

CITY OF NORTON
SUMMIT COUNTY, OHIO

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2021



Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Norton, Summit County, prepared by Rea & Associates, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2022

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City of Norton
Summit County, Ohio
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December 31, 2021

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of Council
City of Norton
Summit County, Ohio
4060 Columbia Woods Drive
Norton, Ohio 44203

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 1, 2022.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
Medina, Ohio
August 1, 2022



Mayor Mike Zita

CITY OF NORTON

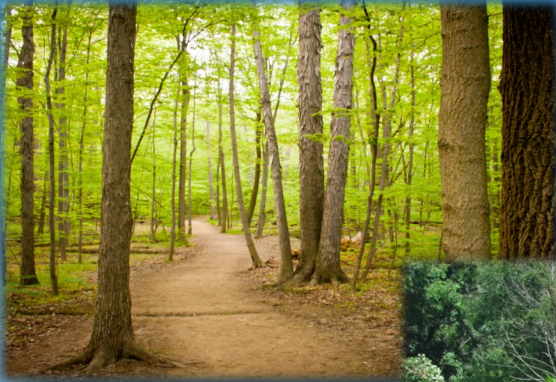
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City of Norton
Summit County, Ohio
Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Questioned Cost, Non-Compliance and Material Weakness in regards to 42 U.S.C. 801 (d) in which expenditures for the Coronavirus Relief Fund should not have been accounted for in the approved budget as of March 27, 2020, however the City did account for \$120,531 worth of expenditures in that budget.	Fully Corrected.	The City implemented procedures to ensure expenditures from Coronavirus Relief Funds meet guidelines of an eligible expenditure in the allowable period.

CITY OF NORTON, OHIO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED—DECEMBER 31,

2021

City of Norton, Ohio

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

Issued by:

City of Norton
Department of Finance

Pamela Keener
Director of Finance

City of Norton, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
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CITY OF NORTON

4060 Columbia Woods Drive
Norton, Ohio 44203

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

Mayor Mike Zita

August 1, 2022

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 2021 audit was performed by an independent public accounting firm, Rea & Associates, Incorporated. Rea & Associates, Incorporated rendered an opinion on the City's financial statements as of December 31, 2021. 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 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 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 has an excellent public school system which is supplemented by local vocational and technical schools. An array of higher education programs are available at nearby University of Akron (5 miles), as well as Baldwin Wallace, Lake Erie College, Oberlin, John Carroll, Kenyon, Ashland, Malone, Walsh, Stark State, Cleveland State, Cuyahoga County Community College, Notre Dame (Cleveland), Mount Union, Northeast Ohio Medical University, Case Western Reserve University, Kent State University, Wooster ATI and Wooster College – all within a one-hour drive.

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

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

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

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

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

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

LOCAL ECONOMY

Community Reinvestment Area and Tax Increment Financing In 2015, the City established a Community Reinvestment Area (CRA). The City has four (4) active CRAs within the municipal boundaries. With the institution of Tax Increment Financing (TIF) districts, the City has now created funding sources for various infrastructure improvements for the next thirty years. As of December 31, 2021, the City has seven (7) active TIF districts in place.

Residential Development In 2021, Cider Ridge phase I started. This phase consisted of 31 new homes constructed off of Clark Mill Road. An additional 40 new homes are anticipated to be constructed at this location during 2022. Brookside Greens began phase I construction of new homes at the beginning of 2022. The City also anticipates 40 homes to be sold and constructed in this phase. Additionally, Redwood Norton began phase I construction at the beginning of 2022. Phase I is a 75 single story, multi-unit development. When all the phases are completed, the City is expecting to add an additional 500 residents to the community. This growth will help stabilize the City's tax base and reduce the overall cost to the residents for basic services.

CITY PROJECTS

Engineering The City did a review of all the streets within the boundary. The survey resulted in \$1 million in roadway improvements in the neighborhoods of the City. A 10-year capital plan was established with every street in the municipality being paved within the 10-year period.

Construction The City undertook several infrastructure projects in 2021. The Columbia Woods walking trail was completed during 2021. This project was funded with County Community Development Block Grant and Ohio Department of Natural Resources funding.

The City has been working with Engineering Associates LLC to plan for and observe several waterline projects, including State Route 261 waterline loop, Johnson Road waterline, Reimer Road/Carl Street waterline, and Shellhart Road waterline extension. The waterline on Wooster Road and Hametown Road was substantially completed in 2021. As of the end of 2021, the waterline at State Route 261 was still under construction. Additionally, the City has been working with GPD Group to plan for several road reconstruction and resurfacing, storm sewer, and sewer projects, including Cherrywood Drive and Driftwood Road improvements, Commerce Park sewer, Eastern Road reconstruction, and Greenwich Road resurfacing. The Wooster Road resurfacing and storm sewer project and the resurfacing of Norton Avenue were completed during 2021. Additional projects currently under construction include Barber Road reconstruction, Commerce Park sewer, Greenwich Road sanitary sewer, Johnson Road waterline, and Johnson Road resurfacing.

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 2021.

TAXES SUPPORT LOCAL GOVERNMENT

In November of 2004, the voters of Norton approved a half (1/2) percent increase for City income tax. In 2021, the City out-sourced income tax collection services to the Regional Income Tax Authority.

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, 2021 income tax results for the general fund were \$7,262,046 while \$370,001 was receipted to the water and sewer improvements fund. The proceeds from this change are

intended to be used on water and sewer infrastructure improvements. The fund that accounts for this was established in 2009, and as of December 31, 2021, has an ending unencumbered cash balance of \$3,258,320.

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 Annual Comprehensive Financial Reports for the year ended December 31, 2020. 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 annual comprehensive 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 18 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for review.

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

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

Respectfully submitted,


Mike Zita
Mayor


Pamela Keener
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Norton
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

City of Norton, Ohio

Principal Officials

December 31, 2021

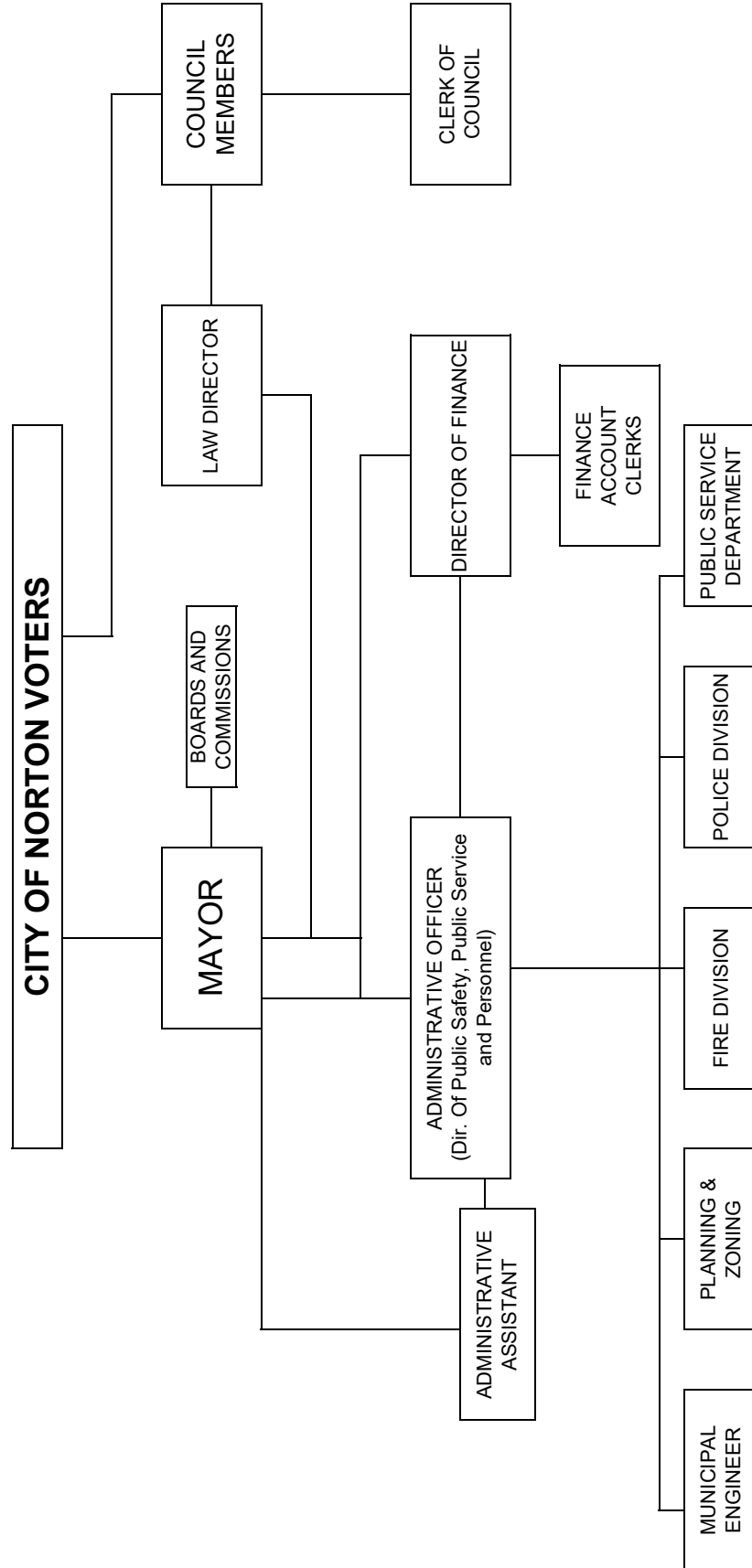
Elected Officials

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
Joe Kernan City Council, Ward 2
Dan Karant City Council, Ward 3
Paul Tousley..... City Council, Ward 4
Charlotte Whipkey City Council, At-Large

Administrators

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

City of Norton, Ohio
Organizational Chart
 December 31, 2021



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Financial

Section

INDEPENDENT AUDITOR'S REPORT

To the Members of Council
City of Norton
Summit County, Ohio
4060 Columbia Woods Drive
Norton, Ohio 44203

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and the respective budgetary comparisons for the General Fund, Service Fund, Fire and EMS Fund, and Water System Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Audit Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis and Pension and other Post-Employment Benefit schedules*, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financials statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Medina, Ohio
August 1, 2022

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The discussion and analysis for the City of Norton's (the "City") financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2021. 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 2021 is as follows:

- The City undertook several infrastructure projects during 2021. The long-awaited \$13 million Cleveland-Massillon widening and waterline project was finally completed in 2021. In addition, Wooster Road storm sewer, Norton Avenue resurfacing, and the Columbia Woods walking trail were completed during the year. In 2021, the annual residential road-paving program continued. This consisted of \$1 million in roadway improvements to the neighborhoods of the City. The Hametown Road and 4 Dave's Drive waterline and the Wooster Road waterline were substantially completed in 2021.
- The City has been working with Engineering Associates, LLC to plan for several waterlines including a loop for State Route 261, Johnson Road, Reimer Road/Carl Street, Shellhart Road, and Interstate 76 crossing. Additionally, the City has been working with GPD Group to plan for several road reconstruction and resurfacing, storm sewer, and sewer projects, including Cherrywood Drive and Driftwood Road improvements, Commerce Park sewer, Eastern Road reconstruction, and Greenwich Road resurfacing.

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 2021 and how they affected the City's operations. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

City of Norton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
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Reporting the City of Norton as a Whole

Statement of Net Position and the Statement of Activities

This financial view of the City as a whole considers all transactions and answers the question of how the City performed financially during 2021. 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 assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting. This method takes into account all revenues when they are earned and all expenses when they are incurred. Transactions are booked when they occur and not when actual cash is received for revenues or when invoices are paid.

