</i>	<i>\$34,127,026</i>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Activities
For the Year Ended December 31, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$2,826,474	\$520,682	\$169	\$57,080	(\$2,248,543)
Security of Persons and Property	2,652,411	391,222	257,631	0	(2,003,558)
Transportation	2,237,809	59,738	1,284,684	3,791,692	2,898,305
Community Environment	52,379	37,447	0	0	(14,932)
Public Health Services	262,469	265,057	0	31,443	34,031
Leisure Time Activities	391,354	32,938	2,250	0	(356,166)
Interest and Fiscal Charges	199,599	0	0	0	(199,599)
Totals	\$8,622,495	\$1,307,084	\$1,544,734	\$3,880,215	(1,890,462)

General Revenues

Property Taxes Levied for:	
General Purposes	368,191
Police and Fire Disability and Pension	69,036
Fire/EMS	1,635,479
Income Taxes Levied for:	
General Purposes	5,925,548
Water and Sewer Improvements	600,192
Grants and Entitlements not Restricted to Specific Programs	545,437
Interest	376,793
Gain on Sale of Assets Held for Resale	137,587
Other	406,923
Total General Revenues	10,065,186
Change in Net Position	8,174,724
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<i>25,952,302</i>
<i>Net Position End of Year</i>	<i>\$34,127,026</i>

See accompanying notes to the basic financial statements

City of Norton, Ohio

Balance Sheet

Governmental Funds

December 31, 2019

	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Fire/EMS</u>	<u>Economic Development</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,981,013	\$231,343	\$1,200,330	\$590,189
Materials and Supplies Inventory	7,819	421,018	0	0
Accounts Receivable	4,570	548	265,315	216
Accrued Interest Receivable	22,029	231	0	0
Intergovernmental Receivable	347,115	455,194	140,798	0
Prepaid Items	34,328	3,523	7,829	0
Income Taxes Receivable	1,539,565	0	0	0
Property Taxes Receivable	398,397	0	1,769,557	0
Loans Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Assets Held for Resale	0	0	0	602,065
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	<u>114,747</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$5,449,583</u></u>	<u><u>\$1,111,857</u></u>	<u><u>\$3,383,829</u></u>	<u><u>\$1,192,470</u></u>
Liabilities				
Accounts Payable	\$61,350	\$2,107	\$16,413	\$0
Deposits Held Payable	99,640	0	0	0
Accrued Wages	97,950	21,118	55,783	0
Intergovernmental Payable	180,014	13,736	19,517	0
Contracts Payable	0	0	0	0
Accrued Interest Payable	0	0	0	9,000
Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>802,000</u>
<i>Total Liabilities</i>	<u>438,954</u>	<u>36,961</u>	<u>91,713</u>	<u>811,000</u>
Deferred Inflows of Resources				
Property Taxes	363,909	0	1,616,306	0
Unavailable Revenue	<u>864,730</u>	<u>303,669</u>	<u>500,393</u>	<u>0</u>
<i>Total Deferred Inflows of Resources</i>	<u>1,228,639</u>	<u>303,669</u>	<u>2,116,699</u>	<u>0</u>
Fund Balances				
Nonspendable	57,254	424,541	7,829	602,065
Restricted	0	346,686	1,167,588	0
Committed	302,024	0	0	0
Assigned	1,002,186	0	0	0
Unassigned (Deficit)	<u>2,420,526</u>	<u>0</u>	<u>0</u>	<u>(220,595)</u>
<i>Total Fund Balances</i>	<u>3,781,990</u>	<u>771,227</u>	<u>1,175,417</u>	<u>381,470</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$5,449,583</u></u>	<u><u>\$1,111,857</u></u>	<u><u>\$3,383,829</u></u>	<u><u>\$1,192,470</u></u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	Water and Sewer Improvements	Cleveland - Massillon Widening	Other Governmental Funds	Total Governmental Funds
\$220,327	\$2,889,839	\$249,850	\$3,545,363	\$11,908,254
0	0	0	0	428,837
0	0	0	64,442	335,091
0	0	0	186	22,446
0	0	0	258,180	1,201,287
0	0	0	0	45,680
0	180,043	0	0	1,719,608
0	0	0	74,701	2,242,655
0	150,000	0	0	150,000
1,530,780	0	0	0	1,530,780
0	0	0	335,300	937,365
0	0	0	0	114,747
<u>\$1,751,107</u>	<u>\$3,219,882</u>	<u>\$249,850</u>	<u>\$4,278,172</u>	<u>\$20,636,750</u>
\$0	\$1,885	\$0	\$0	\$81,755
0	0	0	0	99,640
0	0	0	0	174,851
0	0	0	0	213,267
0	319,765	0	666,434	986,199
0	0	0	0	9,000
0	0	0	0	802,000
0	321,650	0	666,434	2,366,712
0	0	0	68,234	2,048,449
1,530,780	228,266	0	73,279	3,501,117
1,530,780	228,266	0	141,513	5,549,566
0	0	0	335,300	1,426,989
220,327	150,000	249,850	3,022,658	5,157,109
0	2,519,966	0	25,868	2,847,858
0	0	0	320,713	1,322,899
0	0	0	(234,314)	1,965,617
220,327	2,669,966	249,850	3,470,225	12,720,472
<u>\$1,751,107</u>	<u>\$3,219,882</u>	<u>\$249,850</u>	<u>\$4,278,172</u>	<u>\$20,636,750</u>

City of Norton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2019*

Total Governmental Fund Balances	\$12,720,472
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	32,711,509
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	194,206
Municipal Income Tax	747,522
Charges for Services	229,174
Special Assessments	1,530,780
Intergovernmental	649,435
Consideration on Transfer of Operations	150,000
Total	3,501,117
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(35,873)
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	(2,510,555)
Special Assessment Bonds	(1,579,232)
OPWC Loan	(280,536)
SIB Loans	(1,510,215)
Capital Leases	(981,842)
Compensated Absences	(905,127)
Total	(7,767,507)
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.	27,573
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	3,011,248
Deferred Outflows - OPEB	724,911
Net Pension Liability	(8,548,894)
Net OPEB Liability	(1,920,539)
Deferred Inflows - Pension	(65,667)
Deferred Inflows - OPEB	(231,324)
Total	(7,030,265)
<i>Net Position of Governmental Activities</i>	\$34,127,026

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, 2019

	General	Street Construction, Maintenance and Repair	Fire/EMS	Economic Development
Revenues				
Property Taxes	\$363,179	\$0	\$1,613,191	\$0
Municipal Income Tax	6,243,396	0	0	0
Charges for Services	208,190	20,785	300,888	0
Special Assessments	0	10,217	0	0
Licenses, Permits and Fees	36,105	0	0	0
Fines and Forfeitures	39,785	0	0	9,750
Intergovernmental	514,779	760,360	236,190	0
Contributions and Donations	5,786	0	0	0
Interest	372,352	2,386	0	0
Rentals	32,938	0	0	0
Other	333,662	26,037	44,683	0
<i>Total Revenues</i>	<u>8,150,172</u>	<u>819,785</u>	<u>2,194,952</u>	<u>9,750</u>
Expenditures				
Current:				
General Government	2,508,115	0	0	0
Security of Persons and Property	2,582,467	0	2,370,814	0
Transportation	1,176,049	1,547,980	0	0
Community Environment	36,753	0	0	15,223
Public Health Services	0	0	0	0
Leisure Time Activities	337,852	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	52,000	154,216	75,182	0
Interest and Fiscal Charges	11,475	14,266	4,625	9,000
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>6,704,711</u>	<u>1,716,462</u>	<u>2,450,621</u>	<u>24,223</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,445,461</u>	<u>(896,677)</u>	<u>(255,669)</u>	<u>(14,473)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	1,051	1,842	0	99,573
Excess from Sale of Assets Held for Resale	0	0	0	137,587
OPWC Loan Issued	0	0	0	0
SIB Loans Issued	0	0	0	0
Inception of Capital Lease	0	104,930	107,501	0
Transfers In	0	1,200,000	0	0
Transfers Out	(1,743,967)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,742,916)</u>	<u>1,306,772</u>	<u>107,501</u>	<u>237,160</u>
<i>Net Change in Fund Balances</i>	(297,455)	410,095	(148,168)	222,687
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>4,079,445</u>	<u>361,132</u>	<u>1,323,585</u>	<u>158,783</u>
<i>Fund Balances End of Year</i>	<u>\$3,781,990</u>	<u>\$771,227</u>	<u>\$1,175,417</u>	<u>\$381,470</u>

(continued)

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (continued)
For the Year Ended December 31, 2019

	Special Assessment Bond Retirement	Water and Sewer Improvements	Cleveland - Massillon Widening	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$0	\$0	\$0	\$68,096	\$2,044,466
Municipal Income Tax	0	644,302	0	0	6,887,698
Charges for Services	0	0	0	473,435	1,003,298
Special Assessments	176,227	0	0	0	186,444
Licenses, Permits and Fees	0	0	0	0	36,105
Fines and Forfeitures	0	0	0	3,036	52,571
Intergovernmental	0	75,000	3,337,902	872,112	5,796,343
Contributions and Donations	0	0	0	57,080	62,866
Interest	0	0	0	2,055	376,793
Rentals	0	0	0	0	32,938
Other	0	0	255	2,286	406,923
<i>Total Revenues</i>	<u>176,227</u>	<u>719,302</u>	<u>3,338,157</u>	<u>1,478,100</u>	<u>16,886,445</u>
Expenditures					
Current:					
General Government	2,924	0	0	38	2,511,077
Security of Persons and Property	0	0	0	159,413	5,112,694
Transportation	0	0	0	530,627	3,254,656
Community Environment	0	0	0	0	51,976
Public Health Services	0	0	0	639,330	639,330
Leisure Time Activities	0	0	0	0	337,852
Capital Outlay	0	697,336	4,857,340	1,424,621	6,979,297
Debt Service:					
Principal Retirement	133,060	86,940	0	105,000	606,398
Interest and Fiscal Charges	63,421	14,024	0	97,725	214,536
Issuance Costs	0	0	8,000	2,000	10,000
<i>Total Expenditures</i>	<u>199,405</u>	<u>798,300</u>	<u>4,865,340</u>	<u>2,958,754</u>	<u>19,717,816</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(23,178)</u>	<u>(78,998)</u>	<u>(1,527,183)</u>	<u>(1,480,654)</u>	<u>(2,831,371)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	102,466
Excess from Sale of Assets Held for Resale	0	0	0	0	137,587
OPWC Loan Issued	0	0	0	280,536	280,536
SIB Loans Issued	0	0	1,508,215	2,000	1,510,215
Inception of Capital Lease	0	0	0	0	212,431
Transfers In	0	0	72,967	471,000	1,743,967
Transfers Out	0	0	0	0	(1,743,967)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>1,581,182</u>	<u>753,536</u>	<u>2,243,235</u>
<i>Net Change in Fund Balances</i>	<u>(23,178)</u>	<u>(78,998)</u>	<u>53,999</u>	<u>(727,118)</u>	<u>(588,136)</u>
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>243,505</u>	<u>2,748,964</u>	<u>195,851</u>	<u>4,197,343</u>	<u>13,308,608</u>
<i>Fund Balances End of Year</i>	<u><u>\$220,327</u></u>	<u><u>\$2,669,966</u></u>	<u><u>\$249,850</u></u>	<u><u>\$3,470,225</u></u>	<u><u>\$12,720,472</u></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, 2019*

Net Change in Fund Balances - Total Governmental Funds (\$588,136)

*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	9,378,000	
Current Year Depreciation	<u>(947,497)</u>	
Total		8,430,503
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.		(251,941)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	28,240	
Municipal Income Taxes	(361,958)	
Charges for Services	36,738	
Special Assessments	(41,010)	
Intergovernmental	186,177	
Consideration on Transfer of Operations	<u>(75,000)</u>	
Total		(226,813)
Repayment of bond and capital lease principal is an expenditure or other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		606,398
Some expenses reported in the statement of activities do not require the use expenditures in the governmental funds:		
Accrued Interest on Bonds	3,108	
Amortization of Premium on Bonds	18,722	
Amortization of Deferred Charges on Refunding	<u>(6,893)</u>	
Total		14,937
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.		(39,704)
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.		
OPWC Loan Issued	(280,536)	
SIB Loans Issued	(1,510,215)	
Inception of Capital Lease	<u>(212,431)</u>	
Total		(2,003,182)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	547,912	
OPEB	<u>17,881</u>	
Total		565,793
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	(1,597,638)	
OPEB	<u>3,264,507</u>	
Total		<u>1,666,869</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$8,174,724</u></u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$363,179	\$363,179	\$363,179	\$0
Municipal Income Tax	6,200,000	6,200,000	5,957,282	(242,718)
Charges for Services	237,825	237,825	208,112	(29,713)
Licenses, Permits and Fees	17,252	17,252	36,049	18,797
Fines and Forfeitures	10,000	10,000	11,623	1,623
Intergovernmental	436,796	432,778	682,629	249,851
Interest	50,350	65,350	200,778	135,428
Contributions and Donations	2,500	2,500	5,786	3,286
Rentals	4,500	4,500	17,170	12,670
Other	63,050	63,050	286,105	223,055
<i>Total Revenues</i>	<u>7,385,452</u>	<u>7,396,434</u>	<u>7,768,713</u>	<u>372,279</u>
Expenditures				
Current:				
General Government	2,935,294	3,024,475	2,735,630	288,845
Security of Persons and Property	2,864,671	2,864,671	2,607,563	257,108
Community Environment	71,051	71,370	48,967	22,403
Leisure Time Activities	279,379	334,379	312,136	22,243
Debt Service:				
Principal Retirement	52,000	52,000	52,000	0
Interest and Fiscal Charges	11,475	11,475	11,475	0
<i>Total Expenditures</i>	<u>6,213,870</u>	<u>6,358,370</u>	<u>5,767,771</u>	<u>590,599</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,171,582</u>	<u>1,038,064</u>	<u>2,000,942</u>	<u>962,878</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	10,000	1,051	(8,949)
Advances Out	(36,000)	(36,000)	0	36,000
Transfers Out	(801,800)	(2,215,800)	(2,312,706)	(96,906)
<i>Total Other Financing Sources (Uses)</i>	<u>(827,800)</u>	<u>(2,241,800)</u>	<u>(2,311,655)</u>	<u>(69,855)</u>
<i>Net Change in Fund Balance</i>	343,782	(1,203,736)	(310,713)	893,023
<i>Fund Balance Beginning of Year</i>	2,582,095	2,582,095	2,582,095	0
Prior Year Encumbrances Appropriated	74,947	74,947	74,947	0
<i>Fund Balance End of Year</i>	<u>\$3,000,824</u>	<u>\$1,453,306</u>	<u>\$2,346,329</u>	<u>\$893,023</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$12,650	\$12,650	\$20,785	\$8,135
Special Assessments	15,000	15,000	10,217	(4,783)
Intergovernmental	1,208,700	1,308,700	704,322	(604,378)
Interest	1,000	1,000	2,129	1,129
Other	10,650	10,650	16,241	5,591
<i>Total Revenues</i>	<u>1,248,000</u>	<u>1,348,000</u>	<u>753,694</u>	<u>(594,306)</u>
Expenditures				
Current:				
Transportation	1,843,558	2,023,558	1,782,966	240,592
Debt Service:				
Principal Retirement	154,216	154,216	154,216	0
Interest and Fiscal Charges	14,266	14,266	14,266	0
<i>Total Expenditures</i>	<u>2,012,040</u>	<u>2,192,040</u>	<u>1,951,448</u>	<u>240,592</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(764,040)</u>	<u>(844,040)</u>	<u>(1,197,754)</u>	<u>(353,714)</u>
Other Financing Sources				
Sale of Capital Assets	2,000	2,000	1,842	(158)
Transfers In	700,000	1,000,000	1,200,000	200,000
<i>Total Other Financing Sources</i>	<u>702,000</u>	<u>1,002,000</u>	<u>1,201,842</u>	<u>199,842</u>
<i>Net Change in Fund Balance</i>	(62,040)	157,960	4,088	(153,872)
<i>Fund Deficit Beginning of Year</i>	(30,975)	(30,975)	(30,975)	0
Prior Year Encumbrances Appropriated	208,089	208,089	208,089	0
<i>Fund Balance End of Year</i>	<u>\$115,074</u>	<u>\$335,074</u>	<u>\$181,202</u>	<u>(\$153,872)</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$1,613,191	\$1,613,191	\$1,613,191	\$0
Charges for Services	270,800	270,800	312,124	41,324
Intergovernmental	340,278	334,970	236,190	(98,780)
Other	21,100	21,100	20,141	(959)
<i>Total Revenues</i>	<u>2,245,369</u>	<u>2,240,061</u>	<u>2,181,646</u>	<u>(58,415)</u>
Expenditures				
Current:				
Security of Persons and Property	2,625,374	2,654,418	2,342,853	311,565
Debt Service:				
Principal Retirement	75,182	75,182	75,182	0
Interest and Fiscal Charges	4,625	4,625	4,625	0
<i>Total Expenditures</i>	<u>2,705,181</u>	<u>2,734,225</u>	<u>2,422,660</u>	<u>311,565</u>
<i>Net Change in Fund Balance</i>	(459,812)	(494,164)	(241,014)	253,150
<i>Fund Balance Beginning of Year</i>	1,327,065	1,327,065	1,327,065	0
Prior Year Encumbrances Appropriated	<u>25,942</u>	<u>25,942</u>	<u>25,942</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$893,195</u>	<u>\$858,843</u>	<u>\$1,111,993</u>	<u>\$253,150</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
Economic Development Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$20,621	\$20,621	\$30,155	\$9,534
Expenditures				
Current:				
Community Environment	250,000	1,052,000	943,449	108,551
<i>Excess of Revenues Under Expenditures</i>	<u>(229,379)</u>	<u>(1,031,379)</u>	<u>(913,294)</u>	<u>118,085</u>
Other Financing Sources				
Sale of Capital Assets	0	0	99,573	99,573
Sale of Assets Held for Resale	0	0	460,145	460,145
Notes Issued	0	0	800,000	800,000
Premium on Notes	0	0	2,000	2,000
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>1,361,718</u>	<u>1,361,718</u>
<i>Net Change in Fund Balance</i>	(229,379)	(1,031,379)	448,424	1,479,803
<i>Fund Balance Beginning of Year</i>	<u>138,162</u>	<u>138,162</u>	<u>138,162</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$91,217)</u>	<u>(\$893,217)</u>	<u>\$586,586</u>	<u>\$1,479,803</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, 2019

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, and one jointly governed organization, the Northeast Ohio Public Energy Council. These organizations are described in Notes 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.