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 10. Fund financial reports give detailed information of activities within these funds. The City currently has thirty-two funds, which have been established to account for the multitude of services provided to residents, for the operation of facilities, as well as for infrastructure and capital purchases. These fund financial statements focus on the City's seven major funds: the general fund, the service fund, the fire and EMS fund, the water system fund, the special assessment fund, the water and sewer improvements fund, and the capital projects fund.

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

City of Norton, Ohio
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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 2021 as they compare to 2020.

Table 1
Net Position

	Governmental Activities		
	2021	2020	Change
<i>Assets</i>			
Current and Other Assets	\$29,220,584	\$27,233,504	\$1,987,080
Net OPEB Asset	161,928	0	161,928
Capital Assets, Net	43,168,121	37,787,794	5,380,327
Total Assets	72,550,633	65,021,298	7,529,335
<i>Deferred Outflows of Resources</i>			
Deferred Charges on Refunding	13,787	20,680	(6,893)
Pension	1,354,398	1,548,196	(193,798)
OPEB	721,019	882,463	(161,444)
Total Deferred Outflows of Resources	2,089,204	2,451,339	(362,135)
<i>Liabilities</i>			
Current and Other Liabilities	1,880,816	856,642	(1,024,174)
Long-term Liabilities:			
Due Within One Year	1,488,332	1,388,085	(100,247)
Due in More than One Year:			
Net Pension Liability	6,569,215	6,749,509	180,294
Net OPEB Liability	803,828	2,093,255	1,289,427
Other Amounts	10,241,786	8,114,525	(2,127,261)
Total Liabilities	20,983,977	19,202,016	(1,781,961)
<i>Deferred Inflows of Resources</i>			
Property Taxes	2,664,320	2,149,599	(514,721)
Payments in Lieu of Taxes	203,511	171,711	(31,800)
Deferred Gain on Refunding	35,487	38,022	2,535
Pension	1,154,074	1,002,817	(151,257)
OPEB	864,565	476,519	(388,046)
Total Deferred Inflows of Resources	4,921,957	3,838,668	(1,083,289)
<i>Net Position</i>			
Net Investment in Capital Assets	32,454,070	29,906,287	2,547,783
Restricted:			
Capital Projects	2,343,537	1,854,908	488,629
Debt Service	1,573,938	1,712,854	(138,916)
Police	496,763	478,252	18,511
Fire/EMS	1,607,640	1,879,176	(271,536)
Transportation	1,795,627	1,503,543	292,084
Public Utilities	1,988,699	1,717,917	270,782
Economic Development	743,489	834,389	(90,900)
Unclaimed Monies	15,858	15,858	0
Unrestricted	5,714,282	4,528,769	1,185,513
Total Net Position	\$48,733,903	\$44,431,953	\$4,301,950

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The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2021. GASB notes that pension and other postemployment benefits (OPEB) obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits.

GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets have increased over the prior year due in large part to an increase in capital assets. Capital assets increased due to several additions, including the completion of Cleveland-Massillon Road widening and waterline, Wooster Road storm sewer, and the city hall renovations retired to infrastructure; the continuation of State Route 261 waterline south loop, Johnson Road waterline, Reimer Road and Carl Street waterline, Wooster Road storm sewer, waterline, and road resurfacing, Norton Acres storm sewer, Driftwood Road and Cherrywood Drive resurfacing, police department renovations, Commerce park water and sewer, Greenwich Road sanitary sewer and road resurfacing, Hametown Road and 4 Dave’s Drive waterline, Shellhart Road waterline, Interstate 76 waterline crossing, Eastern Road reconstruction, State Route 21 and Eastern Road intersection repaving, sign replacement on State Route 585, Norton Avenue resurfacing, Johnson Road resurfacing, and Barber Road resurfacing; Columbia Woods park walking trail and stage; two police cruisers; an ambulance; numerous service vehicles and riding equipment; Eastern Road and Fairland Road resurfacing; and the 2021 road resurfacing plan of various streets.

Liabilities increased over the prior year due to an increase in debt obligations. While debt obligations were partially paid down during the year, there were new issuances, such as, Hametown Road and 4 Dave’s Drive waterline OPWC loan, the State Route 261 waterline south loop OWDA loan, and the Cleveland-Massillon Road widening SIB loan.

City of Norton, Ohio
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Table 2 shows the changes in net position for 2021 compared to 2020.

Table 2
Changes in Net Position

	Governmental Activities		
	2021	2020	Change
<i>Revenues:</i>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$1,108,539	\$6,670,336	(\$5,561,797)
Operating Grants and Contributions	1,533,913	2,690,114	(1,156,201)
Capital Grants and Contributions	1,984,876	2,489,260	(504,384)
Total Program Revenues	4,627,328	11,849,710	(7,222,382)
<i>General Revenues:</i>			
Property Taxes	2,024,312	2,098,282	(73,970)
Payments in Lieu of Taxes	303,014	33,080	269,934
Income Tax	7,998,408	6,370,304	1,628,104
Grants and Entitlements	887,632	658,033	229,599
Interest	(15,503)	327,387	(342,890)
Gain on Sale of Assets Held for Resale	88,885	0	88,885
Other	166,590	551,858	(385,268)
Total General Revenues	11,453,338	10,038,944	1,414,394
<i>Total Revenues</i>	16,080,666	21,888,654	(5,807,988)
<i>Program Expenses:</i>			
General Government	2,395,088	2,303,919	(91,169)
Security of Persons and Property	5,456,352	6,137,480	681,128
Transportation	2,603,470	2,388,925	(214,545)
Community Environment	385,559	48,537	(337,022)
Public Health Services	506,473	145,434	(361,039)
Leisure Time Activities	235,905	364,577	128,672
Interest and Fiscal Charges	195,869	194,855	(1,014)
<i>Total Expenses</i>	11,778,716	11,583,727	(194,989)
<i>Changes in Net Position</i>	4,301,950	10,304,927	(6,002,977)
<i>Net Position Beginning of Year</i>	44,431,953	34,127,026	10,304,927
<i>Net Position End of Year</i>	\$48,733,903	\$44,431,953	\$4,301,950

Total revenues decreased due to a decrease in charges for services and sales, which is due to new special assessments in the prior year for the Nash Heights gravity sanitary sewer system improvements with the City of Barberton, the South Cleveland-Massillon Road improvements, and the Newpark Drive reconstruction project. The decrease in operating grants and contributions is caused by a decrease in Federal funding from the COVID-19 pandemic. Income tax revenues increased closer to pre-pandemic numbers.

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While most expense categories saw increases, total security of persons and property expenses decreased from the prior year. These expenses decreased as a result of changes in assumptions for benefits, contribution rates, and return on investments related to the net pension liability and net OPEB liability.

Governmental Activities

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

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

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

The City's Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for by using the modified accrual method of accounting. This year was marked by decreases in revenues and increases in expenditures; however, fund balance still resulted in an increase during 2021. Historically, the City has maintained healthy carryover balances in operating funds and saves up carryover balances in capital funds.

Revenues and other financing sources exceeded expenditures and other financing uses, increasing the City-wide fund balance. Significant changes to the City's major funds are described as follows.

For the general fund, the carryover balance increased. Even though expenditures and transfers out increased during the year, revenues saw a significant increase with the increase in municipal income taxes more near pre-pandemic numbers. There was an increase in the service fund during 2021, but a lesser increase than in the prior year. This lesser increase was due to reduced transfers in from the general fund. The fire and EMS fund saw a decrease in fund balance from an increase in expenditures, which occurred because the expenditures considered necessary in COVID-19 funding began to be paid from their original funds again in 2021. Even though the water system fund expenditures increased during the year, those expenditures were offset by intergovernmental revenues and loan proceeds; moreover, the other expenditures not related to

City of Norton, Ohio
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OPWC and OWDA projects decreased during 2021, which caused an increase in the fund balance. The special assessment fund decreased its fund balance slightly from the prior year due to debt obligations paid during the year. The water and sewer improvements fund balance increased over the prior year, which can be attributed to new special assessments related to the Nash Heights gravity sanitary sewer system improvements with the City of Barberton, as well as from a transfers in from the general fund. The capital projects fund saw a decrease in fund balance due to an increase in expenditures related to the Wooster Road resurfacing and storm sewer improvements, city hall and police department renovations, service vehicles and equipment, Greenwich Road resurfacing, and Eastern Road reconstruction.

General Fund Budgeting Highlights

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

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

For the general fund, original budgeted revenues were less than final budgeted revenues due to conservative budgeting. As it was determined throughout the year by the City that income tax revenues were nearing closer to pre-pandemic numbers, the final budgeted income tax revenues could be increased while still being a conservative estimate. Final budgeted expenditures increased over original budgeted expenditures due to higher than expected general government expenditures; however, general governmental actual expenditures were lower than original budgeted expenditures.

Capital Assets and Debt Administration

Capital Assets

Capital assets have increased over the prior year due to additions exceeding depreciation and deletions. Additions consisted of road and waterline projects, service department equipment and vehicles, police department equipment and vehicles, fire department equipment and vehicles, 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.

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Debt

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

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

The Ohio Public Works Commission (OPWC) loans represent interest free loans obtained to finance portions of the Eastern Road waterline extension and Hametown Road and 4 Dave's Drive waterline projects. The Ohio Water Development Authority (OWDA) loan is to finance the waterline south loop project at State Route 261. The State Infrastructure Bank (SIB) loans are to finance the Cleveland-Massillon Road widening and Newpark Drive reconstruction projects.

During 2021, the City issued \$429,824 in an OPWC loan, \$2,082,374 in an OWDA loan, and \$470,749 in a SIB loan for the purpose of financing various ongoing water and road projects.

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

Current Financial Related Issues

Meeting the financial and infrastructure needs of the community continues to be the primary goal of the City. The City has maintained services at past levels while adjusting to lower revenues through fiscal management by the Administration and City Council making budget supervision more of a priority. To facilitate the pay-down of debt, equipment purchases as well as facility improvements, acquisition and other necessary major purchases have been paid for in cash where possible. 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 City's residents. In 2021, the City began participation in OpenGov, a financial transparency platform. 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.

Despite the pandemic, the City realized an increase in income tax collections in 2021. Administration believes this is a result of changing income tax collection agencies.

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, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$14,153,217
Materials and Supplies Inventory	413,456
Accounts Receivable	672,850
Accrued Interest Receivable	19,434
Intergovernmental Receivable	1,746,792
Prepaid Items	45,149
Income Taxes Receivable	1,999,910
Property Taxes Receivable	2,762,924
Payments in Lieu of Taxes Receivable	203,511
Loans Receivable	75,000
Special Assessments Receivable	6,258,639
Assets Held for Resale	869,702
Net OPEB Asset	161,928
Nondepreciable Capital Assets	5,274,050
Depreciable Capital Assets, Net	37,894,071
<i>Total Assets</i>	<i>72,550,633</i>
Deferred Outflows of Resources	
Deferred Charges on Refunding	13,787
Deferred Outflows - Pension	1,354,398
Deferred Outflows - OPEB	721,019
<i>Total Deferred Outflows of Resources</i>	<i>2,089,204</i>
Liabilities	
Accounts Payable	121,095
Deposits Held Payable	96,473
Accrued Wages	73,923
Employee Withholdings Payable	3,533
Matured Compensated Absences Payable	7,982
Intergovernmental Payable	182,497
Contracts Payable	668,845
Retainage Payable	65,815
Unearned Revenue	626,725
Accrued Interest Payable	33,928
Long-Term Liabilities:	
Due Within One Year	1,488,332
Due in More Than One Year:	
Net Pension Liability (See Note 13)	6,569,215
Net OPEB Liability (See Note 14)	803,828
Other Amounts	10,241,786
<i>Total Liabilities</i>	<i>20,983,977</i>
Deferred Inflows of Resources	
Property Taxes	2,664,320
Payments in Lieu of Taxes	203,511
Deferred Gain on Refunding	35,487
Deferred Inflows - Pension	1,154,074
Deferred Inflows - OPEB	864,565
<i>Total Deferred Inflows of Resources</i>	<i>4,921,957</i>
Net Position	
Net Investment in Capital Assets	32,454,070
Restricted for:	
Capital Projects	2,343,537
Debt Service	1,573,938
Police	496,763
Fire/EMS	1,607,640
Transportation	1,795,627
Public Utilities	1,988,699
Economic Development	743,489
Unclaimed Monies	15,858
Unrestricted	5,714,282
<i>Total Net Position</i>	<i>\$48,733,903</i>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Activities
For the Year Ended December 31, 2021

	Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities				
General Government	\$2,395,088	\$113,180	\$0	\$0
Security of Persons and Property	5,456,352	478,209	262,910	0
Transportation	2,603,470	56,710	1,169,503	1,734,834
Community Environment	385,559	158,718	0	183,498
Public Health Services	506,473	284,052	100,000	66,544
Leisure Time Activities	235,905	17,670	1,500	0
Interest and Fiscal Charges	195,869	0	0	0
<i>Totals</i>	<u>\$11,778,716</u>	<u>\$1,108,539</u>	<u>\$1,533,913</u>	<u>\$1,984,876</u>

General Revenues

Property Taxes Levied for:	
General Purposes	406,259
Police and Fire Disability and Pension	76,174
Fire/EMS	1,541,879
Payments in Lieu of Taxes	303,014
Income Taxes Levied for:	
General Purposes	7,625,108
Water and Sewer Improvements	373,300
Grants and Entitlements not Restricted to Specific Programs	887,632
Interest	(15,503)
Gain on Sale of Assets Held for Resale	88,885
Other	166,590
<i>Total General Revenues</i>	<u>11,453,338</u>
Change in Net Position	4,301,950
<i>Net Position Beginning of Year</i>	<u>44,431,953</u>
<i>Net Position End of Year</i>	<u>\$48,733,903</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio

Balance Sheet

Governmental Funds

December 31, 2021

	<u>General</u>	<u>Service</u>	<u>Fire and EMS</u>	<u>Water System</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,170,884	\$631,504	\$912,130	\$966,200
Materials and Supplies Inventory	10,756	402,700	0	0
Accounts Receivable	23,156	0	565,979	73,713
Accrued Interest Receivable	18,552	823	0	0
Intergovernmental Receivable	413,372	450,653	116,478	0
Prepaid Items	26,369	7,063	11,717	0
Income Taxes Receivable	1,922,798	0	0	0
Property Taxes Receivable	448,362	0	2,230,495	0
Payments in Lieu of Taxes Receivable	0	0	0	0
Loans Receivable	0	0	0	0
Special Assessments Receivable	0	29,122	0	0
Assets Held for Resale	0	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	112,331	0	0	0
<i>Total Assets</i>	<u>\$7,146,580</u>	<u>\$1,521,865</u>	<u>\$3,836,799</u>	<u>\$1,039,913</u>
Liabilities				
Accounts Payable	\$93,436	\$14,396	\$13,263	\$0
Deposits Held Payable from Restricted Assets	96,473	0	0	0
Accrued Wages	41,924	7,542	24,457	0
Employee Withholdings Payable	2,046	416	1,071	0
Matured Compensated Absences Payable	0	0	7,982	0
Intergovernmental Payable	76,456	12,786	27,055	0
Contracts Payable	3,960	0	0	85,574
Retainage Payable	0	0	0	38,258
Unearned Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>314,295</u>	<u>35,140</u>	<u>73,828</u>	<u>123,832</u>
Deferred Inflows of Resources				
Property Taxes	428,623	0	2,155,331	0
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	944,471	339,013	708,019	22,056
<i>Total Deferred Inflows of Resources</i>	<u>1,373,094</u>	<u>339,013</u>	<u>2,863,350</u>	<u>22,056</u>
Fund Balances (Deficit)				
Nonspendable	52,983	409,763	11,717	0
Restricted	0	737,949	887,904	894,025
Committed	243,578	0	0	0
Assigned	2,610,393	0	0	0
Unassigned (Deficit)	2,552,237	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,459,191</u>	<u>1,147,712</u>	<u>899,621</u>	<u>894,025</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$7,146,580</u>	<u>\$1,521,865</u>	<u>\$3,836,799</u>	<u>\$1,039,913</u>

See accompanying notes to the basic financial statements

Special Assessment	Water and Sewer Improvements	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$180,533	\$3,268,146	\$215,773	\$3,695,716	\$14,040,886
0	0	0	0	413,456
0	584	7,461	1,957	672,850
0	0	0	59	19,434
0	0	667,240	99,049	1,746,792
0	0	0	0	45,149
0	77,112	0	0	1,999,910
0	0	0	84,067	2,762,924
0	0	0	203,511	203,511
0	75,000	0	0	75,000
1,576,178	3,603,544	0	1,049,795	6,258,639
0	0	0	869,702	869,702
0	0	0	0	112,331
<u>\$1,756,711</u>	<u>\$7,024,386</u>	<u>\$890,474</u>	<u>\$6,003,856</u>	<u>\$29,220,584</u>
\$0	\$0	\$0	\$0	\$121,095
0	0	0	0	96,473
0	0	0	0	73,923
0	0	0	0	3,533
0	0	0	0	7,982
0	0	0	66,200	182,497
0	13,188	550,743	15,380	668,845
0	0	27,557	0	65,815
0	0	0	626,725	626,725
0	13,188	578,300	708,305	1,846,888
0	0	0	80,366	2,664,320
0	0	0	203,511	203,511
1,576,178	3,755,656	484,015	1,124,269	8,953,677
1,576,178	3,755,656	484,015	1,408,146	11,821,508
0	0	0	0	474,463
180,533	75,000	0	3,380,641	6,156,052
0	3,180,542	0	28,820	3,452,940
0	0	0	477,944	3,088,337
0	0	(171,841)	0	2,380,396
180,533	3,255,542	(171,841)	3,887,405	15,552,188
<u>\$1,756,711</u>	<u>\$7,024,386</u>	<u>\$890,474</u>	<u>\$6,003,856</u>	<u>\$29,220,584</u>

City of Norton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2021*

Total Governmental Fund Balances	\$15,552,188
 <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.	43,168,121
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	98,604
Municipal Income Tax	800,752
Charges for Services	541,514
Special Assessments	6,258,639
Intergovernmental	1,179,168
Consideration on Transfer of Operations	75,000
Total	8,953,677
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(33,928)
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	(2,461,773)
Special Assessment Bonds	(1,275,416)
OPWC Loans	(761,804)
OWDA Loan	(2,082,374)
SIB Loans	(3,364,232)
Capital Leases	(805,224)
Compensated Absences	(979,295)
Total	(11,730,118)
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.	13,787
Deferred inflows or resources represent deferred gain on refundings, which are not reported in the funds.	(35,487)
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:	
Net OPEB Asset	161,928
Deferred Outflows - Pension	1,354,398
Deferred Outflows - OPEB	721,019
Net Pension Liability	(6,569,215)
Net OPEB Liability	(803,828)
Deferred Inflows - Pension	(1,154,074)
Deferred Inflows - OPEB	(864,565)
Total	(7,154,337)
<i>Net Position of Governmental Activities</i>	\$48,733,903

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, 2021

	General	Service	Fire and EMS	Water System
Revenues				
Property Taxes	\$426,925	\$0	\$1,646,729	\$0
Payments in Lieu of Taxes	0	0	0	0
Municipal Income Tax	7,614,571	0	0	0
Charges for Services	201,129	98,843	302,704	223,301
Special Assessments	0	30,570	0	0
Licenses, Permits and Fees	53,314	0	0	0
Fines and Forfeitures	10,511	0	0	0
Intergovernmental	844,087	879,106	227,025	100,000
Contributions and Donations	3,761	0	0	0
Interest	(19,847)	4,178	0	0
Rentals	17,670	0	0	0
Other	139,399	13,112	5,627	0
<i>Total Revenues</i>	<u>9,291,520</u>	<u>1,025,809</u>	<u>2,182,085</u>	<u>323,301</u>
Expenditures				
Current:				
General Government	2,500,475	0	0	0
Security of Persons and Property	2,664,596	0	2,443,383	0
Transportation	1,085,552	1,268,927	0	0
Community Environment	36,160	0	0	0
Public Health Services	0	0	0	2,732,088
Leisure Time Activities	262,898	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	54,000	153,278	43,350	0
Interest and Fiscal Charges	9,113	17,103	1,313	0
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>6,612,794</u>	<u>1,439,308</u>	<u>2,488,046</u>	<u>2,732,088</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,678,726</u>	<u>(413,499)</u>	<u>(305,961)</u>	<u>(2,408,787)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	8,771	0	0
Excess from Sale of Assets Held for Resale	0	0	0	0
OPWC Loan Issued	0	0	0	429,824
OWDA Loan Issued	0	0	0	2,082,374
SIB Loans Issued	0	0	0	0
Transfers In	0	500,000	0	0
Transfers Out	(2,299,694)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,299,694)</u>	<u>508,771</u>	<u>0</u>	<u>2,512,198</u>
<i>Net Change in Fund Balances</i>	379,032	95,272	(305,961)	103,411
<i>Fund Balances Beginning of Year</i>	<u>5,080,159</u>	<u>1,052,440</u>	<u>1,205,582</u>	<u>790,614</u>
<i>Fund Balances End of Year</i>	<u>\$5,459,191</u>	<u>\$1,147,712</u>	<u>\$899,621</u>	<u>\$894,025</u>

(continued)

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (continued)
For the Year Ended December 31, 2021

	Special Assessment	Water and Sewer Improvements	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$0	\$0	\$0	\$80,049	\$2,153,703
Payments in Lieu of Taxes	0	0	0	303,014	303,014
Municipal Income Tax	0	370,001	0	0	7,984,572
Charges for Services	0	0	0	191,400	1,017,377
Special Assessments	194,619	119,174	0	2,313	346,676
Licenses, Permits and Fees	0	0	0	0	53,314
Fines and Forfeitures	0	0	0	5,001	15,512
Intergovernmental	0	0	926,128	774,783	3,751,129
Contributions and Donations	0	0	0	0	3,761
Interest	0	0	0	166	(15,503)
Rentals	0	0	0	0	17,670
Other	0	584	7,461	407	166,590
<i>Total Revenues</i>	<u>194,619</u>	<u>489,759</u>	<u>933,589</u>	<u>1,357,133</u>	<u>15,797,815</u>
Expenditures					
Current:					
General Government	4,092	0	0	112,343	2,616,910
Security of Persons and Property	0	0	0	253,333	5,361,312
Transportation	0	0	0	73,871	2,428,350
Community Environment	0	0	0	21,800	57,960
Public Health Services	0	0	0	51,927	2,784,015
Leisure Time Activities	0	0	0	0	262,898
Capital Outlay	0	409,250	2,431,150	1,310,471	4,150,871
Debt Service:					
Principal Retirement	146,130	130,771	0	260,248	787,777
Interest and Fiscal Charges	55,165	26,342	0	102,922	211,958
Issuance Costs	0	0	134	0	134
<i>Total Expenditures</i>	<u>205,387</u>	<u>566,363</u>	<u>2,431,284</u>	<u>2,186,915</u>	<u>18,662,185</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(10,768)</u>	<u>(76,604)</u>	<u>(1,497,695)</u>	<u>(829,782)</u>	<u>(2,864,370)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	8,771
Excess from Sale of Assets Held for Resale	0	0	0	88,885	88,885
OPWC Loan Issued	0	0	0	0	429,824
OWDA Loan Issued	0	0	0	0	2,082,374
SIB Loans Issued	0	0	0	470,749	470,749
Transfers In	0	450,000	923,500	426,194	2,299,694
Transfers Out	0	0	0	0	(2,299,694)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>450,000</u>	<u>923,500</u>	<u>985,828</u>	<u>3,080,603</u>
<i>Net Change in Fund Balances</i>	<u>(10,768)</u>	<u>373,396</u>	<u>(574,195)</u>	<u>156,046</u>	<u>216,233</u>
<i>Fund Balances Beginning of Year</i>	<u>191,301</u>	<u>2,882,146</u>	<u>402,354</u>	<u>3,731,359</u>	<u>15,335,955</u>
<i>Fund Balances End of Year</i>	<u>\$180,533</u>	<u>\$3,255,542</u>	<u>(\$171,841)</u>	<u>\$3,887,405</u>	<u>\$15,552,188</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, 2021*