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

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

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

Economic Development Special Revenue Fund To account for and report 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

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

Cleveland-Massillon 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, 2019

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, fines and forfeitures, grants, fees, 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. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 15 and 16.

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, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, charges for services, special assessments, consideration on transfer of operations, and intergovernmental grants and entitlements. 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 15 and 16.)

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

Budgetary Process

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

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

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

The law enforcement assistance and scrap tire special revenue funds and the buildings, storm sewer, and sanitary sewer capital projects funds do not have any budgetary activity in 2019; therefore, budgetary information is not provided.

Cash, Cash Equivalents and Investments

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

During 2019, investments were limited to money market funds, negotiable certificates of deposit, and government securities. Money market funds are reported at the net asset value (NAV) per share. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. Negotiable certificates of deposits and government securities 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 2019 amounted to \$372,352, of which \$275,333 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, 2019

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

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

Assets Held for Resale

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

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.

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, 2019

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, capital leases, and long-term notes 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.

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).

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 for road program, community center, Greenwich Road, recycling, scrap tire, and compensated absences.

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.

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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Deferred Charges on Refunding

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

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.

Note 3 – Changes in Accounting Principles and Restatement of Fund Balances and Net Position

Changes in Accounting Principles

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The City evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

For 2019, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, the City's agency funds reported assets and liabilities of \$89,263. The City reviewed its agency funds and they have been reclassified as general and fire/ems governmental funds. These fund reclassifications resulted in the restatement of the City's financial statements.

GASB Statement No. 88 improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's fiscal year 2019 financial statements; however, there was no effect on beginning net position/fund balance.

Restatement of Fund Balances and Net Position

The implementation of GASB Statement No. 84 had the following effect on fund balance as of December 31, 2018:

	General	Street Construction, Maintenance and Repair	Fire/EMS	Economic Development	
Fund Balances, December 31, 2018	\$4,076,623	\$361,132	\$1,323,341	\$158,783	
Adjustments:					
GASB Statement 84	2,822	0	244	0	
Restated Fund Balances, December 31, 2018	<u>\$4,079,445</u>	<u>\$361,132</u>	<u>\$1,323,585</u>	<u>\$158,783</u>	
	Special Assessment Bond Retirement	Water and Sewer Improvements	Cleveland- Massillon Widening	Other Governmental Funds	Total Governmental Funds
Fund Balances, December 31, 2018	\$243,505	\$2,748,964	\$195,851	\$4,197,343	\$13,305,542
Adjustments:					
GASB Statement 84	0	0	0	0	3,066
Restated Fund Balances, December 31, 2018	<u>\$243,505</u>	<u>\$2,748,964</u>	<u>\$195,851</u>	<u>\$4,197,343</u>	<u>\$13,308,608</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The implementation of GASB Statement No. 84 had the following effect on net position as of December 31, 2018:

Net Position December 31, 2018	\$25,949,236
Adjustments:	
GASB Statement 84	3,066
Restated Net Position December 31, 2018	\$25,952,302

The implementation of GASB Statement No. 84 had the following effect on fiduciary net position as of December 31, 2018:

	Fiduciary Funds	
	Agency	Custodial
Net Position December 31, 2018	\$0	\$0
Adjustments:		
Assets	89,263	0
Liabilities	89,263	0
Restated Net Position December 31, 2018	\$0	\$0

Note 4 – Accountability and Compliance

Accountability

At December 31, 2019, the Newpark Drive reconstruction capital projects fund had a fund deficit of \$234,314. The deficit resulted from the recognition of accrued liabilities. The general fund is responsible to cover deficit fund balances by means of a transfer; however, this is done when cash is needed rather than when accruals occur.

Compliance

Contrary to Ohio Revised Code Section 5705.39, the economic development special revenue and Cleveland-Massillon widening capital projects funds had original appropriations in excess of certified available resources, as of December 31, 2019, in the amounts of \$91,217 and \$2,257,721, respectively.

Contrary to Ohio Revised Code Section 5705.39, the following funds had final appropriations in excess of certified available resources, as of December 31, 2019:

Special Revenue Funds:

Special Permissive License Plate Tax	\$269,238
Economic Development	893,217
Community Center	16,319
Greenwich Road	50

Capital Projects Funds:

Newpark Drive Reconstruction	745,990
Eastern Road Waterline	173,500

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Contrary to Ohio Revised Code Section 5705.41(B), the following funds had expenditures plus encumbrances in excess of final appropriations as of December 31, 2019:

	Final	Actual	Variance
<i>Special Revenue Fund:</i>			
Police and Fire Disability and Pension:			
Security of Persons and Property:			
Fringe Benefits	\$85,000	\$107,970	(\$22,970)
<i>Capital Projects Fund:</i>			
Cleveland-Massillon Widening:			
Capital Outlay:			
Capital Outlay	3,307,597	4,992,960	(1,685,363)
Debt Service			
Issuance Costs	0	8,000	(8,000)

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

Note 5 – Deposits and Investments

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;

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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;
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, 2019, \$1,101,230 of the City's total bank balance of \$4,073,871 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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

Investments

Investments are reported at fair value. As of December 31, 2019, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value (NAV) Per Share:				
Money Market Funds	\$596,911	Less than one year	N/A	7.49 %
Fair Value - Level 2 Inputs:				
Negotiable Certificates of Deposit	6,040,443	Less than five years	N/A	75.77
Federal National Mortgage Association	849,371	Less than one year	AA+	10.65
Federal Home Loan Mortgage Corporation	485,195	Less than one year	AA+	6.09
Total	<u>\$7,971,920</u>			<u>100.00 %</u>

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, 2019. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 6 – Budgetary Basis of Accounting

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

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

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Note proceeds and premiums on short-term note obligations are reported in the fund that received the proceeds (GAAP) rather than in the debt service fund (budget).
3. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.
4. Investments are reported at cost (budget) rather than fair value (GAAP).
5. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
6. Budgetary revenues and expenditures of the road program, community center, Greenwich road, recycling, and compensated absences funds are reclassified to the general fund for GAAP reporting.
7. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).

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

	Net Change in Fund Balances			
	General	Street Construction, Maintenance and Repair	Fire/EMS	Economic Development
GAAP Basis	(\$297,455)	\$410,095	(\$148,168)	\$222,687
Net Adjustment for Revenue Accruals	(90,308)	(170,995)	(120,807)	342,963
Notes Issued	0	0	0	800,000
Premium on Notes	0	0	0	2,000
Ending Unrecorded Cash	(2,565)	(26)	0	0
Beginning Fair Value Adjustment for Investments	(90,790)	0	0	0
Ending Fair Value Adjustment for Investments	(78,095)	0	0	0
Net Adjustment for Expenditure Accruals	(97,837)	(184,871)	116,298	(915,623)
Perspective Differences:				
Road Program Fund	588,397	0	0	0
Community Center Fund	5,184	0	0	0
Greenwich Road Fund	1,406	0	0	0
Recycling Fund	(169)	0	0	0
Compensated Absences Fund	90,738	0	0	0
Encumbrances	(339,219)	(50,115)	(88,337)	(3,603)
Budget Basis	<u>(\$310,713)</u>	<u>\$4,088</u>	<u>(\$241,014)</u>	<u>\$448,424</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 7 – Receivables

Receivables at December 31, 2019, consisted of municipal income taxes, property taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest, accounts receivable, and loans.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except for special assessments, delinquent property taxes, and loans, 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 \$143,020, with the remaining \$1,387,760 expected to be collected in more than one year. At December 31, 2019, the amount of delinquent special assessments was \$101,270.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

	<u>Assessed Values</u>
Real Estate	
Residential/Agricultural	\$210,876,070
Other Real Estate	41,441,170
Tangible Personal Property	
Public Utility	<u>10,448,110</u>
Total	<u><u>\$262,765,350</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2019, and for which there was an enforceable legal claim. In

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Tax

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds, after income tax department expenditures, are credited to the general fund and the water and sewer improvement capital projects fund. See Note 21 for information regarding the Municipal Utility District with the City of Barberton.

Intergovernmental Receivables

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

	Amounts
Gasoline Tax and Cents Per Gallon	\$377,466
Local Government	205,323
OPWC Grant	160,549
Homestead and Rollback	149,465
Motor Vehicle License Registration	104,638
BWC Reimbursement	74,877
State Municipal Tax	62,010
Permissive Motor Vehicle License Tax	54,339
COPS Grant	8,458
Miscellaneous	2,278
DARE Grant	1,884
Total	\$1,201,287

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 2019 during the year. The amount outstanding for the City of Barberton at December 31, 2019 is \$150,000. 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 17 for details of the transfer.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 8 – Tax Abatements

As of December 31, 2019, 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 2019 related to this abatement in the amount of \$2,631.

Note 9 – Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,373,148	\$57,080	(\$220,931)	\$1,209,297
Construction in Progress	4,151,388	7,050,576	0	11,201,964
<i>Total Capital Assets, not being depreciated</i>	<u>5,524,536</u>	<u>7,107,656</u>	<u>(220,931)</u>	<u>12,411,261</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,409,341	170,925	0	1,580,266
Buildings and Improvements	5,662,387	0	0	5,662,387
Equipment, Furniture and Fixtures	1,404,243	264,494	0	1,668,737
Vehicles	4,074,731	277,168	(148,650)	4,203,249
Infrastructure:				
Water Lines	6,615,238	48,000	0	6,663,238
Roads	8,119,442	1,509,757	0	9,629,199
<i>Total Capital Assets, being depreciated</i>	<u>27,285,382</u>	<u>2,270,344</u>	<u>(148,650)</u>	<u>29,407,076</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(572,243)	(74,473)	0	(646,716)
Buildings and Improvements	(1,092,156)	(110,470)	0	(1,202,626)
Equipment, Furniture and Fixtures	(905,724)	(77,583)	0	(983,307)
Vehicles	(2,277,326)	(204,152)	117,640	(2,363,838)
Infrastructure:				
Water Lines	(1,029,069)	(66,392)	0	(1,095,461)
Roads	(2,400,453)	(414,427)	0	(2,814,880)
<i>Total Accumulated Depreciation</i>	<u>(8,276,971)</u>	<u>(947,497) *</u>	<u>117,640</u>	<u>(9,106,828)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>19,008,411</u>	<u>1,322,847</u>	<u>(31,010)</u>	<u>20,300,248</u>
Governmental Activities Capital Assets, Net	<u>\$24,532,947</u>	<u>\$8,430,503</u>	<u>(\$251,941)</u>	<u>\$32,711,509</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$73,355
Security of Persons and Property	216,415
Transportation	532,085
Community Environment	17
Public Health Services	66,392
Leisure Time Activities	59,233
Total Depreciation Expense	<u>\$947,497</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Assets Held for Resale

Assets held for resale represent land purchased from the Summit County Metro Parks, which will be sold for future development/ownership. At December 31, 2019, the City held land for resale with a value of \$937,365.

Note 11 – Long-Term Obligations

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

	Year of Issuance	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:				
2010 Various Purpose Bonds - Series A:				
Fire Station	2010	2 - 5%	\$2,600,000	12/01/35
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
Special Assessment Bonds				
<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
OPWC Loan from Direct Borrowing:				
Eastern Road Waterline Extension	2019	0.00	280,536	Not Finalized
State Infrastructure Bank Loan				
<i>from Direct Borrowings:</i>				
Cleveland-Massillon Road Widening	2019	3.00	1,508,215	Not Finalized
Newpark Drive Reconstruction	2019	3.00	2,000	Not Finalized

A schedule of changes in bonds and other long-term obligations of the City during 2019 following:

	Amounts Outstanding 12/31/18	Additions	Reductions	Amounts Outstanding 12/31/19	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
2010 Various Purpose Bonds - Series A:					
Fire Station - Serial	\$165,000	\$0	(\$80,000)	\$85,000	\$85,000
Fire Station - Term	1,845,000	0	0	1,845,000	0
Premium	53,536	0	(4,461)	49,075	0
Total 2010 Various Purpose Bonds	2,063,536	0	(84,461)	1,979,075	85,000
2012 Refunding Bonds:					
Ballfields	80,000	0	(15,000)	65,000	15,000
Gardner Engineering	65,000	0	(10,000)	55,000	10,000
Barber Road Sanitary Sewer	464,214	0	(86,940)	377,274	91,980
Premium	42,757	0	(8,551)	34,206	0
Total 2012 Refunding Bonds	651,971	0	(120,491)	531,480	116,980
Total General Obligation Bonds	\$2,715,507	\$0	(\$204,952)	\$2,510,555	\$201,980

(continued)

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

	Amounts Outstanding 12/31/18	Additions	Reductions	Amounts Outstanding 12/31/19	Amounts Due in One Year
Governmental Activities (continued)					
Special Assessment Bonds					
<i>with Governmental Commitment:</i>					
2010 Various Purpose Bonds - Series B:					
Wadsworth, Berry, McGowan Waterlines - Serial	\$26,243	\$0	(\$12,552)	\$13,691	\$13,691
Cleveland-Massillon Waterline - Serial	46,617	0	(22,294)	24,323	24,323
Gardner Phase II - Serial	19,972	0	(9,552)	10,420	10,420
Hazelwood Connect - Serial	9,095	0	(4,350)	4,745	4,745
Johnson Meadows - Serial	13,073	0	(6,252)	6,821	6,821
Wadsworth, Berry, McGowan Waterlines - Term	173,444	0	0	173,444	0
Cleveland-Massillon Waterline - Term	308,063	0	0	308,063	0
Gardner Phase II - Term	131,994	0	0	131,994	0
Hazelwood Connect - Term	60,104	0	0	60,104	0
Johnson Meadows - Term	86,395	0	0	86,395	0
Premium	30,547	0	(1,797)	28,750	0
Total 2010 Various Purpose Bonds	905,547	0	(56,797)	848,750	60,000
2012 Various Purpose Bonds:					
Greenwich Street Sewer - Serial	54,000	0	(10,000)	44,000	11,000
Gardner Street Waterline - Serial	45,000	0	(8,000)	37,000	9,000
Oak Street Sewer - Serial	54,000	0	(9,000)	45,000	9,000
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	18,830	0	(1,345)	17,485	0
Total 2012 Various Purpose Bonds	521,830	0	(28,345)	493,485	29,000
2012 Refunding Bonds:					
Barber Road - Serial	277,786	0	(51,060)	226,726	54,020
Premium	12,839	0	(2,568)	10,271	0
Total 2012 Refunding Bonds	290,625	0	(53,628)	236,997	54,020
Total Special Assessment Bonds with Governmental Commitment	1,718,002	0	(138,770)	1,579,232	143,020
OPWC Loans from Direct Borrowing:					
Eastern Road Waterline Extension	0	280,536	0	280,536	0
SIB Loans from Direct Borrowings:					
Cleveland-Massillon Road Widening	0	1,508,215	0	1,508,215	0
Newpark Drive Reconstruction	0	2,000	0	2,000	0
Total SIB Loans	0	1,510,215	0	1,510,215	0
Other Long-Term Liabilities:					
Capital Leases	1,050,809	212,431	(281,398)	981,842	246,304
Compensated Absences	865,423	444,076	(404,372)	905,127	416,541
Total Other Long-Term Liabilities	1,916,232	656,507	(685,770)	1,886,969	662,845
Net Pension Liability:					
OPERS	1,317,954	1,027,004	0	2,344,958	0
OPF	4,375,143	1,828,793	0	6,203,936	0
Total Net Pension Liability	5,693,097	2,855,797	0	8,548,894	0
Net OPEB Liability:					
OPERS	1,020,771	207,635	0	1,228,406	0
OPF	4,038,965	0	(3,346,832)	692,133	0
Total Net OPEB Liability	5,059,736	207,635	(3,346,832)	1,920,539	0
Total Long-Term Liabilities	\$17,102,574	\$5,510,690	(\$4,376,324)	\$18,236,940	\$1,007,845

General Obligation Bonds

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Various Purpose General Obligation Bond

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

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

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

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

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

In 2012, the City issued various purpose general obligation refunding bonds, in the amount of \$1,721,182 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 improvement fund and land and land improvements fund, with the remainder being paid by the general obligation bond retirement debt service fund.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Special Assessment Bonds

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

Various Purpose Special Assessment Bonds

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

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

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

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

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

On September 19, 2012, the City issued \$657,000 of special assessment various purpose bonds, series 2012. The bonds were issued for a period of twenty years at an interest rate varying from 2 to 4 percent. The bond issue was composed of \$307,000 in serial bonds and \$350,000 in term bonds. These bonds were issued to pay the property owners' portion, in anticipation of the collection of special assessments, of the construction and installation of sanitary sewer and waterlines and other related improvements. The bond will be paid over 20 years. The bonds are being retired from the special assessment bond retirement debt service fund. The bonds were originally issued for capital purposes, but due to the transfer of operations the outstanding bonds are not capital related any longer. See Note 17 for more detail of the transfer of operations.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

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

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

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

In 2012, the City issued various purpose special assessment refunding bonds, in the amount of \$516,818, to refund a portion of the 2003 various purpose special assessment bonds. The bonds were issued at an interest rate of 2 to 3 percent. The bonds were issued for a 12 year period with a final maturity on December 1, 2023. The bonds are being retired from the special assessment bond retirement debt service fund. The bonds were originally issued for capital purposes, but due to the transfer of operations the outstanding bonds are not capital related any longer. See Note 17 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, 2019, \$730,000 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 balance of the loan at December 31, 2019, was \$280,536. 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 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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 capital projects fund.