Net Change in Fund Balances - Total Governmental Funds \$216,233

*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	\$8,001,799	
Current Year Depreciation	(2,044,964)	
Total		5,956,835

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. (576,508)

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

Delinquent Property Taxes	(129,391)	
Municipal Income Taxes	13,836	
Charges for Services	166,018	
Special Assessments	(508,028)	
Intergovernmental	651,531	
Total		193,966

Repayment of bond, loan, and capital lease principal is an expenditure or other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 787,777

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

Accrued Interest on Bonds	6,186	
Amortization of Premium on Bonds	14,261	
Amortization of Deferred Charges on Refunding	(6,893)	
Amortization of Deferred Gain on Refunding	2,535	
Total		16,089

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. (46,599)

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	(429,824)	
OWDA Loan Issued	(2,082,374)	
SIB Loan Issued	(470,749)	
Total		(2,982,947)

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

Pension	591,337	
OPEB	15,722	
Total		607,059

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	(756,098)	
OPEB	886,143	
Total		130,045

Change in Net Position of Governmental Activities \$4,301,950

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, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$435,818	\$433,484	\$426,925	(\$6,559)
Municipal Income Tax	5,779,100	6,479,100	7,262,046	782,946
Charges for Services	234,330	284,330	181,206	(103,124)
Licenses, Permits and Fees	30,185	30,185	53,314	23,129
Fines and Forfeitures	15,250	15,250	9,679	(5,571)
Intergovernmental	651,187	733,978	852,127	118,149
Interest	193,335	193,335	143,849	(49,486)
Contributions and Donations	3,060	3,060	3,761	701
Rentals	4,761	4,761	10,340	5,579
Other	69,847	69,847	70,366	519
<i>Total Revenues</i>	<u>7,416,873</u>	<u>8,247,330</u>	<u>9,013,613</u>	<u>766,283</u>
Expenditures				
Current:				
General Government	2,599,994	2,845,319	2,548,745	296,574
Security of Persons and Property	2,763,301	2,796,221	2,681,454	114,767
Community Environment	51,533	51,533	36,176	15,357
Leisure Time Activities	314,771	314,771	250,022	64,749
Debt Service:				
Principal Retirement	54,000	54,000	54,000	0
Interest and Fiscal Charges	9,113	9,113	9,113	0
<i>Total Expenditures</i>	<u>5,792,712</u>	<u>6,070,957</u>	<u>5,579,510</u>	<u>491,447</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,624,161</u>	<u>2,176,373</u>	<u>3,434,103</u>	<u>1,257,730</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,530	10,530	0	(10,530)
Advances In	0	103,000	103,000	0
Transfers Out	(2,282,739)	(4,132,739)	(3,814,694)	318,045
<i>Total Other Financing Sources (Uses)</i>	<u>(2,272,209)</u>	<u>(4,019,209)</u>	<u>(3,711,694)</u>	<u>307,515</u>
<i>Net Change in Fund Balance</i>	(648,048)	(1,842,836)	(277,591)	1,565,245
<i>Fund Balance Beginning of Year</i>	2,848,037	2,848,037	2,848,037	0
Prior Year Encumbrances Appropriated	139,541	139,541	139,541	0
<i>Fund Balance End of Year</i>	<u>\$2,339,530</u>	<u>\$1,144,742</u>	<u>\$2,709,987</u>	<u>\$1,565,245</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Service Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$23,100	\$65,830	\$98,843	\$33,013
Special Assessments	17,900	17,900	30,570	12,670
Intergovernmental	839,140	839,140	867,349	28,209
Interest	2,120	2,120	3,825	1,705
Other	16,750	16,750	21,778	5,028
<i>Total Revenues</i>	<u>899,010</u>	<u>941,740</u>	<u>1,022,365</u>	<u>80,625</u>
Expenditures				
Current:				
Transportation	1,552,926	1,567,456	1,365,352	202,104
Debt Service:				
Principal Retirement	153,278	153,278	153,278	0
Interest and Fiscal Charges	17,103	17,103	17,103	0
<i>Total Expenditures</i>	<u>1,723,307</u>	<u>1,737,837</u>	<u>1,535,733</u>	<u>202,104</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(824,297)</u>	<u>(796,097)</u>	<u>(513,368)</u>	<u>282,729</u>
Other Financing Sources				
Sale of Capital Assets	1,580	1,580	8,771	7,191
Transfers In	815,000	815,000	500,000	(315,000)
<i>Total Other Financing Sources</i>	<u>816,580</u>	<u>816,580</u>	<u>508,771</u>	<u>(307,809)</u>
<i>Net Change in Fund Balance</i>	(7,717)	20,483	(4,597)	(25,080)
<i>Fund Balance Beginning of Year</i>	577,892	577,892	577,892	0
Prior Year Encumbrances Appropriated	27,860	27,860	27,860	0
<i>Fund Balance End of Year</i>	<u>\$598,035</u>	<u>\$626,235</u>	<u>\$601,155</u>	<u>(\$25,080)</u>

See accompanying notes to the basic financial statements

City of Norton, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire and EMS Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,641,549	\$1,632,617	\$1,646,729	\$14,112
Charges for Services	391,925	391,925	294,890	(97,035)
Intergovernmental	239,570	239,570	227,025	(12,545)
Other	81,293	81,293	6,102	(75,191)
<i>Total Revenues</i>	<u>2,354,337</u>	<u>2,345,405</u>	<u>2,174,746</u>	<u>(170,659)</u>
Expenditures				
Current:				
Security of Persons and Property	2,592,182	2,697,767	2,525,190	172,577
Debt Service:				
Principal Retirement	43,350	43,350	43,350	0
Interest and Fiscal Charges	1,313	1,313	1,313	0
<i>Total Expenditures</i>	<u>2,636,845</u>	<u>2,742,430</u>	<u>2,569,853</u>	<u>172,577</u>
<i>Net Change in Fund Balance</i>	(282,508)	(397,025)	(395,107)	1,918
<i>Fund Balance Beginning of Year</i>	1,248,276	1,248,276	1,248,276	0
Prior Year Encumbrances Appropriated	<u>21,396</u>	<u>21,396</u>	<u>21,396</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$987,164</u>	<u>\$872,647</u>	<u>\$874,565</u>	<u>\$1,918</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
Water System Fund
For the Year Ended December 31, 2021

	<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	\$173,430	\$173,430	\$242,158	\$68,728
Intergovernmental	100,000	100,000	100,000	0
<i>Total Revenues</i>	273,430	273,430	342,158	68,728
Expenditures				
Current:				
Public Health Services	3,432,835	3,493,835	3,069,073	424,762
<i>Excess of Revenues Under Expenditures</i>	(3,159,405)	(3,220,405)	(2,726,915)	493,490
Other Financing Sources				
OPWC Loan Issued	305,375	305,375	429,824	124,449
OWDA Loan Issued	2,700,000	2,700,000	2,057,163	(642,837)
<i>Total Other Financing Sources</i>	3,005,375	3,005,375	2,486,987	(518,388)
<i>Net Change in Fund Balance</i>	(154,030)	(215,030)	(239,928)	(24,898)
<i>Fund Balance Beginning of Year</i>	528,700	528,700	528,700	0
Prior Year Encumbrances Appropriated	191,400	191,400	191,400	0
<i>Fund Balance End of Year</i>	<u>\$566,070</u>	<u>\$505,070</u>	<u>\$480,172</u>	<u>(\$24,898)</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, 2021

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City participates in one joint venture, the Southwest Summit Council of Governments, one insurance purchasing pool, the South Central Ohio Insurance Consortium, and three jointly governed organizations, the Northeast Ohio Public Energy Council, the Regional Income Tax Agency, and the Akron-Summit County Energy Special Improvement District. These organizations are described in Notes 20, 21, and 22 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

Fund Accounting

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

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

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

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

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, 2021

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include deferred charges on refunding, pension and OPEB reported on the government-wide statement of net position. Deferred charges on refunding result from the difference in the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, a deferred gain on refunding, pension, OPEB and unavailable revenue. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income tax, charges for services, special assessments, intergovernmental grants and entitlements, and consideration on transfer of operations. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (see Notes 13 and 14.)

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

Budgetary Process

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

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

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

Cash, Cash Equivalents and Investments

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

During 2021, investments were limited to an American Treasury Obligation Fund, government securities, US treasury notes, negotiable certificates of deposit, and commercial papers. All of these investments are reported at fair value, which is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund and certain special revenue funds. Interest revenue credited to the general fund during 2021 amounted to (\$19,847), of which (\$15,155) was assigned from other City funds. The fair value of investments declined during 2021, resulting in negative investment earnings.

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, 2021

Restricted Assets

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

Materials and Supplies Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Assets Held for Resale

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

Capital Assets

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

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

<u>Description</u>	<u>Estimated Lives</u>
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.

Compensated Absences

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

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds; however, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans, and capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Fund Balances

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2022 appropriated budget. City Council assigned fund balance for the road program, community center, recycling, scrap tire, and police dog donations.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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.

Deferred Charges/Gain on Refunding

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

Internal Activity

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

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

Net Position

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

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 – Change in Accounting Principles and Restatement of Fund Balances

For 2021, the City implemented the Governmental Accounting Standards Board's (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City is also implementing *Implementation Guide No. 2019-1*. These changes were incorporated in the City's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

During the prior year, an accounts payable was incorrectly posted to the street improvements fund rather than the land improvements fund in the amount of \$4,880. This correction caused the street improvements fund balance and the land improvements fund balance to increase and decrease by this amount, respectively.

Note 4 – Deposits and Investments

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
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, 2021, \$1,598,169 of the City's total bank balance of \$6,065,354 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.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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

Investments

Investments are reported at fair value. As of December 31, 2021, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level 1 Input:				
American Treasury Obligation Fund	\$5,841	Less than one year	AAAm	0.07 %
Fair Value - Level 2 Inputs:				
Federal Home Loan Mortgage Corporation Notes	198,131	Less than two years	AA+	2.33
Federal Home Loan Bank Notes	119,127	Less than three years	AAA	1.40
Federal Home Loan Bank Notes	202,594	Less than five years	AA+	2.38
Federal National Mortgage Association Notes	308,057	Less than four years	AA+	3.62
Federal Farm Credit Bank Notes	300,347	Less than four years	AA+	3.53
US Treasury Note	312,810	Less than two years	AA+	3.68
Negotiable Certificates of Deposit	5,011,936	Less than three years	N/A	58.92
Commercial Paper	1,747,427	Less than one year	A-1	20.54
Commercial Paper	299,426	Less than one year	A-1+	3.52
Total Fair Value - Level 2 Inputs	8,499,855			99.93
Total Investments	\$8,505,696			100.00 %

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2021. The American Treasury Obligation Fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's other investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

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

Concentration of Credit Risk With the exception of U.S. Treasury securities, federal government agency securities, negotiable certificates of deposit, STAR Ohio, and money market funds, certain assets class ownership limitations exist. Those are: no more than forty percent of the City's total investment portfolio will be invested in commercial paper, no more than twenty-five percent in repurchase agreements, no more than five percent in state and local government securities, and no more than five percent in corporate bonds.

Note 5 – Budgetary Basis of Accounting

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

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

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Advances in are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
3. Investments are reported at cost (budget) rather than fair value (GAAP).
4. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
5. Budgetary revenues and expenditures of the road community center, historical, road program, and compensated absences funds are reclassified to the general fund for GAAP reporting.
6. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).

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

Net Change in Fund Balances				
	General	Service	Fire and EMS	Water System
GAAP Basis	\$379,032	\$95,272	(\$305,961)	\$103,411
Net Adjustment for Revenue Accruals	(428,963)	(3,444)	(7,339)	(6,354)
Advances In	103,000	0	0	0
Beginning Fair Value Adjustment for Investments	207,966	0	0	0
Ending Fair Value Adjustment for Investments	(49,164)	0	0	0
Net Adjustment for Expenditure Accruals	(20,679)	(66,492)	(45,313)	149,043
Perspective Differences:				
Community Center Fund	533	0	0	0
Historical Fund	1,646	0	0	0
Road Program Fund	(175,333)	0	0	0
Compensated Absences Fund	(170,175)	0	0	0
Encumbrances	(125,454)	(29,933)	(36,494)	(486,028)
Budget Basis	(\$277,591)	(\$4,597)	(\$395,107)	(\$239,928)

Note 6 – Receivables

Receivables at December 31, 2021, consisted of accounts receivable, interest, intergovernmental receivables arising from grants, entitlements and shared revenues, municipal income taxes, property taxes, payments in lieu of taxes, loans, and special assessments.

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

Special assessments expected to be collected in one year amount to \$505,499, with the remaining \$5,753,140 expected to be collected in more than one year. At December 31, 2021, the amount of delinquent special assessments was \$92,154.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes were levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$10.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

	Assessed Values
Real Estate:	
Residential/Agricultural	\$247,841,920
Other Real Estate	46,188,900
Tangible Personal Property Public Utility	11,187,960
Total	\$305,218,780

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, 2021, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2021 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Payments in Lieu of Taxes

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

Income Tax

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds, after income tax department expenditures, are credited to the general fund and the water and sewer improvements capital projects fund. See Note 19 for information regarding the Municipal Utility District with the City of Barberton.

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

Intergovernmental Receivables

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

	<u>Amounts</u>
ODOT Grants	\$484,015
Gasoline Tax and Cents Per Gallon	398,150
Local Government from Summit County	216,638
EPA Grant	183,225
Homestead and Rollback	148,799
Motor Vehicle License Registration	89,042
City of Barberton	69,706
State Municipal Tax	62,976
Permissive Motor Vehicle License Tax	56,618
Local Government from State of Ohio	30,124
Task Force Officers Grant	6,143
Department of Veterans Affairs	1,333
Summit County	23
Total	<u><u>\$1,746,792</u></u>

Loans Receivable

During 2017, a memorandum of understanding (MOU) was signed between the City and the City of Barberton. As part of the agreement, the City of Barberton will pay the City \$375,000 in annual installments of \$75,000 over a five year period beginning in 2018. The City received the amount associated with 2021 during the year. The amount outstanding for the City of Barberton at December 31, 2021 is \$75,000. The loan is related to the transfer of all sewer lines throughout the City to the City of Barberton in a transfer of operations. See Note 17 for details of the transfer.

Note 7 – Tax Abatements

As of December 31, 2021, 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 2021 related to this abatement in the amount of \$1,573.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Assets Held for Resale

Assets held for resale represent land purchased from the Summit County Metro Parks, which will be sold for future development or ownership. At December 31, 2021, the City held land for resale with a value of \$869,702.

Note 9 – Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/20	Additions	Reductions	Balance 12/31/21
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,209,297	\$176,850	(\$545,940)	\$840,207
Construction in Progress	12,669,509	5,499,900	(13,735,566)	4,433,843
<i>Total Capital Assets, not being depreciated</i>	<u>13,878,806</u>	<u>5,676,750</u>	<u>(14,281,506)</u>	<u>5,274,050</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,589,706	335,440	(6,395)	1,918,751
Buildings and Improvements	5,673,790	390,948	0	6,064,738
Equipment, Furniture and Fixtures	1,657,481	212,713	(86,928)	1,783,266
Vehicles	4,094,874	639,612	(259,897)	4,474,589
Infrastructure:				
Water Lines	7,495,347	705,247	0	8,200,594
Storm Sewers	0	136,354	0	136,354
Roads	12,899,876	13,640,301	0	26,540,177
<i>Total Capital Assets, being depreciated</i>	<u>33,411,074</u>	<u>16,060,615</u>	<u>(353,220)</u>	<u>49,118,469</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(730,680)	(96,298)	1,932	(825,046)
Buildings and Improvements	(1,313,235)	(115,759)	0	(1,428,994)
Equipment, Furniture and Fixtures	(964,932)	(112,572)	86,928	(990,576)
Vehicles	(1,977,088)	(337,140)	233,792	(2,080,436)
Infrastructure:				
Water Lines	(1,166,255)	(81,590)	0	(1,247,845)
Storm Sewers	0	(6,818)	0	(6,818)
Roads	(3,349,896)	(1,294,787)	0	(4,644,683)
<i>Total Accumulated Depreciation</i>	<u>(9,502,086)</u>	<u>(2,044,964) *</u>	<u>322,652</u>	<u>(11,224,398)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>23,908,988</u>	<u>14,015,651</u>	<u>(30,568)</u>	<u>37,894,071</u>
Governmental Activities Capital Assets, Net	<u>\$37,787,794</u>	<u>\$19,692,401</u>	<u>(\$14,312,074)</u>	<u>\$43,168,121</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

* Depreciation expense was charged to governmental functions as follows:

General Government	\$82,882
Security of Persons and Property	240,691
Transportation	1,558,370
Public Health Services	88,408
Leisure Time Activities	74,613
Total Depreciation Expense	<u><u>\$2,044,964</u></u>

Note 10 – Long-Term Obligations

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

	Year of Issuance	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:				
2012 Refunding Bonds:				
Ballfields	2012	2 - 3%	\$157,000	12/01/23
Gardner Engineering	2012	2 - 3	115,000	12/01/23
Barber Road Sanitary Sewer	2012	2 - 3	871,182	12/01/23
2020 Refunding Bonds from Direct Placement	2020	1.65	1,910,000	12/01/35
2020 Various Purpose Bonds from Direct Placement	2020	1.65	415,000	12/01/35
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 Loans from Direct Borrowings:				
Eastern Road Waterline Extension	2019	0.00	343,427	07/01/50
Hametown Road and 4 Dave's Drive Waterline	2021	0.00	429,824	Not Finalized
OWDA Loan from Direct Borrowing:				
State Route 261 Waterline South Loop	2021	2.00	2,082,374	Not Finalized
State Infrastructure Bank Loan				
<i>from Direct Borrowings:</i>				
Cleveland-Massillon Road Widening	2019	3.00	2,557,185	12/05/38
Newpark Drive Reconstruction	2019	3.00	452,000	12/23/24

City of Norton, Ohio
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For the Year Ended December 31, 2021

A schedule of changes in bonds and other long-term obligations of the City during 2021 following:

	Amounts Outstanding 12/31/20	Additions	Reductions	Amounts Outstanding 12/31/21	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
2012 Refunding Bonds:					
Ballfields	\$50,000	\$0	(\$15,000)	\$35,000	\$15,000
Gardner Engineering	45,000	0	(15,000)	30,000	15,000
Barber Road Sanitary Sewer	288,540	0	(93,870)	194,670	96,390
Premium	25,654	0	(8,551)	17,103	0
<i>Total 2012 Refunding Bonds</i>	<u>409,194</u>	<u>0</u>	<u>(132,421)</u>	<u>276,773</u>	<u>126,390</u>
2020 Refunding Bonds from Direct Placement	1,910,000	0	(115,000)	1,795,000	115,000
2020 Various Purpose Bonds from Direct Placement	415,000	0	(25,000)	390,000	25,000
Total General Obligation Bonds	<u>2,734,194</u>	<u>0</u>	<u>(272,421)</u>	<u>2,461,773</u>	<u>266,390</u>
Special Assessment Bonds					
with Governmental Commitment:					
2010 Various Purpose Bonds - Series B:					
Wadsworth, Berry, McGowan Waterlines - Term	173,444	0	(13,693)	159,751	14,834
Cleveland-Massillon Waterline - Term	308,063	0	(24,320)	283,743	26,348
Gardner Phase II - Term	131,994	0	(10,421)	121,573	11,289
Hazelwood Connect - Term	60,104	0	(4,745)	55,359	5,140
Johnson Meadows - Term	86,395	0	(6,821)	79,574	7,389
Premium	26,953	0	(1,797)	25,156	0
<i>Total 2010 Various Purpose Bonds</i>	<u>786,953</u>	<u>0</u>	<u>(61,797)</u>	<u>725,156</u>	<u>65,000</u>
2012 Various Purpose Bonds:					
Greenwich Street Sewer - Serial	33,000	0	(11,000)	22,000	11,000
Gardner Street Waterline - Serial	28,000	0	(9,000)	19,000	9,000
Oak Street Sewer - Serial	36,000	0	(11,000)	25,000	12,000
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	16,140	0	(1,345)	14,795	0
<i>Total 2012 Various Purpose Bonds</i>	<u>463,140</u>	<u>0</u>	<u>(32,345)</u>	<u>430,795</u>	<u>32,000</u>
2012 Refunding Bonds:					
Barber Road - Serial	169,460	0	(55,130)	114,330	56,610
Premium	7,703	0	(2,568)	5,135	0
<i>Total 2012 Refunding Bonds</i>	<u>177,163</u>	<u>0</u>	<u>(57,698)</u>	<u>119,465</u>	<u>56,610</u>
Total Special Assessment Bonds with Governmental Commitment	<u>1,427,256</u>	<u>0</u>	<u>(151,840)</u>	<u>1,275,416</u>	<u>153,610</u>
OPWC Loans from Direct Borrowing:					
Eastern Road Waterline Extension	343,427	0	(11,447)	331,980	11,448
Hametown Road and 4 Dave's Drive Waterline	0	429,824	0	429,824	0
Total OPWC Loans	<u>343,427</u>	<u>429,824</u>	<u>(11,447)</u>	<u>761,804</u>	<u>11,448</u>
OWDA Loan from Direct Borrowing:					
State Route 261 Waterline South Loop	0	2,082,374	0	2,082,374	0
SIB Loans from Direct Borrowings:					
Cleveland-Massillon Road Widening	2,557,185	470,749	(115,702)	2,912,232	133,570
Newpark Drive Reconstruction	452,000	0	0	452,000	146,203
Total SIB Loans	<u>3,009,185</u>	<u>470,749</u>	<u>(115,702)</u>	<u>3,364,232</u>	<u>279,773</u>
Other Long-Term Liabilities:					
Capital Leases	1,055,852	0	(250,628)	805,224	257,593
Compensated Absences	932,696	581,230	(534,631)	979,295	519,518
Total Other Long-Term Liabilities	<u>1,988,548</u>	<u>581,230</u>	<u>(785,259)</u>	<u>1,784,519</u>	<u>777,111</u>
Net Pension Liability:					
OPERS	1,789,190	0	(391,924)	1,397,266	0
OPF	4,960,319	211,630	0	5,171,949	0
Total Net Pension Liability	<u>6,749,509</u>	<u>211,630</u>	<u>(391,924)</u>	<u>6,569,215</u>	<u>0</u>
Net OPEB Liability:					
OPERS	1,365,928	0	(1,365,928)	0	0
OPF	727,327	76,501	0	803,828	0
Total Net OPEB Liability	<u>2,093,255</u>	<u>76,501</u>	<u>(1,365,928)</u>	<u>803,828</u>	<u>0</u>
Total Long-Term Liabilities	<u>\$18,345,374</u>	<u>\$3,852,308</u>	<u>(\$3,094,521)</u>	<u>\$19,103,161</u>	<u>\$1,488,332</u>

City of Norton, Ohio
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General Obligation Bonds

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

Various Purpose General Obligation Bond

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

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

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the various purpose refunding bonds. As a result, \$1,845,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. On December 31, 2021, \$1,760,000 of the defeased bonds are still outstanding.