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 Newport Drive and Barber Road intersection. The balances of the loans at December 31, 2019, were \$1,508,215 and \$2,000, respectively. Since the loans were 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 income tax monies transferred from the general fund.

The capital leases will be paid from the general fund and street construction, maintenance and repair and fire/EMS special revenue funds.

Compensated absences will be paid from the compensated absences special revenue 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 street construction, maintenance and repair and fire/EMS special revenue funds. For additional information related to the net pension liability and net OPEB liability see Notes 15 and 16.

The City's overall debt margin was \$23,373,273 and the unvoted legal debt margin was \$10,235,005 at December 31, 2019.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019, are as follows:

	General Obligation Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$201,980	\$105,991	\$0	\$0	\$201,980	\$105,991
2021	123,870	11,506	85,000	88,425	208,870	99,931
2022	126,390	7,790	90,000	84,175	216,390	91,965
2023	130,034	3,998	95,000	79,675	225,034	83,673
2024	0	0	100,000	74,925	100,000	74,925
2025-2029	0	0	575,000	294,625	575,000	294,625
2030-2034	0	0	735,000	139,950	735,000	139,950
2035	0	0	165,000	7,425	165,000	7,425
Totals	<u>\$582,274</u>	<u>\$129,285</u>	<u>\$1,845,000</u>	<u>\$769,200</u>	<u>\$2,427,274</u>	<u>\$898,485</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

	Special Assessment Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$143,020	\$59,429	\$0	\$0	\$143,020	\$59,429
2021	86,130	20,155	60,000	34,982	146,130	55,137
2022	88,610	17,572	65,000	31,982	153,610	49,554
2023	94,966	14,914	65,000	28,732	159,966	43,646
2024	0	0	105,000	37,644	105,000	37,644
2025-2029	0	0	595,000	112,765	595,000	112,765
2030-2032	0	0	220,000	11,985	220,000	11,985
Totals	\$412,726	\$112,070	\$1,110,000	\$258,090	\$1,522,726	\$370,160

Note 12 – Capital Leases

During 2019, the City entered into lease agreements for a freightliner truck and heart monitors. In prior years, the City entered into lease agreements for an excavator, loader, back hoe, ambulances, dump truck, freightliner truck, tandem truck, 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	894,879
Building Improvements	556,000
Less: Accumulated Depreciation	(274,438)
Total	\$1,489,314

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

	Principal	Interest	Total
2020	\$246,304	\$26,169	\$272,473
2021	195,344	19,302	214,646
2022	200,931	13,502	214,433
2023	100,263	7,498	107,761
2024	58,000	5,377	63,377
2025-2027	181,000	8,212	189,212
Totals	\$981,842	\$80,060	\$1,061,902

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 13 – Short-Term Obligations

A summary of note transactions for the year ended December 31, 2019 follows:

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19
Governmental Activities				
2019 Series Property Acquisition Notes	\$0	\$800,000	\$0	\$800,000
Premium	0	2,000	0	2,000
<i>Total Short-Term Obligations</i>	<u>\$0</u>	<u>\$802,000</u>	<u>\$0</u>	<u>\$802,000</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 will mature on July 9, 2020.

Note 14 – Risk Management

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

Company	Type of Coverage	Deductible	Coverage
RLI Insurance Company	Bond - Mayor	\$0	\$50,000
Ohio Casualty Insurance Company	Bond - Finance Director	0	100,000
Wichert Insurance Agency	Public Officials Liability	10,000	1,000,000
	Law Enforcement Liability	10,000	1,000,000
	Commercial and Personal Property	1,000	11,182,944
	Inland Marine	1,000	2,866,274
	General Liability	0	1,000,000-2,000,000
	Commercial Crime - Employee Theft Per Loss	5,000	1,000,000
	Cyberrisk	10,000	1,000,000
	Automobile Liability	0	1,000,000
	Automobile Uninsured Motorists	0	50,000
	Automobile Underinsured Motorists	0	50,000
	Umbrella Liability	0	10,000,000

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 15 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

The net pension liability 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 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 calculation are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments (COLA) and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code (ORC) 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. Resulting adjustments to the net pension/OPEB liabilities would be effective when the changes are legally enforceable. The ORC 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 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 16 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System. 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

OPERS provides retirement, disability, survivor and death benefits, and annual COLA 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 (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' financial report referenced previously for additional information, including requirements for reduced and unreduced benefits):

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual COLA is provided. 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 of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. 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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

Funding Policy – The ORC provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

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

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

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

For 2019, the City's contractually required contribution was \$178,299 for the traditional plan and \$22,044 for the member-directed plan. The City does not contribute to the combined plan. Of these amounts, \$16,294 is reported as an intergovernmental payable for the traditional plan and \$2,014 for the member-directed plan.

Plan Description – Ohio Police & Fire Pension Fund

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual COLA, 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 ORC. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 members' 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 financial report referenced previously for additional information, including requirements for Deferred Retirement Option Plan (DROP) provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a 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 3 percent or the percent increase, if any, in the Consumer Price Index over the 13 month period ending on September 30th 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.

Funding Policy – The ORC provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$369,613 for 2019. Of this amount, \$32,175 is reported as an intergovernmental payable.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	<u>OPERS</u>	<u>OPF</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.00856200%	0.07600400%	
Prior Measurement Date	<u>0.00840100%</u>	<u>0.07128600%</u>	
Change in Proportionate Share	<u>0.00016100%</u>	<u>0.00471800%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,344,958	\$6,203,936	\$8,548,894
Pension Expense	\$478,513	\$1,119,125	\$1,597,638

2019 pension expense for the member-directed defined contribution plan was \$22,044. The aggregate pension expense for all pension plans was \$1,619,682 for 2019.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$108	\$254,895	\$255,003
Changes of assumptions	204,135	164,475	368,610
Net difference between projected and actual earnings on pension plan investments	318,276	764,320	1,082,596
Changes in proportion and differences between City contributions and proportionate share of contributions	18,413	738,714	757,127
City contributions subsequent to the measurement date	<u>178,299</u>	<u>369,613</u>	<u>547,912</u>
Total Deferred Outflows of Resources	<u>\$719,231</u>	<u>\$2,292,017</u>	<u>\$3,011,248</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$30,790	\$5,794	\$36,584
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>29,083</u>	<u>0</u>	<u>29,083</u>
Total Deferred Inflows of Resources	<u>\$59,873</u>	<u>\$5,794</u>	<u>\$65,667</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

\$547,912 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2020. 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
2020	\$192,155	\$611,820	\$803,975
2021	111,355	444,687	556,042
2022	29,527	411,620	441,147
2023	148,022	418,304	566,326
2024	0	30,179	30,179
Total	\$481,059	\$1,916,610	\$2,397,669

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, 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, 2018, are presented as follows:

	OPERS Traditional Plan	OPERS Combined Plan
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	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, 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 of 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

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

During 2018, 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 a loss of 2.94 percent for 2018.

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 following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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	\$3,464,185	\$2,344,958	\$1,414,871

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. 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, 2018, are presented as follows:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
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	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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2018, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

Note: Assumptions are geometric.

* levered 2x

OPF's Board of Trustees has incorporated the risk parity concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective previously disclosed, 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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 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	\$8,154,645	\$6,203,936	\$4,573,835

Social Security System

As of December 31, 2019, the City’s part-time firefighters have elected to be covered by Social Security rather than OPERS. The City’s liability is 6.2 percent of wages paid.

Note 16 – Defined Benefit OPEB Plans

See Note 15 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit 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 No. 75. See OPERS’ annual financial report referenced later for additional information.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Ohio Revised Code (ORC) 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 ORC.

Disclosures for the health care plan are presented separately in the OPERS' annual 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 ORC 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, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, 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 ORC. 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. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the 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 2019 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 \$8,817 for 2019. Of this amount, \$805 is reported as an intergovernmental payable.

Plan Description – Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Ohio Revised Code (ORC) 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 ORC.

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

Funding Policy – The ORC 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 2019, 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 \$9,064 for 2019. Of this amount, \$792 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, 2017, rolled forward to the measurement date of December 31, 2018, 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, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. 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:

	OPERS	OPF	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.009422%	0.0760040%	
Prior Measurement Date	0.009400%	0.0712860%	
Change in Proportionate Share	0.0000220%	0.0047180%	
Proportionate Share of the Net OPEB Liability	\$1,228,406	\$692,133	Total \$1,920,539
OPEB Expense	\$104,183	(\$3,368,690)	(\$3,264,507)

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$416	\$0	\$416
Changes of assumptions	39,605	358,768	398,373
Net difference between projected and actual earnings on OPEB plan investments	56,315	23,429	79,744
Changes in proportion and differences between City contributions and proportionate share of contributions	1,602	226,895	228,497
City contributions subsequent to the measurement date	<u>8,817</u>	<u>9,064</u>	<u>17,881</u>
Total Deferred Outflows of Resources	<u><u>\$106,755</u></u>	<u><u>\$618,156</u></u>	<u><u>\$724,911</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$3,333	\$18,544	\$21,877
Changes of assumptions	0	191,615	191,615
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>17,832</u>	<u>0</u>	<u>17,832</u>
Total Deferred Inflows of Resources	<u><u>\$21,165</u></u>	<u><u>\$210,159</u></u>	<u><u>\$231,324</u></u>

\$17,881 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 2020. 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:	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2020	\$28,483	\$68,271	\$96,754
2021	10,621	68,271	78,892
2022	9,300	68,271	77,571
2023	28,369	75,357	103,726
2024	0	64,185	64,185
Thereafter	<u>0</u>	<u>54,578</u>	<u>54,578</u>
Total	<u><u>\$76,773</u></u>	<u><u>\$398,933</u></u>	<u><u>\$475,706</u></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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, 2017, rolled forward to the measurement date of December 31, 2018. 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:

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	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

In October of 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was effective for the 2018 valuation.

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.

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.

During 2018, 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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a loss of 5.6 percent for 2018.

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 following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. 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) 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 3.71 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, 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 3.96 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 (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$1,571,590	\$1,228,406	\$955,485

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 net OPEB liability calculated using the assumed trend rates, and 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 2019 is 10.00 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 the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's 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 3.25 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	\$1,180,765	\$1,228,406	\$1,283,276

Actuarial Assumptions – OPF

OPF's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
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	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 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

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 15.

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, 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 net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$843,207	\$692,133	\$565,319

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 17 – 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. The City received \$126 related to the sewer operations, specifically surcharge fees owed from the City of Barberton in 2019.

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 7).

Note 18 - 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, 2019.

Note 19 – 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.

Employee Health Insurance

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

Note 20 – Interfund Transfers

Transfers from the general fund of \$1,743,967 were used to move unrestricted revenues collected in the general fund to finance various programs accounted for in the street construction, maintenance and repair special revenue fund in the amount of \$1,200,000, \$72,967 in the Cleveland-Massillon widening capital projects fund, and other governmental funds in the amount of \$471,000, in accordance with budgetary authorizations, to provide additional resources for current operations, to pay debt, and to segregate money for anticipated capital projects.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 21 – 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 2019, the City collected and distributed \$511,140 in income tax revenue from the MUD to the City of Barberton.

Note 22 – 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 2019, the City contributed \$482,123 to the Council for dispatch services and \$81,094 for information technology services. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

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 2019, 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 24 – Fund Balances

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

Fund Balances	General	Street Construction, Maintenance and Repair	Fire/EMS	Economic Development
<u>Nonspendable:</u>				
Materials and Supplies Inventory	\$7,819	\$421,018	\$0	\$0
Prepays Items	34,328	3,523	7,829	0
Assets Held for Resale	0	0	0	602,065
Unclaimed Monies	15,107	0	0	0
<i>Total Nonspendable</i>	<u>57,254</u>	<u>424,541</u>	<u>7,829</u>	<u>602,065</u>
<u>Restricted for:</u>				
Capital Projects	0	0	0	0
Debt Service	0	0	0	0
Police	0	0	0	0
Fire/EMS	0	0	1,167,588	0
Transportation	0	346,686	0	0
Public Utilities	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>346,686</u>	<u>1,167,588</u>	<u>0</u>
<u>Committed to:</u>				
Public Utilities	0	0	0	0
Purchases on Order	242,762	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>302,024</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>				
Capital Projects	0	0	0	0
Transportation	224,380	0	0	0
2020 Appropriations	664,486	0	0	0
Purchases on Order	61,456	0	0	0
Community Center	16,583	0	0	0
Greenwich Road	4,201	0	0	0
Recycling	27,615	0	0	0
Scrap Tire	643	0	0	0
Police Dog Donations	2,822	0	0	0
<i>Total Assigned</i>	<u>1,002,186</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned (Deficit)	<u>2,420,526</u>	<u>0</u>	<u>0</u>	<u>(220,595)</u>
Total Fund Balances	<u><u>\$3,781,990</u></u>	<u><u>\$771,227</u></u>	<u><u>\$1,175,417</u></u>	<u><u>\$381,470</u></u>

(continued)

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Fund Balances (continued)	Special Assessment Bond Retirement	Water and Sewer Improvements	Cleveland- Massillon Widening	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Materials and Supplies Inventory	\$0	\$0	\$0	\$0	\$428,837
Prepays Items	0	0	0	0	45,680
Assets Held for Resale	0	0	0	335,300	937,365
Unclaimed Monies	0	0	0	0	15,107
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>335,300</u>	<u>1,426,989</u>
<u>Restricted for:</u>					
Capital Projects	0	150,000	249,850	33,821	433,671
Debt Service	220,327	0	0	936	221,263
Police	0	0	0	608,127	608,127
Fire/EMS	0	0	0	88,208	1,255,796
Transportation	0	0	0	213,819	560,505
Public Utilities	0	0	0	2,077,747	2,077,747
<i>Total Restricted</i>	<u>220,327</u>	<u>150,000</u>	<u>249,850</u>	<u>3,022,658</u>	<u>5,157,109</u>
<u>Committed to:</u>					
Public Utilities	0	2,519,966	0	0	2,519,966
Purchases on Order	0	0	0	0	242,762
Compensated Absences	0	0	0	0	59,262
Cemetery	0	0	0	20,609	20,609
Special Events	0	0	0	5,259	5,259
<i>Total Committed</i>	<u>0</u>	<u>2,519,966</u>	<u>0</u>	<u>25,868</u>	<u>2,847,858</u>
<u>Assigned to:</u>					
Capital Projects	0	0	0	320,713	320,713
Transportation	0	0	0	0	224,380
2020 Appropriations	0	0	0	0	664,486
Purchases on Order	0	0	0	0	61,456
Community Center	0	0	0	0	16,583
Greenwich Road	0	0	0	0	4,201
Recycling	0	0	0	0	27,615
Scrap Tire	0	0	0	0	643
Police Dog Donations	0	0	0	0	2,822
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>320,713</u>	<u>1,322,899</u>
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(234,314)</u>	<u>1,965,617</u>
Total Fund Balances	<u><u>\$220,327</u></u>	<u><u>\$2,669,966</u></u>	<u><u>\$249,850</u></u>	<u><u>\$3,470,225</u></u>	<u><u>\$12,720,472</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,

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

unexpected infrastructure failure, or disaster situations. The Council authorized the funding of this 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, 2019 is \$300,000.

Note 25 – Significant Commitments

Contractual Commitments

At December 31, 2019, 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	\$154,800	\$90,400	\$64,400
Eastern Construction Bidding	67,000	34,250	32,750
Eastern Road Project	180,000	138,267	41,733
Engineering Sidewalks - Easton Road	29,700	22,510	7,190
Engineering New Park Drive	75,000	73,900	1,100
Total	<u>\$506,500</u>	<u>\$359,327</u>	<u>\$147,173</u>

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	\$339,219
Street Construction, Maintenance and Repair	50,115
Fire/EMS	88,337
Economic Development	3,603
Water and Sewer Improvements	371,716
Cleveland-Massillon Widening	132,995
Other Governmental Funds	<u>519,450</u>
Total	<u>\$1,505,435</u>

Note 26 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City; however, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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 Six Years (1) **

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.00856200%	0.00840100%	0.00895200%	0.00921100%
City's Proportionate Share of the Net Pension Liability	\$2,344,958	\$1,317,954	\$2,032,847	\$1,595,462
City's Covered Payroll	\$1,156,400	\$1,110,154	\$1,157,242	\$1,146,400
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.78%	118.72%	175.66%	139.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%

(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

2015	2014
0.01085700%	0.01085700%
\$1,309,476	\$1,279,899
\$1,331,017	\$1,550,131
98.38%	82.57%
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 Three Years (1) **

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.00942200%	0.00940000%	0.00990000%
City's Proportionate Share of the Net OPEB Liability	\$1,228,406	\$1,020,771	\$999,934
City's Covered Payroll	\$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	89.88%	76.68%	73.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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

(This Page Intentionally Left Blank)

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 Six Years (1) **

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.07600400%	0.07128600%	0.07069400%	0.05931100%
City's Proportionate Share of the Net Pension Liability	\$6,203,936	\$4,375,143	\$4,477,688	\$3,815,516
City's Covered Payroll	\$2,015,639	\$1,624,772	\$1,477,940	\$1,187,377
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	307.79%	269.28%	302.97%	321.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%

(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

2015	2014
0.04933120%	0.04933120%
\$2,555,560	\$2,402,584
\$1,051,452	\$1,136,466
243.05%	211.41%
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 Three Years (1) **

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.07600400%	0.07128600%	0.07069400%
City's Proportionate Share of the Net OPEB Liability	\$692,133	\$4,038,965	\$3,355,685
City's Covered Payroll	\$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	34.34%	248.59%	227.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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

(This Page Intentionally Left Blank)

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

	2019	2018	2017	2016
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$178,299	\$161,896	\$144,320	\$138,869
Contributions in Relation to the Contractually Required Contribution	<u>(178,299)</u>	<u>(161,896)</u>	<u>(144,320)</u>	<u>(138,869)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,273,564	\$1,156,400	\$1,110,154	\$1,157,242
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net OPEB Liability - OPEB Plan (3)				
Contractually Required Contribution	\$8,817	\$8,411	\$8,845	\$8,412
Contributions in Relation to the Contractually Required Contribution	<u>(8,817)</u>	<u>(8,411)</u>	<u>(8,845)</u>	<u>(8,412)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$1,493,989	\$1,366,675	\$1,331,279	\$1,367,542
OPEB Contributions as a Percentage of Covered Payroll	<u>0.59%</u>	<u>0.62%</u>	<u>0.66%</u>	<u>0.62%</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

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$137,568	\$159,722	\$201,517
<u>(137,568)</u>	<u>(159,722)</u>	<u>(201,517)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,146,400	\$1,331,017	\$1,550,131
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>

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

	2019	2018	2017	2016
Net Pension Liability				
Contractually Required Contribution	\$369,613	\$412,260	\$330,904	\$301,741
Contributions in Relation to the Contractually Required Contribution	<u>(369,613)</u>	<u>(412,260)</u>	<u>(330,904)</u>	<u>(301,741)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,812,923	\$2,015,639	\$1,624,772	\$1,477,940
Pension Contributions as a Percentage of Covered Payroll	<u>20.39%</u>	<u>20.45%</u>	<u>20.37%</u>	<u>20.42%</u>
Net OPEB Liability				
Contractually Required Contribution	\$9,064	\$10,078	\$8,124	\$7,390
Contributions in Relation to the Contractually Required Contribution	<u>(9,064)</u>	<u>(10,078)</u>	<u>(8,124)</u>	<u>(7,390)</u>
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>20.89%</u>	<u>20.95%</u>	<u>20.87%</u>	<u>20.92%</u>

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

See accompanying notes to the required supplementary information

2015	2014	2013	2012	2011	2010
\$238,670	\$206,448	\$187,229	\$113,745	\$132,626	\$155,561
(238,670)	(206,448)	(187,229)	(113,745)	(132,626)	(155,561)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,187,377	\$1,051,452	\$1,136,466	\$855,682	\$1,011,500	\$1,167,270
20.10%	19.63%	16.47%	13.29%	13.11%	13.33%
\$5,937	\$5,257	\$6,772	\$7,678	\$8,952	\$10,500
(5,937)	(5,257)	(6,772)	(7,678)	(8,952)	(10,500)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.60%	0.90%	0.89%	0.90%
20.60%	20.13%	17.07%	14.19%	14.00%	14.23%

City of Norton, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

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 2017 and in 2016 and prior 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	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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 previously 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 – 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. These new assumptions compared with those used in 2017 and prior are presented as follows:

City of Norton, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

	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 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 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.

Changes in Assumptions – OPERS OPEB

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent, initial; 3.25 ultimate in 2029. For 2018, the health care cost trend rate was 7.25 percent, initial; 3.25 percent ultimate in 2028.

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

City of Norton, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions – OPF OPEB

For 2019, the single discount rate changed from 3.24 percent to 4.66 percent.

For 2018, the single discount rate changed from 3.79 percent to 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 Improvement Fund To account for and report that portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of dedicated streets.

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

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

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

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

Law Enforcement Assistance Fund To account for and report revenues and expenditures restricted for the Law Enforcement Assistance program. The fund did not have any budgetary activity in 2019; therefore, budgetary information is not provided.

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

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

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

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

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

Sanitary Sewer Fund To account for and report revenues that are restricted for providing sewer services to residents, as provided for in the transfer agreement of sewer operations to the City of Barberton.

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

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.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

Scrap Tire Fund To account for and report various assigned revenues to provide for a scrap tire management and recovery program. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. The fund did not have any budgetary activity in 2019; therefore, budgetary information is not provided.

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

Nonmajor Capital Projects Funds

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

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

Buildings Fund To account for and report various revenues and expenditures assigned for constructing new operations and storage areas. The fund did not have any budgetary activity in 2019; therefore, budgetary information is not provided.

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

Storm Sewer Fund To account for and report revenues and expenditures assigned for the construction and acquisition of capital storm sewer projects. The fund did not have any budgetary activity in 2019; therefore, budgetary information is not provided.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

Sanitary Sewer Fund To account for amounts assigned for sanitary sewer projects. The fund did not have any budgetary activity in 2019; therefore, budgetary information is not provided.

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.

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,139,160	\$936	\$405,267	\$3,545,363
Accounts Receivable	30,433	0	34,009	64,442
Accrued Interest Receivable	186	0	0	186
Intergovernmental Receivable	97,631	0	160,549	258,180
Property Taxes Receivable	74,701	0	0	74,701
Assets Held for Resale	0	0	335,300	335,300
<i>Total Assets</i>	<u>\$3,342,111</u>	<u>\$936</u>	<u>\$935,125</u>	<u>\$4,278,172</u>
Liabilities				
Contracts Payable	\$186,829	\$0	\$479,605	\$666,434
Deferred Inflows of Resources				
Property Taxes	68,234	0	0	68,234
Unavailable Revenue	73,279	0	0	73,279
<i>Total Deferred Inflows of Resources</i>	<u>141,513</u>	<u>0</u>	<u>0</u>	<u>141,513</u>
Fund Balances				
Nonspendable	0	0	335,300	335,300
Restricted	2,987,901	936	33,821	3,022,658
Committed	25,868	0	0	25,868
Assigned	0	0	320,713	320,713
Unassigned (Deficit)	0	0	(234,314)	(234,314)
<i>Total Fund Balances</i>	<u>3,013,769</u>	<u>936</u>	<u>455,520</u>	<u>3,470,225</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,342,111</u>	<u>\$936</u>	<u>\$935,125</u>	<u>\$4,278,172</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$68,096	\$0	\$0	\$68,096
Charges for Services	307,462	0	165,973	473,435
Fines and Forfeitures	3,036	0	0	3,036
Intergovernmental	386,879	0	485,233	872,112
Contributions and Donations	0	0	57,080	57,080
Interest	2,055	0	0	2,055
Other	0	2,286	0	2,286
<i>Total Revenues</i>	<u>767,528</u>	<u>2,286</u>	<u>708,286</u>	<u>1,478,100</u>
Expenditures				
Current:				
General Government	0	38	0	38
Security of Persons and Property	159,413	0	0	159,413
Transportation	530,627	0	0	530,627
Public Health Services	639,330	0	0	639,330
Capital Outlay	0	0	1,424,621	1,424,621
Debt Service:				
Principal Retirement	0	90,000	15,000	105,000
Interest and Fiscal Charges	0	95,325	2,400	97,725
Issuance Costs	0	0	2,000	2,000
<i>Total Expenditures</i>	<u>1,329,370</u>	<u>185,363</u>	<u>1,444,021</u>	<u>2,958,754</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(561,842)</u>	<u>(183,077)</u>	<u>(735,735)</u>	<u>(1,480,654)</u>
Other Financing Sources				
OPWC Loan Issued	0	0	280,536	280,536
SIB Loans Issued	0	0	2,000	2,000
Transfers In	114,000	182,000	175,000	471,000
<i>Total Other Financing Sources</i>	<u>114,000</u>	<u>182,000</u>	<u>457,536</u>	<u>753,536</u>
<i>Net Change in Fund Balances</i>	(447,842)	(1,077)	(278,199)	(727,118)
<i>Fund Balances Beginning of Year</i>	<u>3,461,611</u>	<u>2,013</u>	<u>733,719</u>	<u>4,197,343</u>
<i>Fund Balances End of Year</i>	<u><u>\$3,013,769</u></u>	<u><u>\$936</u></u>	<u><u>\$455,520</u></u>	<u><u>\$3,470,225</u></u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	State Highway Improvement	Special Permissive License Plate Tax	DARE Program	Drug Law Enforcement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$84,930	\$100,045	\$61,165	\$3,252
Accounts Receivable	0	0	0	0
Accrued Interest Receivable	186	0	0	0
Intergovernmental Receivable	36,158	54,339	1,884	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$121,274</u>	<u>\$154,384</u>	<u>\$63,049</u>	<u>\$3,252</u>
Liabilities				
Contracts Payable	\$0	\$0	\$0	\$0
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	24,622	37,217	0	0
<i>Total Deferred Inflows of Resources</i>	<u>24,622</u>	<u>37,217</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	96,652	117,167	63,049	3,252
Committed	0	0	0	0
<i>Total Fund Balances</i>	<u>96,652</u>	<u>117,167</u>	<u>63,049</u>	<u>3,252</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$121,274</u>	<u>\$154,384</u>	<u>\$63,049</u>	<u>\$3,252</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2019

	Law Enforcement	Law Enforcement Assistance	DWI Enforcement and Education	Cemetery
Assets				
Equity in Pooled Cash and Cash Equivalents	\$221,011	\$4,780	\$2,542	\$20,609
Accounts Receivable	0	0	0	0
Accrued Interest Receivable	0	0	0	0
Intergovernmental Receivable	158	0	119	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$221,169</u>	<u>\$4,780</u>	<u>\$2,661</u>	<u>\$20,609</u>
Liabilities				
Contracts Payable	\$0	\$0	\$0	\$0
Deferred Inflows of Resources				
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>
Fund Balances				
Restricted	221,169	4,780	2,661	0
Committed	0	0	0	20,609
<i>Total Fund Balances</i>	<u>221,169</u>	<u>4,780</u>	<u>2,661</u>	<u>20,609</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$221,169</u>	<u>\$4,780</u>	<u>\$2,661</u>	<u>\$20,609</u>

Special Events	Police and Fire Disability and Pension	Water System	Sanitary Sewer	Police Equipment	Total Nonmajor Special Revenue Funds
\$5,259	\$176,417	\$987,350	\$1,246,793	\$225,007	\$3,139,160
0	0	30,433	0	0	30,433
0	0	0	0	0	186
0	4,973	0	0	0	97,631
0	74,701	0	0	0	74,701
<u>\$5,259</u>	<u>\$256,091</u>	<u>\$1,017,783</u>	<u>\$1,246,793</u>	<u>\$225,007</u>	<u>\$3,342,111</u>
\$0	\$0	\$186,829	\$0	\$0	\$186,829
0	68,234	0	0	0	68,234
0	11,440	0	0	0	73,279
0	79,674	0	0	0	141,513
0	176,417	830,954	1,246,793	225,007	2,987,901
5,259	0	0	0	0	25,868
5,259	176,417	830,954	1,246,793	225,007	3,013,769
<u>\$5,259</u>	<u>\$256,091</u>	<u>\$1,017,783</u>	<u>\$1,246,793</u>	<u>\$225,007</u>	<u>\$3,342,111</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, 2019

	State Highway Improvement	Special Permissive License Plate Tax	DARE Program	Drug Law Enforcement
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	300
Intergovernmental	61,651	305,952	9,319	0
Interest	2,055	0	0	0
<i>Total Revenues</i>	<u>63,706</u>	<u>305,952</u>	<u>9,319</u>	<u>300</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	106,974	423,653	0	0
Public Health Services	0	0	0	0
<i>Total Expenditures</i>	<u>106,974</u>	<u>423,653</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(43,268)	(117,701)	9,319	300
Other Financing Sources				
Transfers In	0	98,000	0	0
<i>Net Change in Fund Balances</i>	(43,268)	(19,701)	9,319	300
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>139,920</u>	<u>136,868</u>	<u>53,730</u>	<u>2,952</u>
<i>Fund Balances End of Year</i>	<u><u>\$96,652</u></u>	<u><u>\$117,167</u></u>	<u><u>\$63,049</u></u>	<u><u>\$3,252</u></u>

<u>Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>DWI Enforcement and Education</u>	<u>Cemetery</u>	<u>Special Events</u>	<u>Police and Fire Disability and Pension</u>
\$0	\$0	\$0	\$0	\$0	\$68,096
0	0	0	335	0	0
333	0	2,403	0	0	0
0	0	0	0	0	9,957
0	0	0	0	0	0
<u>333</u>	<u>0</u>	<u>2,403</u>	<u>335</u>	<u>0</u>	<u>78,053</u>
0	0	3,100	0	0	109,055
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>3,100</u>	<u>0</u>	<u>0</u>	<u>109,055</u>
333	0	(697)	335	0	(31,002)
0	0	16,000	0	0	0
333	0	15,303	335	0	(31,002)
<u>220,836</u>	<u>4,780</u>	<u>(12,642)</u>	<u>20,274</u>	<u>5,259</u>	<u>207,419</u>
<u>\$221,169</u>	<u>\$4,780</u>	<u>\$2,661</u>	<u>\$20,609</u>	<u>\$5,259</u>	<u>\$176,417</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, 2019

	Water System	Sanitary Sewer	Police Equipment	Total Nonmajor Special Revenue Funds
Revenues				
Property Taxes	\$0	\$0	\$0	\$68,096
Charges for Services	189,696	75,026	42,405	307,462
Fines and Forfeitures	0	0	0	3,036
Intergovernmental	0	0	0	386,879
Interest	0	0	0	2,055
<i>Total Revenues</i>	<u>189,696</u>	<u>75,026</u>	<u>42,405</u>	<u>767,528</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	47,258	159,413
Transportation	0	0	0	530,627
Public Health Services	585,830	53,500	0	639,330
<i>Total Expenditures</i>	<u>585,830</u>	<u>53,500</u>	<u>47,258</u>	<u>1,329,370</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(396,134)	21,526	(4,853)	(561,842)
Other Financing Sources				
Transfers In	0	0	0	114,000
<i>Net Change in Fund Balances</i>	(396,134)	21,526	(4,853)	(447,842)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,227,088</u>	<u>1,225,267</u>	<u>229,860</u>	<u>3,461,611</u>
<i>Fund Balances End of Year</i>	<u><u>\$830,954</u></u>	<u><u>\$1,246,793</u></u>	<u><u>\$225,007</u></u>	<u><u>\$3,013,769</u></u>

(This Page Intentionally Left Blank)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Streets, Highways and Bridges</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$254,708	\$14,964	\$33,821
Accounts Receivable	34,009	0	0
Intergovernmental Receivable	0	0	0
Assets Held for Resale	200,000	0	135,300
<i>Total Assets</i>	<u>\$488,717</u>	<u>\$14,964</u>	<u>\$169,121</u>
Liabilities			
Contracts Payable	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Fund Balances			
Nonspendable	200,000	0	135,300
Restricted	0	0	33,821
Assigned	288,717	14,964	0
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances (Deficit)</i>	<u>488,717</u>	<u>14,964</u>	<u>169,121</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$488,717</u>	<u>\$14,964</u>	<u>\$169,121</u>

<u>Storm Sewer</u>	<u>Sanitary Sewer</u>	<u>Newpark Drive Reconstruction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$6,329	\$10,703	\$84,742	\$405,267
0	0	0	34,009
0	0	160,549	160,549
<u>0</u>	<u>0</u>	<u>0</u>	<u>335,300</u>
<u>\$6,329</u>	<u>\$10,703</u>	<u>\$245,291</u>	<u>\$935,125</u>
<u>\$0</u>	<u>\$0</u>	<u>\$479,605</u>	<u>\$479,605</u>
0	0	0	335,300
0	0	0	33,821
6,329	10,703	0	320,713
<u>0</u>	<u>0</u>	<u>(234,314)</u>	<u>(234,314)</u>
<u>6,329</u>	<u>10,703</u>	<u>(234,314)</u>	<u>455,520</u>
<u>\$6,329</u>	<u>\$10,703</u>	<u>\$245,291</u>	<u>\$935,125</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, 2019

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Streets, Highways and Bridges</u>
Revenues			
Charges for Services	\$165,973	\$0	\$0
Intergovernmental	0	0	0
Contributions and Donations	57,080	0	0
<i>Total Revenues</i>	<u>223,053</u>	<u>0</u>	<u>0</u>
Expenditures			
Capital Outlay	227,018	0	22,510
Debt Service:			
Principal Retirement	15,000	0	0
Interest and Fiscal Charges	2,400	0	0
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>244,418</u>	<u>0</u>	<u>22,510</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(21,365)</u>	<u>0</u>	<u>(22,510)</u>
Other Financing Sources			
OPWC Loan Issued	0	0	0
SIB Loans Issued	0	0	0
Transfers In	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(21,365)	0	(22,510)
<i>Fund Balances Beginning of Year</i>	<u>510,082</u>	<u>14,964</u>	<u>191,631</u>
<i>Fund Balances End of Year</i>	<u><u>\$488,717</u></u>	<u><u>\$14,964</u></u>	<u><u>\$169,121</u></u>

<u>Storm Sewer</u>	<u>Sanitary Sewer</u>	<u>Newpark Drive Reconstruction</u>	<u>Eastern Road Waterline</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$0	\$0	\$0	\$165,973
0	0	453,790	31,443	485,233
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,080</u>
<u>0</u>	<u>0</u>	<u>453,790</u>	<u>31,443</u>	<u>708,286</u>
0	0	863,114	311,979	1,424,621
0	0	0	0	15,000
0	0	0	0	2,400
<u>0</u>	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<u>0</u>	<u>0</u>	<u>865,114</u>	<u>311,979</u>	<u>1,444,021</u>
<u>0</u>	<u>0</u>	<u>(411,324)</u>	<u>(280,536)</u>	<u>(735,735)</u>
0	0	0	280,536	280,536
0	0	2,000	0	2,000
<u>0</u>	<u>0</u>	<u>175,000</u>	<u>0</u>	<u>175,000</u>
<u>0</u>	<u>0</u>	<u>177,000</u>	<u>280,536</u>	<u>457,536</u>
0	0	(234,324)	0	(278,199)
<u>6,329</u>	<u>10,703</u>	<u>10</u>	<u>0</u>	<u>733,719</u>
<u>\$6,329</u>	<u>\$10,703</u>	<u>(\$234,314)</u>	<u>\$0</u>	<u>\$455,520</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$363,179	\$363,179	\$363,179	\$0
Municipal Income Tax	6,200,000	6,200,000	5,957,282	(242,718)
Charges for Services	237,825	237,825	208,112	(29,713)
Licenses, Permits and Fees	17,252	17,252	36,049	18,797
Fines and Forfeitures	10,000	10,000	11,623	1,623
Intergovernmental	436,796	432,778	682,629	249,851
Interest	50,350	65,350	200,778	135,428
Contributions and Donations	2,500	2,500	5,786	3,286
Rentals	4,500	4,500	17,170	12,670
Other	63,050	63,050	286,105	223,055
<i>Total Revenues</i>	<i>7,385,452</i>	<i>7,396,434</i>	<i>7,768,713</i>	<i>372,279</i>
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	35,825	35,825	35,148	677
Fringe Benefits	12,854	12,854	12,315	539
Purchased Services	2,650	2,650	533	2,117
Materials and Supplies	100	100	0	100
Capital Outlay	150	150	0	150
<i>Total Mayor</i>	<i>51,579</i>	<i>51,579</i>	<i>47,996</i>	<i>3,583</i>
City Council:				
Salaries and Wages	102,650	102,650	101,411	1,239
Fringe Benefits	44,493	47,049	44,515	2,534
Purchased Services	48,128	45,972	26,902	19,070
Materials and Supplies	4,000	3,600	1,730	1,870
<i>Total City Council</i>	<i>199,271</i>	<i>199,271</i>	<i>174,558</i>	<i>24,713</i>
Finance Office:				
Salaries and Wages	167,514	164,214	152,089	12,125
Fringe Benefits	75,520	115,420	107,819	7,601
Purchased Services	82,632	85,032	85,032	0
Materials and Supplies	700	690	690	0
Capital Outlay	1,500	1,175	1,175	0
<i>Total Finance Office</i>	<i>327,866</i>	<i>366,531</i>	<i>346,805</i>	<i>19,726</i>
Income Tax:				
Salaries and Wages	5,377	5,377	5,157	220
Fringe Benefits	2,795	2,799	2,740	59
Purchased Services	755,050	821,834	821,834	0
<i>Total Income Tax</i>	<i>\$763,222</i>	<i>\$830,010</i>	<i>\$829,731</i>	<i>\$279</i>