The 2020 general obligation term bonds from direct placement maturing on December 1, 2035, are subject to optional redemption, by and at the option of the City, in whole or in part, as selected by the City, on any date, in integral multiples of \$5,000, at 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

The 2020 general obligation term bonds from direct placement maturing on December 1, 2035 are subject to mandatory redemption and are to be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed, plus interest accrued to the redemption date on December 1 in each of the years and in the principal amounts set forth as follows:

City of Norton, Ohio
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Year	Issue \$2,325,000
2022	\$140,000
2023	140,000
2024	145,000
2025	145,000
2026	150,000
2027	150,000
2028	155,000
2029	155,000
2030	165,000
2031	165,000
2032	165,000
2033	170,000
2034	170,000
Total	\$2,015,000
<i>Stated Maturity</i>	<i>12/1/2035</i>

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

Special Assessment Bonds

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

Various Purpose Special Assessment Bonds

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

The 2010B various purpose special assessment term bonds maturing on 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:

City of Norton, Ohio
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For the Year Ended December 31, 2021

Year	Issue	
	\$415,000	\$345,000
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	\$275,000	\$255,000
<i>Stated Maturity</i>	<i>12/1/2026</i>	<i>12/1/2030</i>

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

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

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

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

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

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

In 2012, the City issued various purpose special assessment refunding bonds, in the amount of \$516,818, to refund a portion of the 2003 various purpose special assessment bonds. The bonds were issued at an interest rate of 2 to 3 percent. The bonds were issued for a 12 year period with a final maturity on December 1, 2023. The bonds are being retired from the special assessment fund. The bonds were originally issued for capital purposes, but due to the transfer of operations the outstanding bonds are not capital related any longer. See Note 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, 2021, \$380,000 of the defeased bonds are still outstanding.

The City's outstanding OPWC loans from direct borrowings of \$761,804 related to governmental activities contain provisions that in an event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, the OPWC may require that such payment be taken from the County's share of the County undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable. A line of credit has been established with the OPWC in the amount of \$540,500 for the Hametown Road and 4 Dave's Drive waterline project. The balance of the loan at December 31, 2021 was \$429,824, which was unfinalized and excluded from the future debt service table.

The City's outstanding OWDA loan from direct borrowings related to governmental activities contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the County shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid. A line of credit has been established with the OWDA in the amount of \$2,638,410 for the State Route 261 South Loop waterline. The balance of the loan at December 31, 2021 was \$2,082,374, which was unfinalized and excluded from the future debt service table.

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. The City has a loan 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. This loan will mature on December 5, 2038. The other loan with the SIB in the amount of \$452,000 is for the reconstruction of the Newport Drive and Barber Road intersection. The Newport Drive reconstruction loan will mature on December 23, 2024.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

Compensated absences will be paid from the compensated absences fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension/OPEB contributions are made from the general fund and the service, fire and EMS, and police pension funds. For additional information related to the net pension liability and net OPEB liability see Notes 13 and 14.

The City's overall debt margin was \$23,496,924 and the unvoted legal debt margin was \$8,235,985 at December 31, 2021.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2021, are as follows:

	General Obligation Bonds					
	Term Bonds from Direct				Total	
	Serial Bonds		Placements			
Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$126,390	\$7,790	\$140,000	\$36,053	\$266,390	\$43,843
2023	133,280	3,998	140,000	33,742	273,280	37,740
2024	0	0	145,000	31,432	145,000	31,432
2025	0	0	145,000	29,040	145,000	29,040
2026	0	0	150,000	26,648	150,000	26,648
2027-2031	0	0	790,000	95,452	790,000	95,452
2032-2035	0	0	675,000	27,968	675,000	27,968
Totals	<u>\$259,670</u>	<u>\$11,788</u>	<u>\$2,185,000</u>	<u>\$280,335</u>	<u>\$2,444,670</u>	<u>\$292,123</u>

	Special Assessment Bonds					
	Serial Bonds		Term Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$88,610	\$17,572	\$65,000	\$31,981	\$153,610	\$49,553
2023	91,720	14,914	65,000	28,731	156,720	43,645
2024	0	0	105,000	37,644	105,000	37,644
2025	0	0	110,000	32,744	110,000	32,744
2026	0	0	115,000	27,594	115,000	27,594
2027-2031	0	0	545,000	63,013	545,000	63,013
20232	0	0	45,000	1,406	45,000	1,406
Totals	<u>\$180,330</u>	<u>\$32,486</u>	<u>\$1,050,000</u>	<u>\$223,113</u>	<u>\$1,230,330</u>	<u>\$255,599</u>

City of Norton, Ohio
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From Direct Borrowings			
OPWC			
	Loan	SIB Loan	
	Principal	Principal	Interest
2022	\$11,448	\$279,773	\$103,605
2023	11,447	288,230	95,148
2024	11,448	296,941	86,437
2025	11,447	146,051	73,891
2026	11,448	150,466	69,477
2027-2031	57,238	823,358	276,355
2032-2036	57,238	955,541	144,173
2037-2041	57,238	423,872	16,014
2042-2046	57,238	0	0
2047-2050	45,790	0	0
Totals	\$331,980	\$3,364,232	\$865,100

Note 11 – Capital Leases

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

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Equipment	\$312,873
Vehicles	1,231,697
Building Improvements	556,000
Less: Accumulated Depreciation	(590,630)
Total	\$1,509,940

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

	Principal	Interest	Total
2022	\$257,593	\$20,347	\$277,940
2023	158,431	12,839	171,270
2024	117,713	9,172	126,885
2025	103,698	6,280	109,978
2026	105,789	3,862	109,651
2027	62,000	1,395	63,395
Totals	\$805,224	\$53,895	\$859,119

Note 12 – Risk Management

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

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

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

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

Employee Health Benefits

As of December 1, 2021, the City has contracted with the South Central Ohio Insurance Consortium's (SCOIC) Health Benefits Program, an insurance purchasing pool, to provide employee health, dental, life, vision, and prescription benefits for its employees (see Note 21). Rates are set through an annual calculation process. The City pays a monthly contribution, which is paid in common funds from which claim payments are made for all participants. The City pays premiums of \$2,711 for family coverage and \$903 for single coverage per employee per month. The City pays monthly dental premiums of up to \$56 for family and single coverage.

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The City had shared risk pool coverage and stop-loss insurance through SCOIC for individual claims from \$35,000 to \$500,000 per year for medical and prescription claims. SCOIC purchases stop-loss coverage for individual claims over \$1,500,000. SCOIC members also participate in a Jefferson Health Plan (JHP) shared risk pool for individual claims from \$500,000 to \$1,500,000. The JHP has a stop-loss coverage insurance policy through Sun Life, which covered individual claims in excess of \$1,500,000 per employee per year for medical and prescription claims. The City has no stop-loss coverage for dental claims. The maximum dental benefit per covered person is \$1,500 per calendar year.

Note 13 – Defined Benefit Pension Plans

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

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

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

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

GASB 68/75 assumes the liability is 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 liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

City of Norton, Ohio
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The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to Final Average Salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above 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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 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 health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2021, the City’s contractually required contribution was \$178,697 for the traditional plan and \$14,016 for the member-directed plan. Of these amounts, \$17,946 is reported as an intergovernmental payable for the traditional plan and \$1,407 for the member-directed plan.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F 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
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Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after 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 OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	Police	Firefighters
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2021 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 OP&F was \$412,640 for 2021. Of this amount, \$44,136 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City’s proportion of the net pension liability (asset) was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City’s defined benefit pension plans:

	OPERS		
	Traditional Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.00943600%	0.07586740%	
Prior Measurement Date	0.00905200%	0.07363310%	
Change in Proportionate Share	0.00038400%	0.00223430%	
 Proj Net Pension Liability	 \$1,397,266	 \$5,171,949	 \$6,569,215
 Pension Expense	 103,709	 652,389	 756,098

2021 pension expense for the member-directed defined contribution plan was \$14,698. The aggregate pension expense for all pension plans was \$770,796 for 2021.

City of Norton, Ohio
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At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS		
	<u>Traditional Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$216,205	\$216,205
Changes of assumptions	0	86,737	\$86,737
Changes in proportion and differences between City contributions and proportionate share of contributions	75,928	384,191	460,119
City contributions subsequent to the measurement date	<u>178,697</u>	<u>412,640</u>	<u>591,337</u>
Total Deferred Outflows of Resources	<u><u>\$254,625</u></u>	<u><u>\$1,099,773</u></u>	<u><u>\$1,354,398</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$58,448	\$201,483	\$259,931
Net difference between projected and actual earnings on pension plan investments	544,613	250,873	795,486
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>0</u>	<u>98,657</u>	<u>98,657</u>
Total Deferred Inflows of Resources	<u><u>\$603,061</u></u>	<u><u>\$551,013</u></u>	<u><u>\$1,154,074</u></u>

\$591,337 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS		
	<u>Traditional Plan</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	(\$171,779)	\$164,713	(\$7,066)
2023	(59,074)	171,196	112,122
2024	(222,003)	(216,340)	(438,343)
2025	(74,277)	(7,334)	(81,611)
2026	<u>0</u>	<u>23,885</u>	<u>23,885</u>
Total	<u><u>(\$527,133)</u></u>	<u><u>\$136,120</u></u>	<u><u>(\$391,013)</u></u>

City of Norton, Ohio
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Actuarial Assumptions – OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, 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, 2020, 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	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, 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 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the

City of Norton, Ohio
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long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset)	\$2,665,293	\$1,397,266	\$342,904

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

City of Norton, Ohio
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For the Year Ended December 31, 2021

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: 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, 2020, are presented as follows:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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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 OP&F's target asset allocation as of December 31, 2020, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F'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 above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

City of Norton, Ohio
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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	\$7,200,015	\$5,171,949	\$3,474,662

Social Security System

As of December 31, 2021, 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 14 – Defined Benefit OPEB Plans

See Note 13 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

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OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced later for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

City of Norton, Ohio
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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$5,607 for 2021. Of this amount, \$563 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by 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, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OP&F 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 OP&F. Even if an OP&F 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 OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F 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
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Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required 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 2021, 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 OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$10,115 for 2021. Of this amount, \$1,082 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 (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.00908900%	0.07586740%	
Prior Measurement Date	<u>0.00988900%</u>	<u>0.07363310%</u>	
Change in Proportionate Share	<u>-0.00080000%</u>	<u>0.00223430%</u>	
Proportionate Share of the:			
Net Pension Asset	(\$161,928)	\$0	(\$161,928)
Net Pension Liability	0	803,828	803,828
OPEB Expense	(997,362)	111,219	(886,143)

City of Norton, Ohio
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At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes of assumptions	\$79,606	\$444,071	\$523,677
Changes in proportion and differences between City contributions and proportionate share of contributions	14,434	167,186	181,620
City contributions subsequent to the measurement date	5,607	10,115	15,722
Total Deferred Outflows of Resources	<u>\$99,647</u>	<u>\$621,372</u>	<u>\$721,019</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$146,139	\$132,589	\$278,728
Changes of assumptions	262,372	128,145	390,517
Net difference between projected and actual earnings on OPEB plan investments	86,245	29,872	116,117
Changes in proportion and differences between City contributions and proportionate share of contributions	67,464	11,739	79,203
Total Deferred Inflows of Resources	<u>\$562,220</u>	<u>\$302,345</u>	<u>\$864,565</u>

\$15,722 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 or an increase to the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2022	(\$243,590)	\$68,819	(\$174,771)
2023	(176,948)	75,893	(101,055)
2024	(37,479)	64,741	27,262
2025	(10,163)	68,421	58,258
2026	0	15,423	15,423
Thereafter	0	15,615	15,615
Total	<u>(\$468,180)</u>	<u>\$308,912</u>	<u>(\$159,268)</u>

Actuarial Assumptions – OPERS

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

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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, 2019, rolled forward to the measurement date of December 31, 2020. 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	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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. Postretirement 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. Postretirement 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 above described tables.