(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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Director:				
Salaries and Wages	\$41,709	\$41,709	\$41,682	\$27
Fringe Benefits	6,965	6,965	6,791	174
Purchased Services	237,336	237,336	235,430	1,906
Total Law Director	286,010	286,010	283,903	2,107
Engineer:				
Purchased Services	80,345	92,345	91,093	1,252
Materials and Supplies	100	100	0	100
Total Engineer	80,445	92,445	91,093	1,352
Administrative Officer:				
Salaries and Wages	167,874	163,874	138,590	25,284
Fringe Benefits	58,070	61,221	57,654	3,567
Purchased Services	18,850	13,723	13,723	0
Materials and Supplies	100	14	14	0
Capital Outlay	500	1,276	1,276	0
Total Administrative Officer	245,394	240,108	211,257	28,851
Planning Commission:				
Purchased Services	22,940	22,940	1,956	20,984
Records Commission:				
Salaries and Wages	11,950	12,229	12,229	0
Fringe Benefits	2,444	2,408	2,002	406
Purchased Services	1,250	1,007	731	276
Materials and Supplies	150	150	22	128
Capital Outlay	2,000	2,000	0	2,000
Total Records Commission	17,794	17,794	14,984	2,810
Other General Government:				
Fringe Benefits	0	656	656	0
Purchased Services	635,522	611,880	522,545	89,335
Materials and Supplies	7,500	7,500	5,669	1,831
Capital Outlay	500	500	0	500
Other	0	0	13,597	(13,597)
Total Other General Government	643,522	620,536	542,467	78,069
Parks and Recreation Board:				
Purchased Services	8,950	8,950	1,957	6,993
Building and Zoning Board:				
Purchased Services	47,915	47,915	12,050	35,865
Civil Service Commission:				
Purchased Services	15,685	15,685	4,050	11,635
Materials and Supplies	25	25	0	25
Total Civil Service Commission	\$15,710	\$15,710	\$4,050	\$11,660

(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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Storm Sewer:				
Purchased Services	\$224,676	\$224,676	\$172,823	\$51,853
Total General Government	2,935,294	3,024,475	2,735,630	288,845
Security of Persons and Property:				
Police:				
Salaries and Wages	1,468,218	1,447,725	1,432,988	14,737
Fringe Benefits	761,885	782,398	638,264	144,134
Purchased Services	487,969	487,058	397,594	89,464
Materials and Supplies	68,599	83,790	79,012	4,778
Capital Outlay	78,000	63,700	57,617	6,083
Other	0	0	2,088	(2,088)
Total Security of Persons and Property	2,864,671	2,864,671	2,607,563	257,108
Community Environment:				
Community Development:				
Purchased Services	35,000	35,000	25,885	9,115
Building:				
Salaries and Wages	12,755	15,910	15,910	0
Fringe Benefits	2,171	2,635	2,635	0
Purchased Services	20,275	16,975	4,037	12,938
Materials and Supplies	850	850	500	350
Total Building	36,051	36,370	23,082	13,288
Total Community Environment	71,051	71,370	48,967	22,403
Leisure Time Activities:				
Community Recreation:				
Salaries and Wages	172,465	175,947	173,990	1,957
Fringe Benefits	31,622	33,123	31,472	1,651
Purchased Services	72,792	122,809	104,432	18,377
Materials and Supplies	2,500	2,500	2,242	258
Total Leisure Time Activities	279,379	334,379	312,136	22,243
Debt Service:				
Principal Retirement	52,000	52,000	52,000	0
Interest and Fiscal Charges	11,475	11,475	11,475	0
Total Debt Service	63,475	63,475	63,475	0
<i>Total Expenditures</i>	6,213,870	6,358,370	5,767,771	590,599
<i>Excess of Revenues Over Expenditures</i>	\$1,171,582	\$1,038,064	\$2,000,942	\$962,878

(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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Sale of Capital Assets	\$10,000	\$10,000	\$1,051	(\$8,949)
Advances Out	(36,000)	(36,000)	0	36,000
Transfers Out	(801,800)	(2,215,800)	(2,312,706)	(96,906)
<i>Total Other Financing Sources (Uses)</i>	<u>(827,800)</u>	<u>(2,241,800)</u>	<u>(2,311,655)</u>	<u>(69,855)</u>
<i>Net Change in Fund Balance</i>	343,782	(1,203,736)	(310,713)	893,023
<i>Fund Balance Beginning of Year</i>	2,582,095	2,582,095	2,582,095	0
Prior Year Encumbrances Appropriated	<u>74,947</u>	<u>74,947</u>	<u>74,947</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,000,824</u></u>	<u><u>\$1,453,306</u></u>	<u><u>\$2,346,329</u></u>	<u><u>\$893,023</u></u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$12,650	\$12,650	\$20,785	\$8,135
Special Assessments	15,000	15,000	10,217	(4,783)
Intergovernmental	1,208,700	1,308,700	704,322	(604,378)
Interest	1,000	1,000	2,129	1,129
Other	10,650	10,650	16,241	5,591
<i>Total Revenues</i>	<u>1,248,000</u>	<u>1,348,000</u>	<u>753,694</u>	<u>(594,306)</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	489,773	467,023	457,694	9,329
Fringe Benefits	296,080	333,209	327,466	5,743
Purchased Services	168,515	154,692	124,199	30,493
Materials and Supplies	764,905	942,216	751,814	190,402
Capital Outlay	124,285	126,418	121,793	4,625
<i>Total Transportation</i>	<u>1,843,558</u>	<u>2,023,558</u>	<u>1,782,966</u>	<u>240,592</u>
Debt Service:				
Principal Retirement	154,216	154,216	154,216	0
Interest and Fiscal Charges	14,266	14,266	14,266	0
<i>Total Debt Service</i>	<u>168,482</u>	<u>168,482</u>	<u>168,482</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,012,040</u>	<u>2,192,040</u>	<u>1,951,448</u>	<u>240,592</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(764,040)</u>	<u>(844,040)</u>	<u>(1,197,754)</u>	<u>(353,714)</u>
Other Financing Sources				
Sale of Capital Assets	2,000	2,000	1,842	(158)
Transfers In	700,000	1,000,000	1,200,000	200,000
<i>Total Other Financing Sources</i>	<u>702,000</u>	<u>1,002,000</u>	<u>1,201,842</u>	<u>199,842</u>
<i>Net Change in Fund Balance</i>	(62,040)	157,960	4,088	(153,872)
<i>Fund Deficit Beginning of Year</i>	(30,975)	(30,975)	(30,975)	0
Prior Year Encumbrances Appropriated	208,089	208,089	208,089	0
<i>Fund Balance End of Year</i>	<u>\$115,074</u>	<u>\$335,074</u>	<u>\$181,202</u>	<u>(\$153,872)</u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Property Taxes	\$1,613,191	\$1,613,191	\$1,613,191	\$0
Charges for Services	270,800	270,800	312,124	41,324
Intergovernmental	340,278	334,970	236,190	(98,780)
Other	21,100	21,100	20,141	(959)
<i>Total Revenues</i>	<u>2,245,369</u>	<u>2,240,061</u>	<u>2,181,646</u>	<u>(58,415)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Salaries and Wages	1,469,037	1,403,872	1,203,471	200,401
Fringe Benefits	561,076	632,108	573,693	58,415
Purchased Services	438,225	461,402	438,875	22,527
Materials and Supplies	61,843	61,843	32,883	28,960
Capital Outlay	95,193	95,193	93,931	1,262
Total Security of Persons and Property	<u>2,625,374</u>	<u>2,654,418</u>	<u>2,342,853</u>	<u>311,565</u>
Debt Service:				
Principal Retirement	75,182	75,182	75,182	0
Interest and Fiscal Charges	4,625	4,625	4,625	0
Total Debt Service	<u>79,807</u>	<u>79,807</u>	<u>79,807</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,705,181</u>	<u>2,734,225</u>	<u>2,422,660</u>	<u>311,565</u>
<i>Net Change in Fund Balance</i>	<u>(459,812)</u>	<u>(494,164)</u>	<u>(241,014)</u>	<u>253,150</u>
<i>Fund Balance Beginning of Year</i>	1,327,065	1,327,065	1,327,065	0
Prior Year Encumbrances Appropriated	<u>25,942</u>	<u>25,942</u>	<u>25,942</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$893,195</u>	<u>\$858,843</u>	<u>\$1,111,993</u>	<u>\$253,150</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Fines and Forfeitures	\$20,621	\$20,621	\$30,155	\$9,534
Expenditures				
Current:				
Community Environment:				
Economic Development:				
Capital Outlay	250,000	1,052,000	943,449	108,551
<i>Excess of Revenues Under Expenditures</i>	(229,379)	(1,031,379)	(913,294)	118,085
Other Financing Sources				
Sale of Capital Assets	0	0	559,718	559,718
Notes Issued	0	0	800,000	800,000
Premium on Notes	0	0	2,000	2,000
<i>Total Other Financing Sources</i>	0	0	1,361,718	1,361,718
<i>Net Change in Fund Balance</i>	(229,379)	(1,031,379)	448,424	1,479,803
<i>Fund Balance Beginning of Year</i>	138,162	138,162	138,162	0
<i>Fund Balance (Deficit) End of Year</i>	(\$91,217)	(\$893,217)	\$586,586	\$1,479,803

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Special Assessments	\$349,836	\$189,000	\$176,227	(\$12,773)
Expenditures				
Current:				
General Government:				
Purchase Services	7,000	6,971	2,924	4,047
Debt Service:				
Principal Retirement:				
2010 Various Purpose Bonds - Series B	55,000	55,000	55,000	0
2012 Various Purpose Bonds	27,000	27,000	27,000	0
2012 Barber Road Refunding Bonds	52,000	52,000	51,060	940
Total Principal Retirement	134,000	134,000	133,060	940
Interest and Fiscal Charges:				
2010 Various Purpose Bonds - Series B	38,430	38,432	38,432	0
2012 Various Purpose Bonds	16,727	16,754	16,753	1
2012 Barber Road Refunding Bonds	8,991	8,991	8,236	755
Total Interest and Fiscal Charges	64,148	64,177	63,421	756
Total Debt Service	198,148	198,177	196,481	1,696
<i>Total Expenditures</i>	205,148	205,148	199,405	5,743
<i>Net Change in Fund Balance</i>	144,688	(16,148)	(23,178)	(7,030)
<i>Fund Balance Beginning of Year</i>	243,505	243,505	243,505	0
<i>Fund Balance End of Year</i>	\$388,193	\$227,357	\$220,327	(\$7,030)

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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Municipal Income Tax	\$520,000	\$520,000	\$614,950	\$94,950
Intergovernmental	75,000	75,000	75,000	0
<i>Total Revenues</i>	<u>595,000</u>	<u>595,000</u>	<u>689,950</u>	<u>94,950</u>
Expenditures				
Capital Outlay:				
Purchased Services	560,000	560,000	382,669	177,331
Capital Outlay	367,997	367,997	367,997	0
Total Capital Outlay	<u>927,997</u>	<u>927,997</u>	<u>750,666</u>	<u>177,331</u>
Debt Service:				
Principal Retirement	87,000	87,000	86,940	60
Interest and Fiscal Charges	16,000	16,000	14,024	1,976
Total Debt Service	<u>103,000</u>	<u>103,000</u>	<u>100,964</u>	<u>2,036</u>
<i>Total Expenditures</i>	<u>1,030,997</u>	<u>1,030,997</u>	<u>851,630</u>	<u>179,367</u>
<i>Net Change in Fund Balance</i>	(435,997)	(435,997)	(161,680)	274,317
<i>Fund Balance Beginning of Year</i>	2,661,806	2,661,806	2,661,806	0
Prior Year Encumbrances Appropriated	<u>17,997</u>	<u>17,997</u>	<u>17,997</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,243,806</u></u>	<u><u>\$2,243,806</u></u>	<u><u>\$2,518,123</u></u>	<u><u>\$274,317</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland-Massillon Widening Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues				
Intergovernmental	\$851,400	\$1,375,067	\$3,337,902	\$1,962,835
Other	0	0	255	255
<i>Total Revenues</i>	<u>851,400</u>	<u>1,375,067</u>	<u>3,338,157</u>	<u>1,963,090</u>
Expenditures				
Capital Outlay:				
Capital Outlay	3,307,597	3,307,597	4,992,960	(1,685,363)
Debt Service:				
Debt Issuance Costs	0	0	8,000	(8,000)
<i>Total Expenditures</i>	<u>3,307,597</u>	<u>3,307,597</u>	<u>5,000,960</u>	<u>(1,693,363)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,456,197)</u>	<u>(1,932,530)</u>	<u>(1,662,803)</u>	<u>269,727</u>
Other Financing Sources				
SIB Loans Issued	0	2,758,000	1,508,215	1,249,785
Transfers In	0	0	72,967	72,967
<i>Total Other Financing Sources</i>	<u>0</u>	<u>2,758,000</u>	<u>1,581,182</u>	<u>1,322,752</u>
<i>Net Change in Fund Balance</i>	(2,456,197)	825,470	(81,621)	1,592,479
<i>Fund Balance Beginning of Year</i>	50,879	50,879	50,879	0
Prior Year Encumbrances Appropriated	147,597	147,597	147,597	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$2,257,721)</u>	<u>\$1,023,946</u>	<u>\$116,855</u>	<u>\$1,592,479</u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Improvement Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$43,275	\$57,107	\$13,832
Interest	0	1,847	1,847
<i>Total Revenues</i>	43,275	58,954	15,679
Expenditures			
Current:			
Transportation:			
State Highway:			
Materials and Supplies	110,000	106,974	3,026
<i>Excess of Revenues Under Expenditures</i>	(66,725)	(48,020)	18,705
Other Financing Uses			
Transfers Out	(36,000)	0	36,000
<i>Net Change in Fund Balance</i>	(102,725)	(48,020)	54,705
<i>Fund Balance Beginning of Year</i>	82,928	82,928	0
Prior Year Encumbrances Appropriated	50,000	50,000	0
<i>Fund Balance End of Year</i>	\$30,203	\$84,908	\$54,705

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Permissive License Plate Tax Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$70,000	\$304,936	\$234,936
Expenditures			
Current:			
Transportation:			
Special Permissive License Plate Tax:			
Purchased Services	466,975	443,472	23,503
<i>Excess of Revenues Under Expenditures</i>	(396,975)	(138,536)	258,439
Other Financing Sources			
Transfers In	0	98,000	98,000
<i>Net Change in Fund Balance</i>	(396,975)	(40,536)	356,439
<i>Fund Balance Beginning of Year</i>	120,762	120,762	0
Prior Year Encumbrances Appropriated	6,975	6,975	0
<i>Fund Balance (Deficit) End of Year</i>	(\$269,238)	\$87,201	\$356,439

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DARE Program Fund
For the Year Ended December 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$6,000	\$7,435	\$1,435
Expenditures			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Salaries and Wages	23,000	0	23,000
Materials and Supplies	100	0	100
<i>Total Expenditures</i>	23,100	0	23,100
<i>Excess of Revenues Over (Under) Expenditures</i>	(17,100)	7,435	24,535
Other Financing Sources			
Transfers In	24,000	0	(24,000)
<i>Net Change in Fund Balance</i>	6,900	7,435	535
<i>Fund Balance Beginning of Year</i>	53,730	53,730	0
<i>Fund Balance End of Year</i>	\$60,630	\$61,165	\$535

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$100	\$300	\$200
Expenditures			
Current:			
Security of Persons and Property:			
Drug Law Enforcement:			
Capital Outlay	1,500	0	1,500
<i>Net Change in Fund Balance</i>	(1,400)	300	1,700
<i>Fund Balance Beginning of Year</i>	2,952	2,952	0
<i>Fund Balance End of Year</i>	<u>\$1,552</u>	<u>\$3,252</u>	<u>\$1,700</u>

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, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$12,100	\$175	(\$11,925)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Capital Outlay	12,000	0	12,000
<i>Net Change in Fund Balance</i>	100	175	75
<i>Fund Balance Beginning of Year</i>	220,836	220,836	0
<i>Fund Balance End of Year</i>	\$220,936	\$221,011	\$75

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DWI Enforcement and Education Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$3,000	\$2,328	(\$672)
Expenditures			
Current:			
Security of Persons and Property:			
Law Enforcement:			
Purchased Services	30,620	21,637	8,983
<i>Excess of Revenues Under Expenditures</i>	(27,620)	(19,309)	8,311
Other Financing Sources			
Transfers In	37,000	16,000	(21,000)
<i>Net Change in Fund Balance</i>	9,380	(3,309)	(12,689)
<i>Fund Balance Beginning of Year</i>	2,711	2,711	0
Prior Year Encumbrances Appropriated	3,120	3,120	0
<i>Fund Balance End of Year</i>	\$15,211	\$2,522	(\$12,689)

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, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$0	\$335	\$335
Expenditures			
Current:			
Public Health Services:			
Cemetery:			
Purchased Services	11,750	0	11,750
<i>Net Change in Fund Balance</i>	(11,750)	335	12,085
<i>Fund Balance Beginning of Year</i>	20,274	20,274	0
<i>Fund Balance End of Year</i>	\$8,524	\$20,609	\$12,085

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, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$150	\$0	(\$150)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	150	0	(150)
<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>\$5,409</u></u>	<u><u>\$5,259</u></u>	<u><u>(\$150)</u></u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Disability and Pension Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$68,096	\$68,096	\$0
Intergovernmental	9,883	9,957	74
<i>Total Revenues</i>	<u>77,979</u>	<u>78,053</u>	<u>74</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police and Fire Disability and Pension:			
Fringe Benefits	85,000	107,970	(22,970)
Purchased Services	2,000	1,085	915
<i>Total Expenditures</i>	<u>87,000</u>	<u>109,055</u>	<u>(22,055)</u>
<i>Net Change in Fund Balance</i>	(9,021)	(31,002)	(21,981)
<i>Fund Balance Beginning of Year</i>	<u>207,419</u>	<u>207,419</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$198,398</u>	<u>\$176,417</u>	<u>(\$21,981)</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$88,000	\$194,651	\$106,651
Intergovernmental	200	0	(200)
<i>Total Revenues</i>	<u>88,200</u>	<u>194,651</u>	<u>106,451</u>
Expenditures			
Current:			
Public Health Services:			
Waterline Improvement:			
Purchased Services	55,500	937	54,563
Capital Outlay	764,500	760,843	3,657
<i>Total Expenditures</i>	<u>820,000</u>	<u>761,780</u>	<u>58,220</u>
<i>Net Change in Fund Balance</i>	(731,800)	(567,129)	164,671
<i>Fund Balance Beginning of Year</i>	1,136,950	1,136,950	0
Prior Year Encumbrances Appropriated	<u>63,700</u>	<u>63,700</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$468,850</u></u>	<u><u>\$633,521</u></u>	<u><u>\$164,671</u></u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$40,000	\$75,026	\$35,026
Expenditures			
Current:			
Public Health Services:			
Sewerline Improvement:			
Purchased Services	56,900	53,500	3,400
Capital Outlay	153,600	0	153,600
<i>Total Expenditures</i>	210,500	53,500	157,000
<i>Net Change in Fund Balance</i>	(170,500)	21,526	192,026
<i>Fund Balance Beginning of Year</i>	1,225,267	1,225,267	0
<i>Fund Balance End of Year</i>	\$1,054,767	\$1,246,793	\$192,026

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, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$66,500	\$42,405	(\$24,095)
Expenditures			
Current:			
Security of Persons and Property:			
Sewerline Improvement:			
Capital Outlay	70,000	47,258	22,742
<i>Net Change in Fund Balance</i>	(3,500)	(4,853)	(1,353)
<i>Fund Balance Beginning of Year</i>	229,860	229,860	0
<i>Fund Balance End of Year</i>	\$226,360	\$225,007	(\$1,353)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$55,000	\$0	(\$55,000)
Fines and Forfeitures	600,000	90,098	(509,902)
Interest	2,000	9,171	7,171
Other	0	3,995	3,995
<i>Total Revenues</i>	<u>657,000</u>	<u>103,264</u>	<u>(553,736)</u>
Expenditures			
Current:			
Transportation:			
Road Program:			
Materials and Supplies	40,000	40,000	0
Capital Outlay	1,223,668	1,220,400	3,268
<i>Total Expenditures</i>	<u>1,263,668</u>	<u>1,260,400</u>	<u>3,268</u>
<i>Excess of Revenues Under Expenditures</i>	(606,668)	(1,157,136)	(550,468)
Other Financing Sources			
Transfers In	791,204	568,739	(222,465)
<i>Net Change in Fund Balance</i>	184,536	(588,397)	(772,933)
<i>Fund Balance Beginning of Year</i>	694,499	694,499	0
Prior Year Encumbrances Appropriated	3,668	3,668	0
<i>Fund Balance End of Year</i>	<u>\$882,703</u>	<u>\$109,770</u>	<u>(\$772,933)</u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Rentals	\$8,000	\$15,768	\$7,768
Expenditures			
Current:			
Leisure Time Activities:			
Community Recreation:			
Purchased Services	45,395	20,952	24,443
<i>Net Change in Fund Balance</i>	(37,395)	(5,184)	32,211
<i>Fund Balance Beginning of Year</i>	18,831	18,831	0
Prior Year Encumbrances Appropriated	2,245	2,245	0
<i>Fund Balance (Deficit) End of Year</i>	(\$16,319)	\$15,892	\$32,211

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Greenwich Road Fund
For the Year Ended December 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$0	\$500	\$500
Expenditures			
Current:			
Leisure Time Activities:			
Historical Greenwich Road:			
Purchased Services	5,807	1,906	3,901
<i>Net Change in Fund Balance</i>	(5,807)	(1,406)	4,401
<i>Fund Balance Beginning of Year</i>	4,950	4,950	0
Prior Year Encumbrances Appropriated	807	807	0
<i>Fund Balance (Deficit) End of Year</i>	(\$50)	\$4,351	\$4,401

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, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,500	\$169	(10,331)
Expenditures			
Current:			
General Government:			
Recycling:			
Purchased Services	12,000	0	12,000
<i>Net Change in Fund Balance</i>	(1,500)	169	1,669
<i>Fund Balance Beginning of Year</i>	27,446	27,446	0
<i>Fund Balance End of Year</i>	\$25,946	\$27,615	\$1,669

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
General Government:			
Fringe Benefits	25,414	1,904	23,510
Security of Persons and Property:			
Fringe Benefits	50,546	50,546	0
Transportation:			
Fringe Benefits	28,716	28,716	0
Leisure Time Activities:			
Fringe Benefits	<u>9,572</u>	<u>9,572</u>	<u>0</u>
<i>Total Expenditures</i>	<u>114,248</u>	<u>90,738</u>	<u>23,510</u>
<i>Net Change in Fund Balance</i>	(114,248)	(90,738)	23,510
<i>Fund Balance Beginning of Year</i>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$35,752</u></u>	<u><u>\$59,262</u></u>	<u><u>\$23,510</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$2,400	\$2,286	(\$114)
Expenditures			
Current:			
General Government:			
Purchased Services	2,650	38	2,612
Debt Service:			
Principal Retirement:			
2010 Various Purpose Bonds - Series A	80,000	80,000	0
2012 General Obligation Refunding Bonds	10,000	10,000	0
Total Principal Retirement	90,000	90,000	0
Interest and Fiscal Charges:			
2010 Various Purpose Bonds - Series A	93,375	93,375	0
2012 General Obligation Refunding Bonds	2,000	1,950	50
Total Interest and Fiscal Charges	95,375	95,325	50
Total Debt Service	185,375	185,325	50
<i>Total Expenditures</i>	188,025	185,363	2,662
<i>Excess of Revenues Under Expenditures</i>	(185,625)	(183,077)	2,548
Other Financing Sources			
Transfers In	382,800	182,000	(200,800)
<i>Net Change in Fund Balance</i>	197,175	(1,077)	(198,252)
<i>Fund Balance Beginning of Year</i>	2,013	2,013	0
<i>Fund Balance End of Year</i>	\$199,188	\$936	(\$198,252)

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land and Land Improvements Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$100,000	\$134,018	\$34,018
Expenditures			
Capital Outlay:			
Capital Outlay	375,000	372,181	2,819
Debt Service:			
Principal Retirement	15,000	15,000	0
Interest and Fiscal Charges	2,850	2,400	450
Total Debt Service	17,850	17,400	450
<i>Total Expenditures</i>	392,850	389,581	3,269
<i>Net Change in Fund Balance</i>	(292,850)	(255,563)	37,287
<i>Fund Balance Beginning of Year</i>	508,028	508,028	0
<i>Fund Balance End of Year</i>	\$215,178	\$252,465	\$37,287

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Streets, Highways and Bridges Fund
For the Year Ended December 31, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Capital Outlay	165,000	165,000	0
<i>Net Change in Fund Balance</i>	(165,000)	(165,000)	0
<i>Fund Balance Beginning of Year</i>	191,631	191,631	0
<i>Fund Balance End of Year</i>	\$26,631	\$26,631	\$0

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, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$754,000	\$293,241	(\$460,759)
Expenditures			
Capital Outlay:			
Capital Outlay	1,498,000	411,009	1,086,991
Debt Service:			
Issuance Costs	2,000	2,000	0
<i>Total Expenditures</i>	<u>1,500,000</u>	<u>413,009</u>	<u>1,086,991</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(746,000)</u>	<u>(119,768)</u>	<u>626,232</u>
Other Financing Sources			
SIB Loans Issued	0	2,000	2,000
Transfers In	0	175,000	175,000
<i>Total Other Financing Sources</i>	<u>0</u>	<u>177,000</u>	<u>177,000</u>
<i>Net Change in Fund Balance</i>	(746,000)	57,232	803,232
<i>Fund Balance Beginning of Year</i>	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$745,990)</u></u>	<u><u>\$57,242</u></u>	<u><u>\$803,232</u></u>

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, 2019*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$31,443	\$31,443
Expenditures			
Capital Outlay:			
Capital Outlay	650,000	311,979	338,021
<i>Excess of Revenues Under Expenditures</i>	(650,000)	(280,536)	369,464
Other Financing Sources			
OPWC Proceeds	476,500	280,536	195,964
<i>Net Change in Fund Balance</i>	(173,500)	0	565,428
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$173,500)	\$0	\$565,428



Statistical

Section

(This Page Intentionally Left Blank)

Statistical Section

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

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

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

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

	<u>2019 (3)</u>	<u>2018 (2)</u>	<u>2017</u>	<u>2016</u>
Governmental Activities				
Net Investment in Capital Assets	\$26,082,717	\$20,431,843	\$18,234,870	\$21,366,802
Restricted:				
Capital Projects	664,262	390,117	384,597	419,111
Debt Service	914,230	889,748	1,174,698	2,030,745
Police	613,847	730,136	300,936	128,039
Fire/EMS	1,769,738	1,766,264	1,884,573	1,823,272
Transportation	1,350,554	846,707	675,219	721,503
Public Utilities	2,024,302	2,205,841	2,160,341	2,197,256
Economic Development	381,470	158,783	0	0
Other Purposes	0	0	0	0
Unclaimed Monies	15,107	14,879	9,542	9,542
Unrestricted (Deficit)	<u>310,799</u>	<u>(1,482,016)</u>	<u>(1,355,012)</u>	<u>2,711,856</u>
<i>Total Governmental Activities Net Position</i>	<u><u>\$34,127,026</u></u>	<u><u>\$25,952,302</u></u>	<u><u>\$23,469,764</u></u>	<u><u>\$31,408,126</u></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.

2015 (1)	2014	2013	2012	2011	2010
\$19,026,829	\$17,549,395	\$15,997,153	\$15,103,220	\$15,529,859	\$14,229,214
255,837	298,792	319,094	454,614	325,017	949,705
1,883,002	2,135,396	2,206,606	2,269,790	399,345	383,156
133,343	108,101	87,313	62,123	83,564	66,161
1,919,138	1,714,333	1,600,748	1,338,729	1,186,143	1,632,559
972,141	960,450	1,035,559	780,096	647,652	504,317
1,980,557	1,662,644	1,621,036	1,497,061	851,439	717,047
0	0	0	0	0	0
64,363	63,297	60,950	57,990	52,709	113,047
8,329	8,329	7,033	6,633	5,320	5,320
3,736,490	3,152,937	6,049,719	5,446,624	4,212,600	2,972,863
<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>	<u>\$21,573,389</u>

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

	2019 (3)	2018 (2)	2017	2016
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$520,682	\$260,145	\$510,674	\$331,914
Security of Persons and Property	391,222	666,507	661,825	369,815
Transportation	59,738	500,760	15,568	13,888
Community Environment	37,447	2,685	3,807	3,468
Public Health Services	265,057	249,304	170,235	251,703
Leisure Time Activities	32,938	24,944	14,267	16,753
Subtotal - Charges for Services	<u>1,307,084</u>	<u>1,704,345</u>	<u>1,376,376</u>	<u>987,541</u>
Operating Grants and Contributions:				
General Government	169	72,585	15,939	14,190
Security of Persons and Property	257,631	257,938	255,391	250,064
Transportation	1,284,684	821,277	810,800	834,131
Leisure Time Activities	2,250	50	1,614	2,488
Subtotal - Operating Grants and Contributions	<u>1,544,734</u>	<u>1,151,850</u>	<u>1,083,744</u>	<u>1,100,873</u>
Capital Grants and Contributions:				
General Government	57,080	0	0	0
Transportation	3,791,692	1,003,114	570,681	314,191
Public Health Services	31,443	74,598	40,000	0
Subtotal - Capital Grants and Contributions	<u>3,880,215</u>	<u>1,077,712</u>	<u>610,681</u>	<u>314,191</u>
<i>Total Governmental Activities Program Revenues</i>	<u>6,732,033</u>	<u>3,933,907</u>	<u>3,070,801</u>	<u>2,402,605</u>
Expenses				
Governmental Activities:				
General Government	2,826,474	2,650,174	2,074,731	2,182,194
Security of Persons and Property	2,652,411	5,573,805	5,126,841	4,639,014
Transportation	2,237,809	1,887,289	1,827,182	1,864,094
Community Environment	52,379	51,948	61,897	50,195
Public Health Services	262,469	135,116	103,112	154,236
Leisure Time Activities	391,354	407,627	326,356	278,580
Interest and Fiscal Charges	199,599	188,739	218,080	216,860
<i>Total Governmental Activities Expenses</i>	<u>8,622,495</u>	<u>10,894,698</u>	<u>9,738,199</u>	<u>9,385,173</u>
Net (Expense)/Revenue	<u>(\$1,890,462)</u>	<u>(\$6,960,791)</u>	<u>(\$6,667,398)</u>	<u>(\$6,982,568)</u>

2015 (1)	2014	2013	2012	2011	2010
\$320,652	\$301,110	\$361,645	\$2,264,295	\$302,108	\$276,251
390,310	457,479	452,148	410,342	598,990	297,053
20,008	80,220	45,147	5,346	97,791	19,669
4,381	14,538	11,415	13,861	9,913	11,201
326,831	283,247	269,186	335,691	98,585	583,767
11,498	6,418	4,862	3,977	8,123	113,014
<u>1,073,680</u>	<u>1,143,012</u>	<u>1,144,403</u>	<u>3,033,512</u>	<u>1,115,510</u>	<u>1,300,955</u>
20,362	21,670	15,076	0	0	0
600,938	244,608	285,302	236,940	245,158	431,812
730,329	754,921	776,227	759,919	776,542	1,040,826
8,314	2,912	0	0	0	0
<u>1,359,943</u>	<u>1,024,111</u>	<u>1,076,605</u>	<u>996,859</u>	<u>1,021,700</u>	<u>1,472,638</u>
0	0	0	0	0	0
335,767	554,695	214,930	145,167	257,935	3,971
0	0	0	0	8,388	377,076
<u>335,767</u>	<u>554,695</u>	<u>214,930</u>	<u>145,167</u>	<u>266,323</u>	<u>381,047</u>
<u>2,769,390</u>	<u>2,721,818</u>	<u>2,435,938</u>	<u>4,175,538</u>	<u>2,403,533</u>	<u>3,154,640</u>
2,215,323	1,897,592	1,936,401	2,024,702	1,867,424	2,162,226
4,279,816	4,054,819	4,046,180	3,404,024	3,894,241	4,596,289
1,861,856	2,219,620	1,585,557	1,369,735	1,361,018	942,026
83,176	182,717	176,888	205,175	136,519	207,963
26,810	279,427	88,571	90,538	336,423	0
359,994	115,566	153,148	132,009	173,648	151,742
218,992	218,845	250,152	355,527	280,450	241,181
<u>9,045,967</u>	<u>8,968,586</u>	<u>8,236,897</u>	<u>7,581,710</u>	<u>8,049,723</u>	<u>8,301,427</u>
<u>(\$6,276,577)</u>	<u>(\$6,246,768)</u>	<u>(\$5,800,959)</u>	<u>(\$3,406,172)</u>	<u>(\$5,646,190)</u>	<u>(\$5,146,787)</u>

(continued)

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

	2019 (3)	2018 (2)	2017	2016
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$368,191	\$358,665	\$344,233	\$337,668
Police and Fire Disability and Pension	69,036	67,250	64,544	63,312
Fire/EMS	1,635,479	1,585,645	1,611,809	1,583,197
Municipal Income Taxes levied for				
General Purposes	5,925,548	5,782,387	5,677,465	5,291,209
Debt Service	0	0	0	0
Water and Sewer Improvements	600,192	553,798	634,629	636,854
Grants and Entitlements not Restricted to				
Specific Programs	545,437	690,108	491,771	394,364
Interest	376,793	48,658	54,646	14,469
Gain on Sale of Assets Held for Resale	137,587	0	0	0
Other	406,923	353,752	126,991	89,592
<i>Total Governmental Activities</i>	<u>10,065,186</u>	<u>9,440,263</u>	<u>9,006,088</u>	<u>8,410,665</u>
Special Item - Loss on Transfer of Operations	<u>0</u>	<u>0</u>	<u>(5,949,503)</u>	<u>0</u>
Change in Net Position	<u><u>\$8,174,724</u></u>	<u><u>\$2,479,472</u></u>	<u><u>(\$3,610,813)</u></u>	<u><u>\$1,428,097</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.