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$40,264)	(\$161,928)	(\$261,945)

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability (Asset) 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 (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) 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.

City of Norton, Ohio
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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 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$165,874)	(\$161,928)	(\$157,512)

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F'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
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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	2.2 percent simple

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 OP&F 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 13).

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent

City of Norton, Ohio
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for 2019. 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 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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 (Asset) to Changes in the Discount Rate Net OPEB liability (asset) is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability (asset) calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$1,002,327	\$803,828	\$640,089

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) 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 15 - 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, 2021.

Litigation

The City of Norton is party four legal proceedings; however, none are estimated to be financially significant settlements.

City of Norton, Ohio
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Note 16 – 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 South Central Ohio Insurance Consortium Council of Governments. Programs are provided by Cigna.

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 was notified by the Ohio EPA that a number of discharging and/or failing septic systems in the Nash Heights subdivision of the City were contributing to elevated bacteria in the City's Municipal Separate Storm Sewer System (MS4) and the Wolf Creek Watershed. The City worked with the Ohio EPA and the Summit County General Health District in order to resolve this issue. On January 21, 2013, the City submitted a plan and schedule to the Ohio EPA to address the alleged illicit discharges from failing septic systems into the MS4 and the Wolf Creek Watershed. On November 14, 2013, the Ohio EPA issued its Final Findings and Orders ordering the City to construct certain sewerage improvements in the Nash Heights subdivision of the City pursuant to a schedule that ended on May 30, 2017. If the City failed to comply with the Findings and Orders the City could be subject to further enforcement. The sewerage improvements are to be constructed by the City in order to prevent future discharges into the MS4 and Wolf Creek Watershed. Based on the MOU, the City of Barberton assumed all responsibility for the EPA orders and supervision of construction by Rudzik Excavating. Rudzik Excavating began construction in April of 2017 and completed in April of 2018. The total cost of the project was determined to be just over \$7.5 million, and assessments were levied in January of 2019 to charge to the applicable residents. The City will be responsible for making annual payments from the City's own water and sewer improvement capital project fund and from the special assessments levied for the project to the City of Barberton beginning in April of 2019 over a 30 year period.

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

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 18 – Interfund Transfers

Transfers from the general fund of \$2,299,694 were used to move unrestricted revenues collected in the general fund to finance various programs accounted for in the service, water and sewer improvements, capital projects, and other governmental funds in the amounts of \$500,000, \$450,000, \$923,500, and \$426,194, respectively, in accordance with budgetary authorizations.

Note 19 – 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 2021, the City collected and distributed \$300,978 in income tax revenue from the MUD to the City of Barberton.

Note 20 – 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 2021, the City contributed \$508,869 to the Council for dispatch services and \$50,475 for information technology services. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

Note 21 – Insurance Purchasing Pool

The City is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost-effective cooperative health program for its member organizations. The governing board consists of the mayor or other designee appointed by each of the members of the SCOIC. Members include 23 public entities with approximately 4,000 employee lives covered for medical and prescription benefits with many different plan designs in place, as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom Carroll Local School District serves as the fiscal agent for the SCOIC.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

SCOIC contracts with the Jefferson Health Plan (JHP) (formerly, the Ohio Mid-Eastern Regional Educational Service Agency), for internal pool and stop loss coverage. The SCOIC members are considered self-insured and pay a monthly premium to SCOIC that is actuarially calculated based on the participants' actual claims experience, which are utilized for the payments of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. SCOIC members participate in a shared-risk pool through SCOIC for individual claims from \$35,000 to \$500,000. SCOIC members also participate in a JHP shared risk pool for individual claims from \$500,000 to \$1,500,000. Sun Life provides stop loss coverage for individual claims over \$1,500,000. In the event that the City would withdraw from SCOIC, the City would be required to give a 180-day notice prior to the end of their three-year contract, be responsible for all run-out claims, and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom-Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

Note 22 – 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 242 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 2021, 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.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 355 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2021, the City paid RITA \$212,589 for income tax collection services.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Akron-Summit County Energy Special Improvement District

The Akron-Summit County Energy Special Improvement District (ESID) was created pursuant to Ohio Revised Code Chapter 1710 for the purpose of enhancing the value of properties within the ESID and improving the environment by developing and assisting in developing special energy improvement projects. The ESID administers a Property Assessed Clean Energy (PACE) program, which provides financing secured by special assessments on real property for special energy improvement projects. Participation in the PACE program is limited to property owners who have agreed to add their property to the ESID and who otherwise meet the PACE program's terms and condition. The ESID is governed by a Board of Directors, which consists of one director appointed by each mayor of each municipality wherein property in the ESID is located and one director appointed by the legislative authority of each of those municipalities. Additionally, the Board of Directors consists of one director appointed by the legislative authority of each township wherein property in the ESID is located. The two positions for the City are both currently held by the Administrative Officer. Altogether, there are 26 member positions, one for each parcel of property currently in the ESID, and 40 director positions based on the appointees of the municipalities and townships, plus 3 member-appointed directors.

The ESID has designated the Development Finance Authority of Summit County (DFA) as its program administrator, which includes the financing of energy projects. The DFA utilizes Summit County as its Fiscal Agent for the receipt and disbursement of monies related to energy project financing. On January 11, 2019, the DFA, on behalf of the ESID, authorized an \$8,250 loan to finance energy improvements for the City to be repaid from special assessments collected on behalf of the ESID, by Summit County according to the loan agreement entered into by the ESID, the DFA, and the City. The Summit County fiscal office makes the required debt service payments on the loan as they come due. In 2019, \$100 of loan proceeds have been disbursed to vendors for the energy improvements and the City has repaid \$100 to the DFA, on behalf of the ESID. No additional financial activities occurred during 2021 between the ESID, the DFA, and the City.

Note 23 – Significant Commitments

Encumbrances

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

General	\$125,454
Service	29,933
Fire and EMS	36,494
Water System	486,028
Water and Sewer Improvements	9,826
Capital Projects	204,002
Other Governmental Funds	<u>180,416</u>
Total	<u><u>\$1,072,153</u></u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Contractual Commitments

At December 31, 2021, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
State Route 261 Waterline Loop Construction	\$2,200,000	\$1,735,933	\$464,067
Johnson Road Waterline Construction	871,000	0	871,000
Hametown Road and 4 Dave's Drive Construction	691,153	590,431	100,722
State Route 261 Waterline Loop Engineering	354,800	334,270	20,530
Wooster Road Reconstruction	210,000	27,154	182,846
Johnson Road Waterline Engineering	74,000	3,025	70,975
Hametown Road and 4 Dave's Drive Engineering	61,000	58,025	2,975
Driftwood Road and Cherrywood Drive Resurfacing	58,000	11,031	46,969
Interstate 76 Waterline Engineering	57,600	3,300	54,300
Greenwich Road Sanitary Sewer Engineering	57,502	14,988	42,514
Barber Road Reconstruction Engineering	55,000	52,525	2,475
Norton Acres Storm Sewer Engineering	50,750	14,591	36,159
Shellhart Road Waterline Engineering	42,000	15,750	26,250
Total	<u>\$4,782,805</u>	<u>\$2,861,023</u>	<u>\$1,921,782</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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	Service	Fire and EMS	Water System
<u>Nonspendable:</u>				
Materials and Supplies Inventory	\$10,756	\$402,700	\$0	\$0
Prepays Items	26,369	7,063	11,717	0
Unclaimed Monies	15,858	0	0	0
<i>Total Nonspendable</i>	<u>52,983</u>	<u>409,763</u>	<u>11,717</u>	<u>0</u>
<u>Restricted for:</u>				
Transportation	0	737,949	0	0
Fire/EMS	0	0	887,904	0
Debt Service	0	0	0	0
Public Utilities	0	0	0	894,025
Capital Projects	0	0	0	0
Police	0	0	0	0
Economic Development	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>737,949</u>	<u>887,904</u>	<u>894,025</u>
<u>Committed to:</u>				
Purchases on Order	14,141	0	0	0
Compensated Absences	229,437	0	0	0
Public Utilities	0	0	0	0
Cemetery	0	0	0	0
Special Events	0	0	0	0
<i>Total Committed</i>	<u>243,578</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>				
2022 Appropriations	1,305,353	0	0	0
Purchases on Order	66,833	0	0	0
Transportation	1,204,538	0	0	0
Community Center	1,111	0	0	0
Recycling	27,628	0	0	0
Scrap Tire	643	0	0	0
Police Dog Donations	4,287	0	0	0
Capital Projects	0	0	0	0
<i>Total Assigned</i>	<u>2,610,393</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>2,552,237</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$5,459,191</u>	<u>\$1,147,712</u>	<u>\$899,621</u>	<u>\$894,025</u>

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Special Assessment	Water and Sewer Improvements	Capital Projects	Other Governmental Funds	Total
\$0	\$0	\$0	\$0	\$413,456
0	0	0	0	45,149
0	0	0	0	15,858
0	0	0	0	474,463
0	0	0	243,719	981,668
0	0	0	0	887,904
180,533	0	0	102,032	282,565
0	75,000	0	1,094,037	2,063,062
0	0	0	709,892	709,892
0	0	0	487,472	487,472
0	0	0	743,489	743,489
180,533	75,000	0	3,380,641	6,156,052
0	0	0	0	14,141
0	0	0	0	229,437
0	3,180,542	0	0	3,180,542
0	0	0	23,436	23,436
0	0	0	5,384	5,384
0	3,180,542	0	28,820	3,452,940
0	0	0	0	1,305,353
0	0	0	0	66,833
0	0	0	0	1,204,538
0	0	0	0	1,111
0	0	0	0	27,628
0	0	0	0	643
0	0	0	0	4,287
0	0	0	477,944	477,944
0	0	0	477,944	3,088,337
0	0	(171,841)	0	2,380,396
\$180,533	\$3,255,542	(\$171,841)	\$3,887,405	\$15,552,188

In addition to the above fund balance constraints, the City has a general fund rainy day arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the City established a rainy day fund by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other form of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. The Council authorized the funding of this 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, 2021 is \$500,000.