2015 (1)	2014	2013	2012	2011	2010
\$337,438	\$344,483	\$334,169	\$382,368	\$337,450	\$379,153
63,270	64,597	62,650	63,078	71,888	88,107
1,762,935	1,636,440	1,651,119	1,215,093	1,303,819	1,285,947
5,236,793	4,523,622	4,391,800	4,316,218	4,227,715	3,745,475
0	0	0	0	80,000	113,273
648,945	624,802	694,590	549,706	406,234	310,855
422,526	430,244	455,722	409,661	753,015	908,884
4,355	4,331	6,920	6,069	6,412	9,242
0	0	0	0	0	0
126,670	112,396	172,320	187,211	179,916	262,136
8,602,932	7,740,915	7,769,290	7,129,404	7,366,449	7,103,072
0	0	0	0	0	0
\$2,326,355	\$1,494,147	\$1,968,331	\$3,723,232	\$1,720,259	\$1,956,285

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

	2019 (1)	2018	2017	2016
General Fund				
Nonspendable	\$57,254	\$55,215	\$44,898	\$38,681
Committed	302,024	160,374	215,625	49,313
Assigned	1,002,186	871,348	549,876	391,007
Unassigned	2,420,526	2,992,508	3,134,220	2,889,200
Total General Fund	<u>3,781,990</u>	<u>4,079,445</u>	<u>3,944,619</u>	<u>3,368,201</u>
All Other Governmental Funds				
Nonspendable	1,369,735	222,801	299,924	446,443
Restricted	5,157,109	5,927,429	5,341,443	4,519,704
Committed	2,545,834	2,549,497	1,777,814	1,611,360
Assigned	(343,773)	542,078	296,859	276,999
Unassigned (Deficit)	209,577	(12,642)	(17,799)	N/A
Total All Other Governmental Funds	<u>8,938,482</u>	<u>9,229,163</u>	<u>7,698,241</u>	<u>6,854,506</u>
Total Governmental Funds	<u>\$12,720,472</u>	<u>\$13,308,608</u>	<u>\$11,642,860</u>	<u>\$10,222,707</u>

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

2015	2014	2013	2012	2011	2010
\$26,969	\$37,610	\$98,982	\$44,748	\$32,783	\$27,921
139,396	288,342	288,560	119,975	253,670	217,314
1,319,338	2,294,197	897,613	424,568	96,525	108,088
2,432,922	1,057,499	2,661,398	3,154,498	2,403,847	1,130,346
3,918,625	3,677,648	3,946,553	3,743,789	2,786,825	1,483,669
243,160	189,003	383,514	329,246	260,680	247,239
4,612,381	4,035,695	3,984,514	3,613,285	2,476,805	3,254,262
1,832,367	1,635,499	1,472,771	1,176,524	767,541	372,084
254,185	241,059	237,206	151,091	91,777	211,448
(139,208)	(162,453)	(184,773)	(253,907)	(236,462)	(184,108)
6,802,885	5,938,803	5,893,232	5,016,239	3,360,341	3,900,925
\$10,721,510	\$9,616,451	\$9,839,785	\$8,760,028	\$6,147,166	\$5,384,594

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

	2019	2018	2017	2016
Revenues				
Property Taxes	\$2,044,466	\$2,063,144	\$2,002,191	\$1,993,504
Municipal Income Taxes	6,887,698	5,998,755	6,535,766	5,855,346
Charges for Services	1,003,298	944,643	946,949	904,150
Special Assessments	186,444	178,454	357,932	202,419
Licenses, Permits and Fees	36,105	29,203	37,581	46,625
Fines and Forfeitures	52,571	1,054,056	40,186	25,588
Intergovernmental	5,796,343	3,001,957	2,076,566	1,803,860
Contributions and Donations	62,866	60,163	250	50
Interest	376,793	48,658	54,646	14,469
Rentals	32,938	15,454	0	0
Other	406,923	503,752	126,991	89,592
<i>Total Revenues</i>	<u>16,886,445</u>	<u>13,898,239</u>	<u>12,179,058</u>	<u>10,935,603</u>
Expenditures				
Current:				
General Government	2,511,077	2,580,372	2,624,479	2,177,948
Security of Persons and Property	5,112,694	4,823,870	4,638,589	4,359,494
Transportation	3,254,656	2,723,223	2,248,245	2,526,130
Community Environment	51,976	53,651	59,318	49,538
Public Health Services	639,330	147,748	13,658	32,912
Leisure Time Activities	337,852	290,941	242,472	259,183
Capital Outlay	6,979,297	1,227,055	758,799	1,554,870
Debt Service:				
Principal Retirement	606,398	702,457	550,761	558,170
Interest and Fiscal Charges	214,536	197,006	214,275	221,349
Bond Issuance Costs	10,000	0	0	0
<i>Total Expenditures</i>	<u>19,717,816</u>	<u>12,746,323</u>	<u>11,350,596</u>	<u>11,739,594</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,831,371)</u>	<u>1,151,916</u>	<u>828,462</u>	<u>(803,991)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	102,466	11,721	21,701	33,188
Excess from Sale of Assets Held for Resale	137,587	0	0	0
OPWC Loan Issued	280,536	0	13,990	0
SIB Loans Issued	1,510,215	0	0	0
Inception of Capital Lease	212,431	499,045	556,000	272,000
Refunding Bonds Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Bonds	0	0	0	0
Notes Issued	0	0	0	0
Premium on Notes	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0
Refunded Bonds Redeemed	0	0	0	0
Transfers In	1,743,967	1,561,794	1,088,410	1,666,557
Transfers Out	(1,743,967)	(1,561,794)	(1,088,410)	(1,666,557)
<i>Total Other Financing Sources (Uses)</i>	<u>2,243,235</u>	<u>510,766</u>	<u>591,691</u>	<u>305,188</u>
<i>Net Change in Fund Balances</i>	<u>(\$588,136)</u>	<u>\$1,662,682</u>	<u>\$1,420,153</u>	<u>(\$498,803)</u>
Debt Service as a Percentage of Noncapital Expenditures	8.0%	9.1%	8.5%	8.8%

2015	2014	2013	2012	2011	2010
\$2,001,248	\$2,026,631	\$2,082,476	\$1,686,380	\$1,683,465	\$1,730,639
5,832,540	4,963,954	5,086,439	4,837,150	4,645,951	4,182,044
948,416	850,157	845,918	889,126	665,220	919,612
203,517	216,399	220,208	189,719	160,343	270,117
58,842	157,191	45,683	47,727	33,694	73,657
35,324	74,276	87,202	90,768	170,662	145,257
2,189,512	1,998,353	1,693,928	1,659,832	2,256,857	2,660,564
0	0	0	0	0	0
4,355	4,331	6,920	6,069	6,412	9,242
0	0	0	0	0	0
126,670	112,396	172,320	187,211	179,916	262,136
<u>11,400,424</u>	<u>10,403,688</u>	<u>10,241,094</u>	<u>9,593,982</u>	<u>9,802,520</u>	<u>10,253,268</u>
2,252,940	1,859,765	1,963,390	1,798,467	2,039,058	2,237,251
4,177,697	3,992,931	3,818,902	3,222,091	3,763,267	6,642,568
1,835,865	1,758,558	1,389,802	1,163,451	1,382,450	1,715,431
83,273	209,388	176,232	181,650	136,317	209,513
7,532	138,189	91,729	112,933	69,907	1,037,150
307,243	63,375	78,496	92,904	140,871	133,830
909,614	1,160,198	712,306	392,174	365,560	516,896
490,121	1,459,298	1,720,000	1,675,000	2,312,000	225,000
231,080	241,729	274,652	237,315	296,328	221,843
0	0	0	183,519	0	126,198
<u>10,295,365</u>	<u>10,883,431</u>	<u>10,225,509</u>	<u>9,059,504</u>	<u>10,505,758</u>	<u>13,065,680</u>
<u>1,105,059</u>	<u>(479,743)</u>	<u>15,585</u>	<u>534,478</u>	<u>(703,238)</u>	<u>(2,812,412)</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	256,409	64,172	0	0	0
0	0	0	2,238,000	0	0
0	0	0	0	0	3,890,000
0	0	0	657,000	0	0
0	0	0	149,211	0	136,235
0	0	1,000,000	1,315,000	1,315,000	1,967,000
0	0	0	0	0	17,206
0	0	0	(2,240,740)	0	0
0	0	0	(40,087)	0	0
1,409,482	844,785	1,061,733	928,519	1,010,988	655,094
<u>(1,409,482)</u>	<u>(844,785)</u>	<u>(1,061,733)</u>	<u>(928,519)</u>	<u>(860,178)</u>	<u>(655,094)</u>
<u>0</u>	<u>256,409</u>	<u>1,064,172</u>	<u>2,078,384</u>	<u>1,465,810</u>	<u>6,010,441</u>
<u>\$1,105,059</u>	<u>(\$223,334)</u>	<u>\$1,079,757</u>	<u>\$2,612,862</u>	<u>\$762,572</u>	<u>\$3,198,029</u>
8.3%	17.4%	21.7%	23.0%	27.5%	4.6%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
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
2010	220,322,280	43,993,900	755,189,086	5,582,820	6,344,114

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

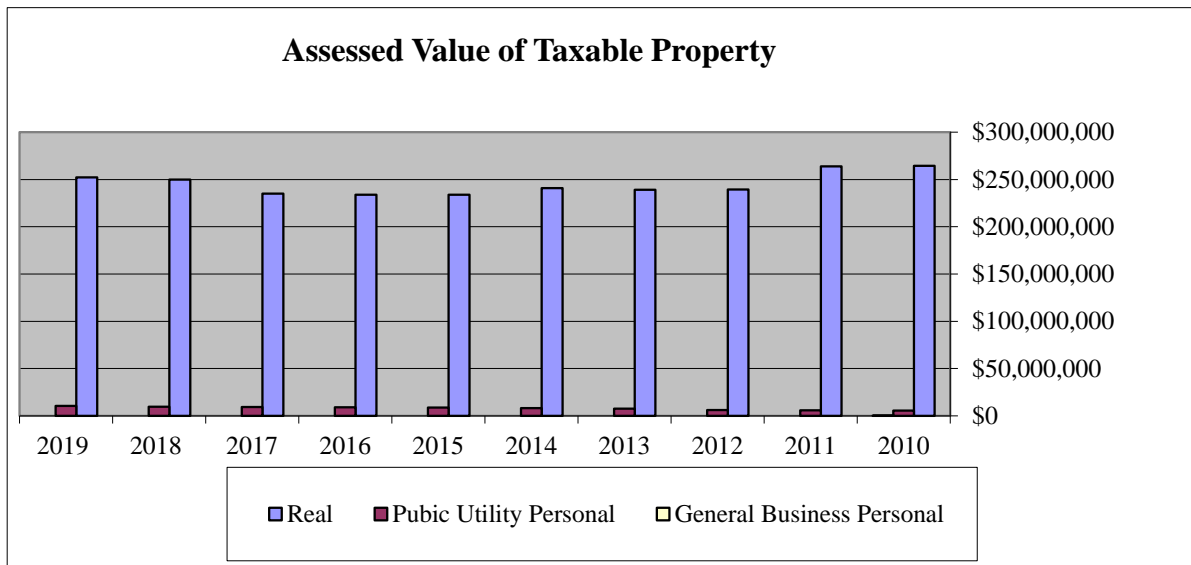
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. The last year telephone companies paid tangible personal property tax was 2010.

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

Source: Summit County, Fiscal Officer

Tangible Personal Property

General Business		Total			Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$0	\$0	\$262,765,350	\$732,779,252	35.86%	\$9.5000	\$9.7699
0	0	259,747,740	725,277,960	35.81	9.5000	9.6420
0	0	244,542,920	682,378,919	35.84	9.5000	9.4790
0	0	242,744,580	678,138,948	35.80	9.5000	9.4117
0	0	242,662,400	678,160,579	35.78	9.5000	9.4149
0	0	249,103,800	697,569,841	35.71	9.5000	9.4083
0	0	246,745,410	691,849,098	35.66	9.5000	9.5000
0	0	245,381,200	690,583,855	35.53	9.5000	9.5000
0	0	269,727,600	760,708,381	35.46	9.5000	7.5866
238,565	3,817,040	270,137,565	765,350,239	35.30	9.5000	7.3184



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

	2019	2018	2017	2016
Unvoted Millage				
Operating	\$1.6000	\$1.6000	\$1.6000	\$1.6000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>	<u>1.9000</u>
Voted Millage by Levy				
1988 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1988 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1996 Ambulance and EMS				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1996 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
2007 Fire				
Residential/Agricultural Real	2.8154	2.8090	2.8074	3.0000
Commercial/Industrial and Public Utility Real	2.7439	2.7412	2.7788	2.7685
General Business and Public Utility Personal	3.0000	3.0000	3.0000	3.0000
2012 Fire				
Residential/Agricultural Real	4.3170	4.3071	4.3046	4.6000
Commercial/Industrial and Public Utility Real	4.2073	4.2032	4.2608	4.2450
General Business and Public Utility Personal	4.6000	4.6000	4.6000	4.6000
Total Voted Millage by type of property				
Residential/Agricultural Real	\$7.1324	\$7.1161	\$7.1120	\$7.6000
Commercial/Industrial and Public Utility Real	6.9512	6.9444	7.0396	7.0135
General Business and Public Utility Personal	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>
Total Millage by type of property				
Residential/Agricultural Real	\$9.0324	\$9.0161	\$9.0120	\$9.5000
Commercial/Industrial and Public Utility Real	8.8512	8.8444	8.9396	8.9135
General Business and Public Utility Personal	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>
Total Weighted Average Tax Rate	<u>\$9.7699</u>	<u>\$9.6420</u>	<u>\$9.4790</u>	<u>\$9.4117</u>
Overlapping Rates by Taxing District				
Norton City School District				
Residential/Agricultural Real	\$33.8476	\$33.9302	\$35.7079	\$37.9003
Commercial/Industrial and Public Utility Real	43.6786	43.7751	46.1433	46.0701
General Business and Public Utility Personal	63.4000	63.5300	65.4500	65.6900
Summit County				
Residential/Agricultural Real	12.9177	11.9164	11.9075	12.6367
Commercial/Industrial and Public Utility Real	13.5472	12.5857	12.6367	12.4514
General Business and Public Utility Personal	13.7000	12.7000	12.7000	12.7000
Akron/Summit Library				
Residential/Agricultural Real	2.4024	2.4419	2.4414	2.6000
Commercial/Industrial and Public Utility Real	2.4926	2.5413	2.5547	2.5529
General Business and Public Utility Personal	2.5200	2.5600	2.5600	2.6000
Summit Metropolitan Park District				
Residential/Agricultural Real	1.3597	1.3595	1.3583	1.4599
Commercial/Industrial and Public Utility Real	1.4459	1.4508	1.4583	1.4287
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.

2015	2014	2013	2012	2011	2010
\$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	0.4622	0.4233
0.0000	0.0000	0.0000	0.0000	0.6722	0.5599
0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.7395	0.6772
0.0000	0.0000	0.0000	0.0000	1.0755	0.8958
0.0000	0.0000	0.0000	0.0000	1.6000	1.6000
0.0000	0.0000	0.0000	0.0000	0.6313	0.5781
0.0000	0.0000	0.0000	0.0000	0.9049	0.7537
0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.6313	0.5781
0.0000	0.0000	0.0000	0.0000	0.9049	0.7537
0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
2.7862	2.7612	3.0000	3.0000	3.0000	2.9765
3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
4.6000	4.6000	4.6000	4.6000	0.0000	0.0000
4.2722	4.2339	4.6000	4.6000	0.0000	0.0000
4.6000	4.6000	4.6000	4.6000	0.0000	0.0000
\$7.6000	\$7.6000	\$7.6000	\$7.6000	\$5.4643	\$5.2567
7.0584	6.9951	7.6000	7.6000	6.5575	5.9396
7.6000	7.6000	7.6000	7.6000	7.6000	7.6000
\$9.5000	\$9.5000	\$9.5000	\$9.5000	\$7.3643	\$7.1567
8.9584	8.8951	9.5000	9.5000	8.4575	7.8396
9.5000	9.5000	9.5000	9.5000	9.5000	9.5000
\$9.4149	\$9.4083	\$9.5000	\$9.5000	\$7.5866	\$7.3184
\$37.8793	\$37.8562	\$37.1794	\$33.2344	\$31.3055	\$29.2630
46.3062	45.8159	48.7633	44.8455	42.5417	37.1239
65.6900	65.6900	65.6900	61.8000	59.9000	59.9000
12.6392	12.6389	12.6216	12.6205	12.6193	12.5601
12.4764	12.4472	12.6974	12.6935	12.6843	12.2165
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
2.6200	2.1000	2.1100	2.1400	2.1000	2.1000
2.5854	2.0610	2.1100	2.1400	2.1000	2.0972
2.6200	2.1000	2.1100	2.1400	2.1000	2.1000
1.4600	1.4600	1.4600	1.4600	1.4600	1.4600
1.4317	1.4279	1.4600	1.4600	1.4600	1.4075
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
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
2010	1,974,665	1,873,101	94.86	71,363	1,944,464

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%	\$140,444	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
98.47	182,423	9.24

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>
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
2010	2.00	4,094,388	782,847	19.12	3,057,280	74.67

(1) Cash Basis

Taxes from Net Profits	Percentage of Taxes from Net Profits
\$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
254,261	6.21

City of Norton, Ohio
Principal Real Estate Property Taxpayers
 2019 and 2010

Taxpayer	2019	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,029,050	0.80 %
Albrecht, Incorporated	2,170,130	0.86
J R Engineering, Incorporated	1,732,060	0.69
Seal Real Estate Holdings, LLC	1,658,720	0.66
World Real Estate Services, LTD	1,567,620	0.62
Newpark Drive Limited Partnership	1,326,100	0.53
Pittsburgh Plate Glass Company	1,148,920	0.46
Falkenstein, Albert J. Trustee	982,970	0.39
Barber Road Storage, LLC	967,530	0.38
E. L. Stone Company	613,670	0.24
Total	\$14,196,770	5.63 %
Total Real Assessed Valuation	\$252,317,240	

Taxpayer	2010	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,730,020	1.04 %
B&C Corporation	2,179,760	0.82
Albrecht, Incorporated	2,055,400	0.78
World Real Estate Services, LTD	1,019,980	0.39
Falkenstein, Albert J. Trustee	1,012,920	0.38
Newpark Drive Limited Partnership	962,990	0.36
Pittsburgh Plate Glass Company	696,230	0.26
Trinity Broadcasting Network, Incorporated	655,260	0.25
Clayson, Incorporated	616,730	0.23
Fomo Products, Incorporated	605,540	0.23
Total	\$12,534,830	4.74 %
Total Real Assessed Valuation	\$264,316,180	

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>
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
2010	12,085	765,350,239	4,972,443	0.65	411.46

Sources:

(1) U. S. Bureau of Census, 2010-2019 - 2010 Census of Population.

(2) Summit County Fiscal Officer

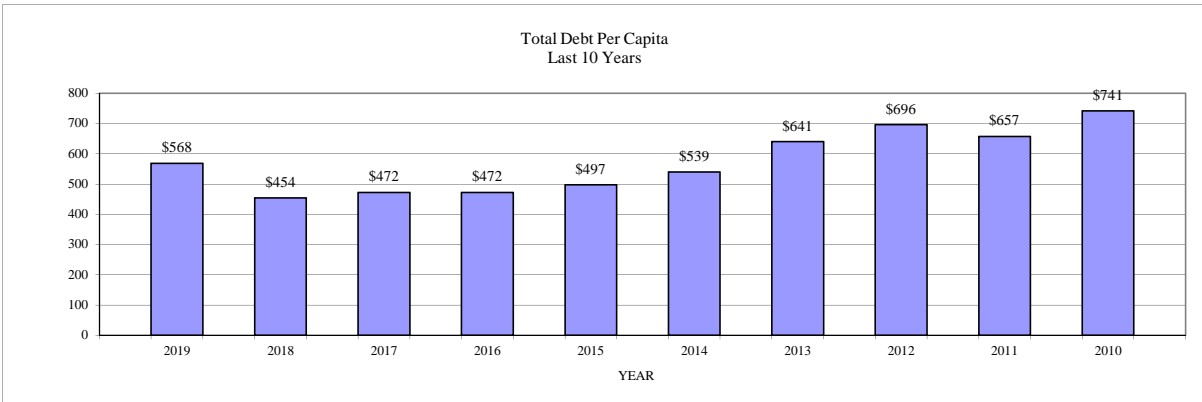
(3) Includes all general obligation bonded debt with the exception of special assessment debt.

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

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

Year	General Obligation Bonds	Long-Term Notes	Special Assessment Bonds	OPWC Loan	SIB Loans	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
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
2010	4,972,443	1,979,422	2,006,706	0	0	0	8,958,571	2.84	741

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, 2019

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct:			
General Obligation Bonds	\$2,510,555	100.00%	\$2,510,555
Special Assessment Bonds	1,579,232	100.00	1,579,232
OPWC Loan	280,536	100.00	280,536
SIB Loans	1,510,215	100.00	1,510,215
Capital Leases	981,842	100.00	981,842
<i>Total Direct Debt</i>	<u>6,862,380</u>		<u>6,862,380</u>
Overlapping:			
Norton City School District			
General Obligation Bonds	23,831,327	84.21	20,068,360
Akron-Summit County Library District			
General Obligation Bonds	5,135,000	3.03	155,591
Summit County			
General Obligation Bonds	68,420,955	2.10	1,436,840
Barberton City School District			
General Obligation Bonds	35,980,000	2.03	730,394
<i>Total Overlapping Debt</i>	<u>133,367,282</u>		<u>22,391,185</u>
Total	<u><u>\$140,229,662</u></u>		<u><u>\$29,253,565</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

	2019	2018	2017	2016
Total Assessed Property Value	<u>\$262,765,350</u>	<u>\$259,747,740</u>	<u>\$244,542,920</u>	<u>\$242,744,580</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$27,590,362</u>	<u>\$27,273,513</u>	<u>\$25,677,007</u>	<u>\$25,488,181</u>
Debt Outstanding:				
General Obligation Bonds	2,427,274	2,619,214	2,929,894	3,228,054
Special Assessment Bonds	1,522,726	1,655,786	1,790,106	1,921,946
OPWC Loan	280,536	0	13,990	0
SIB Loans	1,510,215	0	0	0
Notes	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>200,000</u>
Total Gross Indebtedness	5,740,751	4,275,000	4,833,990	5,350,000
Less:				
Special Assessment Bonds	(1,522,726)	(1,655,786)	(1,790,106)	(1,921,946)
Amount Available in Debt Service	<u>(936)</u>	<u>2,013</u>	<u>17</u>	<u>1,106</u>
Total Net Debt Applicable to Debt Limit	<u>4,217,089</u>	<u>2,621,227</u>	<u>3,043,901</u>	<u>3,429,160</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$23,373,273</u>	<u>\$24,652,286</u>	<u>\$22,633,106</u>	<u>\$22,059,021</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.72%	90.39%	88.15%	86.55%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$14,452,094</u>	<u>\$14,286,126</u>	<u>\$13,449,861</u>	<u>\$13,350,952</u>
Total Gross Indebtedness	5,740,751	4,275,000	4,833,990	5,350,000
Less:				
Special Assessment Bonds	(1,522,726)	(1,655,786)	(1,790,106)	(1,921,946)
Amount Available in Debt Service	<u>(936)</u>	<u>2,013</u>	<u>17</u>	<u>1,106</u>
Net Debt Within 5 ½ % Limitations	<u>4,217,089</u>	<u>2,621,227</u>	<u>3,043,901</u>	<u>3,429,160</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$10,235,005</u>	<u>\$11,664,899</u>	<u>\$10,405,960</u>	<u>\$9,921,792</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	70.82%	81.65%	77.37%	74.32%

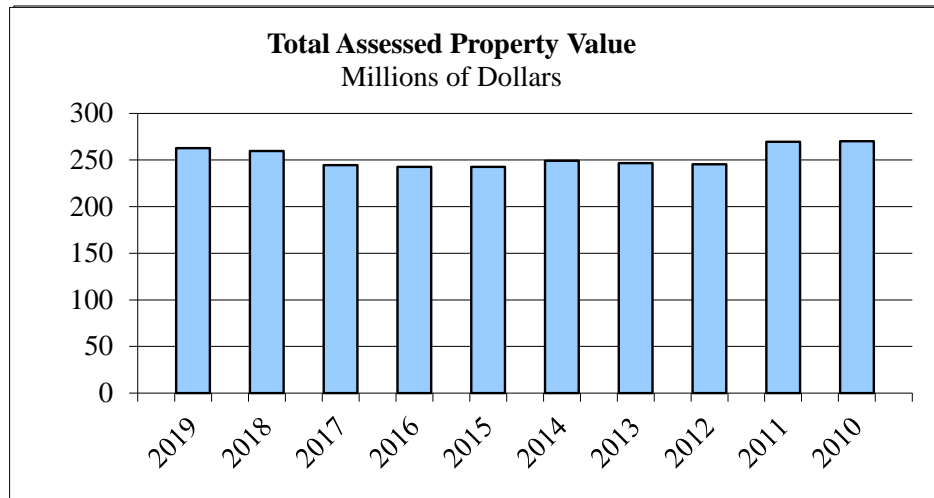
Source: City Financial Records

2015	2014	2013	2012	2011	2010
<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>\$270,137,565</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>	<u>\$28,364,444</u>
3,526,694	3,819,444	4,106,044	4,383,362	4,632,903	4,883,216
2,058,306	2,190,556	2,318,956	2,446,638	1,867,097	1,961,784
0	0	0	0	0	0
0	0	0	0	0	0
<u>270,000</u>	<u>465,000</u>	<u>1,000,000</u>	<u>1,315,000</u>	<u>1,445,000</u>	<u>1,979,422</u>
5,855,000	6,475,000	7,425,000	8,145,000	7,945,000	8,824,422
(2,058,306)	(2,190,556)	(2,318,956)	(2,446,638)	(1,867,097)	(1,961,784)
<u>(95)</u>	<u>(151,315)</u>	<u>(147,492)</u>	<u>(170,451)</u>	<u>(36,221)</u>	<u>(29,397)</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>6,833,241</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>	<u>\$21,531,203</u>
85.10%	84.20%	80.86%	78.54%	78.67%	75.91%
<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>	<u>\$14,857,566</u>
5,855,000	6,475,000	7,425,000	8,145,000	7,945,000	8,824,422
(2,058,306)	(2,190,556)	(2,318,956)	(2,446,638)	(1,867,097)	(1,961,784)
<u>(95)</u>	<u>(151,315)</u>	<u>(147,492)</u>	<u>(170,451)</u>	<u>(36,221)</u>	<u>(29,397)</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>6,833,241</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>	<u>\$8,024,325</u>
71.55%	69.83%	63.46%	59.04%	59.27%	54.01%

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)
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
2010	12,085	314,923,015	26,059	56,645	43.7

- (1) Source: U. S. Census, 2010 - 2019 Census of Population;
- (2) Source: Norton City School District Audited Financials
- (3) Source: U.S. Bureau of Labor Statistics
- (4) Source: Summit County Fiscal Officer
- (5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
18.90 %	2,546	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
18.90	2,562	10.00	140,246	270,137,565



City of Norton, Ohio

Principal Employers

2018 and 2010

2018 * (1)	
Employers	
S.A. Comunale Company	
Fred Martin Motor Company	
Norton City School District	
PPG Industries, Incorporated	
ICP Adhesive & Sealant	
Ganley Ford, Incorporated	
B&C Corporation	
Alberts Screenprint, Incorporated	
City of Norton	
Fred W. Albrecht Grocery Company	
Total Employees of Top Ten Employers	<u>2,017</u>
Percentage of Total City Employment at Top Ten Employers	<u>36.32%</u>
Total Estimated Employment within the City	<u>5,553</u>

2010	
Employers	
Fred Martin Motor Company	
S.A. Comunale Company	
Norton City School District	
City of Norton	
Lenic Norton, Incorporated	
Ganley Ford, Incorporated	
PPG Industries, Incorporated	
Fomo Products, Incorporated	
Akwend, LTC	
RT 80 Express, Incorporated	
Total Employees of Top Employers	<u>1,292</u>
Total Estimated Employment within the City	<u>5,390</u>

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

* 2018 is the latest information available.

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

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

(This Page Intentionally Left Blank)

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

Function/Program	2019	2018	2017	2016
General Government				
<i>Council and Clerk</i>				
Number of Ordinances	119	107	82	82
Number of Resolutions	17	25	22	17
Number of Planning Commission docket items	0	3	3	14
Zoning Board of Appeals docket items	0	15	15	7
Park and Cemetery Board docket items	0	1	1	2
<i>Finance Department</i>				
Number of checks/ vouchers issued	1,765	1,775	1,729	1,788
General Fund Interest earnings for fiscal year (cash basis)	\$200,778	\$101,074	\$49,388	\$13,944
Agency Ratings - Fitch	AA	AA	AA	AA
Health Insurance Costs (cash basis in thousands)	\$850	\$780	\$873	\$811
Health Insurance Costs vs General Fund Expenditures %	11.0%	14.7%	19.0%	17.5%
General Fund Receipts (cash basis in thousands)	\$7,769	\$7,324	\$6,822	\$6,311
General Fund Expenditures (cash basis in thousands)	\$5,768	\$5,323	\$4,593	\$4,637
General Fund Cash Balances (in thousands)	\$2,346	\$2,567	\$2,860	\$2,671
<i>Municipal Court</i>				
Number of Misdemeanor Cases	470	523	451	533
Number of OVI cases	52	44	79	112
Number of Traffic cases	1,503	1,594	1,347	2,223
<i>Building Department Indicators</i>				
Residential/Commercial Permits Issued (1)	0	0	0	0
Zoning Permits	178	140	139	112
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	\$27,639	\$23,042	\$22,051	\$19,900

2015	2014	2013	2012	2011	2010
57	71	72	68	58	101
32	43	39	36	39	18
3	18	37	49	45	16
8	8	17	26	13	11
1	10	1	3	9	1
1,815	1,648	1,680	1,545	1,700	2,172
\$4,113	\$4,029	\$6,650	\$5,643	\$6,111	\$9,494
A+	A+	A+	A+	A+	A+
\$728	\$566	\$607	\$571	\$564	\$538
12.1%	9.6%	9.0%	9.2%	9.7%	9.5%
\$5,764	\$6,253	\$6,302	\$6,467	\$6,738	\$6,173
\$6,023	\$5,889	\$6,749	\$6,178	\$5,788	\$5,689
\$3,002	\$2,527	\$1,869	\$2,103	\$1,655	\$545
268	27	61	51	98	108
84	6	81	43	71	63
1,429	787	878	845	1,766	1,195
26	166	106	119	119	144
17	52	56	64	49	65
22	62	72	90	76	110
25	68	55	77	53	68
90	348	289	350	297	387
\$28,235	\$41,079	\$22,808	\$27,987	\$20,631	\$32,477

(continued)

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

Function/Program	2019	2018	2017	2016
Security of Persons & Property				
<i>Police</i>				
Felony Arrests	128	171	142	144
Misdemeanor Arrests	470	523	451	533
Arson	0	4	4	1
Assault	49	53	19	20
Residential Burglary	48	42	51	50
Domestic Violence	83	90	112	133
Drug Offense	235	318	353	246
Homicide	0	1	0	0
Larceny	194	233	234	299
Vandalism/Criminal Damaging	145	111	75	69
Robbery	1	3	2	2
Sex Offense	17	31	13	16
Auto Theft/Stolen Plates	16	18	20	20
Traffic Crashes	610	705	525	382
Traffic Fatalities	0	0	1	1
Driving While Intoxicated	52	44	79	112
Traffic Citations Issued	1,503	1,594	1,347	2,223
Warrant Arrests	224	280	249	223
<i>Fire</i>				
EMS Calls	1,162	1,177	1,177	1,126
Ambulance Billing Collections (GROSS)	\$304,054	\$270,626	\$278,264	\$256,749
Revenue per run	\$262	\$230	\$236	\$228
Fire Calls	627	649	655	538
Public Health and Welfare				
Cemetery burials	5	3	2	1
Cemetery foundations	2	2	3	1
Cemetery (re)sale of lots	2	8	0	2
Cemetery receipts	\$335	\$3,936	\$2,021	\$2,092
Health Advisory Board docket items	1	1	1	1

Source: City Records

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

2015	2014	2013	2012	2011	2010
79	100	69	100	110	75
301	284	220	287	380	498
0	0	0	2	2	1
25	16	13	19	31	36
54	78	37	21	45	41
128	49	46	54	75	78
108	75	73	57	101	101
2	0	0	0	0	0
255	233	202	222	227	255
90	72	66	69	75	46
3	0	3	3	1	2
8	8	5	13	3	2
12	12	7	23	17	18
326	335	315	294	339	374
1	0	0	4	0	0
69	63	82	144	159	269
1,819	1,139	1,376	1,533	2,972	2,702
145	108	161	219	217	182
1,129	1,070	1,004	876	980	1,046
\$306,753	\$295,625	\$257,198	\$230,169	\$291,695	\$264,759
\$272	\$276	\$256	\$263	\$298	\$253
440	464	369	451	378	379
0	1	2	1	6	1
0	1	1	1	5	0
0	0	1	2	7	4
\$0	\$2,694	\$2,200	\$512	\$2,765	\$2,546
1	1	1	1	15	0

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

Function/Program	2019	2018	2017	2016
General Government				
Square Footage Occupied	4,080	4,080	4,080	4,080
Administrative Vehicles	0	0	0	0
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage of Building	3,600	3,600	3,600	3,600
Vehicles	10	10	10	10
Fire				
Stations	1	1	1	1
Recreation				
Number of Parks	7	7	7	7
Number of Tennis Courts	4	4	4	4
Number of Baseball Diamonds	5	5	5	5
Number of Soccer Fields	3	3	3	3
Number of Football Fields	1	1	1	1
Other Public Works				
Service Garage Square Footage	6,800	6,800	6,800	6,800
Streets (lane miles)	260	260	260	260
Service Vehicles	17	17	17	17
City Cemeteries	2	2	2	2
Water Department				
Water Lines (miles)	16.80	14.80	14.80	14.80

Source: City Records

2015	2014	2013	2012	2011	2010
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	11	12	9
1	2	2	2	2	2
7	7	7	7	7	7
4	4	4	4	4	4
5	5	5	5	5	5
3	3	3	3	3	3
1	1	1	1	1	1
6,800	6,800	6,800	6,800	6,800	6,800
260	260	260	260	260	260
16	15	13	15	15	15
2	2	2	2	2	2
14.80	14.80	14.80	14.80	14.80	14.50

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

Function/Program	2019	2018	2017	2016
General Government				
Mayor	1	1	1	1
Council	8	8	8	8
Finance	3	3	3	3
City Administrator	1	1	1	1
Law	2	2	2	2
Administration	1	1	1	1
Engineer	0	0	0	0
Planning	0	0	0	0
Civil Service	0	0	0	0
Court	0	0	0	0
Security of Persons and Property				
Police	22	22	22	22
Fire Full Time	11	11	11	11
Fire Part Time	22	22	22	22
Fire - Secretary - Other	1	1	1	1
Community Development				
Building	1	1	1	1
Transportation				
Service	11	11	11	11
Totals:	<u>84</u>	<u>84</u>	<u>84</u>	<u>84</u>

Source: City Payroll Department
Method: Using 1.0 for each employee at December 31

2015	2014	2013	2012	2011	2010
1	2	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	1
2	2	2	2	2	2
0	0	0	0	1	0
0	0	0	1	0	0
0	0	0	0	0	0
2	2	2	2	2	2
19	21	28	28	27	30
10	3	3	3	2	4
22	30	25	29	32	30
1	1	1	1	1	1
1	1	1	1	1	1
11	8	8	8	9	10
83	84	86	91	93	95

(This Page Intentionally Left Blank)

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 8/18/2020

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