City of Norton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 25 – Accountability and Compliance

Accountability

At December 31, 2021, the capital projects fund had a fund deficit of \$171,841. The deficit resulted from the recognition of accrued liabilities. The general fund is responsible to cover deficit 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 5705.41(B), the following funds had expenditures plus encumbrances in excess of final appropriations as of December 31, 2021:

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Special Revenue Fund:</i>			
Fire and EMS Fund:			
Security of Persons and Property:			
Fire Department:			
Personal Services	\$1,847,856	\$1,852,031	(\$4,175)

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 26 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The City’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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 Eight Years (1) **

	2021	2020	2019
City's Proportion of the Net Pension Liability	0.00943600%	0.00905200%	0.00856200%
City's Proportionate Share of the Net Pension Liability	\$1,397,266	\$1,789,190	\$2,344,958
City's Covered Payroll	\$1,280,071	\$1,273,564	\$1,156,400
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	109.16%	140.49%	202.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%

(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

2018	2017	2016	2015	2014
0.00840100%	0.00895200%	0.00921100%	0.01085700%	0.01085700%
\$1,317,954	\$2,032,847	\$1,595,462	\$1,309,476	\$1,279,899
\$1,110,154	\$1,157,242	\$1,146,400	\$1,331,017	\$1,550,131
118.72%	175.66%	139.17%	98.38%	82.57%
84.66%	77.25%	81.08%	86.45%	86.36%

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

	2021	2020	2019
City's Proportion of the Net OPEB Liability/Asset	0.00908900%	0.00988900%	0.00942200%
City's Proportionate Share of the:			
Net OPEB Liability	\$0	\$1,365,928	\$1,228,406
Net OPEB Asset	\$161,928	\$0	\$0
City's Covered Payroll	\$1,427,046	\$1,493,989	\$1,366,675
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-11.35%	91.43%	89.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	115.57%	47.80%	46.33%

(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

2018	2017
0.00940000%	0.00990000%
\$1,020,771	\$999,934
\$0	\$0
\$1,331,279	\$1,367,542
76.68%	73.12%
54.14%	54.04%

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 Eight Years (1) **

	2021	2020	2019
City's Proportion of the Net Pension Liability	0.07586740%	0.07363310%	0.07600400%
City's Proportionate Share of the Net Pension Liability	\$5,171,949	\$4,960,319	\$6,203,936
City's Covered Payroll	\$1,921,405	\$1,812,923	\$2,015,639
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	269.18%	273.61%	307.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%

(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

2018	2017	2016	2015	2014
0.07128600%	0.07069400%	0.05931100%	0.04933120%	0.04933120%
\$4,375,143	\$4,477,688	\$3,815,516	\$2,555,560	\$2,402,584
\$1,624,772	\$1,477,940	\$1,187,377	\$1,051,452	\$1,136,466
269.28%	302.97%	321.34%	243.05%	211.41%
70.91%	68.36%	66.77%	71.71%	73.00%

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

	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.07586740%	0.07363310%	0.07600400%
City's Proportionate Share of the Net OPEB Liability	\$803,828	\$727,327	\$692,133
City's Covered Payroll	\$1,921,405	\$1,812,923	\$2,015,639
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.84%	40.12%	34.34%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.40%	47.08%	46.57%

(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

2018	2017
0.07128600%	0.07069400%
\$4,038,965	\$3,355,685
\$1,624,772	\$1,477,940
248.59%	227.05%
14.13%	15.96%

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

	2021	2020	2019
Net Pension Liability - Traditional Plan			
Contractually Required Contribution	\$178,697	\$179,210	\$178,299
Contributions in Relation to the Contractually Required Contribution	<u>(178,697)</u>	<u>(179,210)</u>	<u>(178,299)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,276,407	\$1,280,071	\$1,273,564
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (3)			
Contractually Required Contribution	\$5,607	\$5,879	\$8,817
Contributions in Relation to the Contractually Required Contribution	<u>(5,607)</u>	<u>(5,879)</u>	<u>(8,817)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$1,416,582	\$1,427,046	\$1,493,989
OPEB Contributions as a Percentage of Covered Payroll	<u>0.40%</u>	<u>0.41%</u>	<u>0.59%</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

2018	2017	2016	2015	2014	2013
\$161,896	\$144,320	\$138,869	\$137,568	\$159,722	\$201,517
(161,896)	(144,320)	(138,869)	(137,568)	(159,722)	(201,517)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,156,400	\$1,110,154	\$1,157,242	\$1,146,400	\$1,331,017	\$1,550,131
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$8,411	\$8,845	\$8,412			
(8,411)	(8,845)	(8,412)			
\$0	\$0	\$0			
\$1,366,675	\$1,331,279	\$1,367,542			
0.62%	0.66%	0.62%			

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Pension Liability			
Contractually Required Contribution	\$412,640	\$392,944	\$369,613
Contributions in Relation to the Contractually Required Contribution	<u>(412,640)</u>	<u>(392,944)</u>	<u>(369,613)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$2,023,082	\$1,921,405	\$1,812,923
Pension Contributions as a Percentage of Covered Payroll	<u>20.40%</u>	<u>20.45%</u>	<u>20.39%</u>
Net OPEB Liability			
Contractually Required Contribution	\$10,115	\$9,607	\$9,064
Contributions in Relation to the Contractually Required Contribution	<u>(10,115)</u>	<u>(9,607)</u>	<u>(9,064)</u>
Contribution Deficiency (Excess)	<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>
Total Contributions as a Percentage of Covered Payroll	<u>20.90%</u>	<u>20.95%</u>	<u>20.89%</u>

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013	2012
\$412,260	\$330,904	\$301,741	\$238,670	\$206,448	\$187,229	\$113,745
(412,260)	(330,904)	(301,741)	(238,670)	(206,448)	(187,229)	(113,745)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,015,639	\$1,624,772	\$1,477,940	\$1,187,377	\$1,051,452	\$1,136,466	\$855,682
20.45%	20.37%	20.42%	20.10%	19.63%	16.47%	13.29%
\$10,078	\$8,124	\$7,390	\$5,937	\$5,257	\$6,772	\$7,678
(10,078)	(8,124)	(7,390)	(5,937)	(5,257)	(6,772)	(7,678)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.90%
20.95%	20.87%	20.92%	20.60%	20.13%	17.07%	14.19%

City of Norton, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented as follows:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

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

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use 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 above described tables.

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

City of Norton, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

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:

	Beginning in 2018	2017 and Prior
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	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

City of Norton, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OPF OPEB

Blended Discount Rate:	
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Benefit Terms – OPF OPEB

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

**Combining and Individual Fund Statements and
Schedules**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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.

Local Fiscal Recovery Fund To account for and report revenues received from the Local Recovery funds received through the American Rescue Act of 2021 and expenses incurred in response to the impact of the COVID-19 disease in accordance with said act.

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

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

(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.

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

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

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

Road Program Fund To account for and report assigned revenues received primarily from general fund transfers. Expenditures are used for street construction, maintenance and repair. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

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

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

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

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

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

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

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

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

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

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,727,725	\$102,032	\$865,959	\$3,695,716
Accounts Receivable	0	0	1,957	1,957
Accrued Interest Receivable	59	0	0	59
Intergovernmental Receivable	99,049	0	0	99,049
Property Taxes Receivable	84,067	0	0	84,067
Payments in Lieu of Taxes Receivable	0	0	203,511	203,511
Special Assessments Receivable	0	321,355	728,440	1,049,795
Assets Held for Resale	534,402	0	335,300	869,702
<i>Total Assets</i>	<u>\$3,445,302</u>	<u>\$423,387</u>	<u>\$2,135,167</u>	<u>\$6,003,856</u>
Liabilities				
Intergovernmental Payable	\$66,200	\$0	\$0	\$66,200
Contracts Payable	0	0	15,380	15,380
Unearned Revenue	626,725	0	0	626,725
<i>Total Liabilities</i>	<u>692,925</u>	<u>0</u>	<u>15,380</u>	<u>708,305</u>
Deferred Inflows of Resources				
Property Taxes	80,366	0	0	80,366
Payments in Lieu of Taxes	0	0	203,511	203,511
Unavailable Revenue	74,474	321,355	728,440	1,124,269
<i>Total Deferred Inflows of Resources</i>	<u>154,840</u>	<u>321,355</u>	<u>931,951</u>	<u>1,408,146</u>
Fund Balances				
Restricted	2,568,717	102,032	709,892	3,380,641
Committed	28,820	0	0	28,820
Assigned	0	0	477,944	477,944
<i>Total Fund Balances</i>	<u>2,597,537</u>	<u>102,032</u>	<u>1,187,836</u>	<u>3,887,405</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,445,302</u>	<u>\$423,387</u>	<u>\$2,135,167</u>	<u>\$6,003,856</u>

City of Norton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$80,049	\$0	\$0	\$80,049
Payments in Lieu of Taxes	2,000	0	301,014	303,014
Charges for Services	63,054	0	128,346	191,400
Special Assessments	0	2,313	0	2,313
Fines and Forfeitures	5,001	0	0	5,001
Intergovernmental	200,050	0	574,733	774,783
Interest	166	0	0	166
Other	407	0	0	407
<i>Total Revenues</i>	<u>350,727</u>	<u>2,313</u>	<u>1,004,093</u>	<u>1,357,133</u>
Expenditures				
Current:				
General Government	1,154	39	111,150	112,343
Security of Persons and Property	253,333	0	0	253,333
Transportation	73,871	0	0	73,871
Community Environment	21,800	0	0	21,800
Public Health Services	51,927	0	0	51,927
Capital Outlay	0	0	1,310,471	1,310,471
Debt Service:				
Principal Retirement	0	245,248	15,000	260,248
Interest and Fiscal Charges	0	101,422	1,500	102,922
<i>Total Expenditures</i>	<u>402,085</u>	<u>346,709</u>	<u>1,438,121</u>	<u>2,186,915</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(51,358)</u>	<u>(344,396)</u>	<u>(434,028)</u>	<u>(829,782)</u>
Other Financing Sources				
SIB Loans Issued	0	0	470,749	470,749
Excess from Sale of Assets Held for Resale	88,885	0	0	88,885
Transfers In	0	426,194	0	426,194
<i>Total Other Financing Sources</i>	<u>88,885</u>	<u>426,194</u>	<u>470,749</u>	<u>985,828</u>
<i>Net Change in Fund Balances</i>	37,527	81,798	36,721	156,046
<i>Fund Balances Beginning of Year</i>	<u>2,560,010</u>	<u>20,234</u>	<u>1,151,115</u>	<u>3,731,359</u>
<i>Fund Balances End of Year</i>	<u>\$2,597,537</u>	<u>\$102,032</u>	<u>\$1,187,836</u>	<u>\$3,887,405</u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	State Highway	Permissive Tax	DARE Grant	Drug Enforcement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$43,289	\$172,397	\$73,107	\$2,811
Accrued Interest Receivable	59	0	0	0
Intergovernmental Receivable	36,539	56,618	0	0
Property Taxes Receivable	0	0	0	0
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$79,887</u>	<u>\$229,015</u>	<u>\$73,107</u>	<u>\$2,811</u>
Liabilities				
Intergovernmental Payable	\$0	\$0	\$0	\$0
Unearned Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	25,126	40,057	0	0
<i>Total Deferred Inflows of Resources</i>	<u>25,126</u>	<u>40,057</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	54,761	188,958	73,107	2,811
Committed	0	0	0	0
<i>Total Fund Balances</i>	<u>54,761</u>	<u>188,958</u>	<u>73,107</u>	<u>2,811</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$79,887</u>	<u>\$229,015</u>	<u>\$73,107</u>	<u>\$2,811</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2021

	Law Enforcement	DWI Enforcement	Law Enforcement Assistance	Cemetery
Assets				
Equity in Pooled Cash and Cash Equivalents	\$183,501	\$7,461	\$4,780	\$23,436
Accrued Interest Receivable	0	0	0	0
Intergovernmental Receivable	0	302	0	0
Property Taxes Receivable	0	0	0	0
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$183,501</u>	<u>\$7,763</u>	<u>\$4,780</u>	<u>\$23,436</u>
Liabilities				
Intergovernmental Payable	\$0	\$0	\$0	\$0
Unearned Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	183,501	7,763	4,780	0
Committed	0	0	0	23,436
<i>Total Fund Balances</i>	<u>183,501</u>	<u>7,763</u>	<u>4,780</u>	<u>23,436</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$183,501</u>	<u>\$7,763</u>	<u>\$4,780</u>	<u>\$23,436</u>

Special Events	Police Pension	Sanitary Sewer	Local Fiscal Recovery	Police Equipment	Economic Development	Total Nonmajor Special Revenue Funds
\$5,384	\$98,154	\$1,130,976	\$626,725	\$146,617	\$209,087	\$2,727,725
0	0	0	0	0	0	59
0	5,590	0	0	0	0	99,049
0	84,067	0	0	0	0	84,067
0	0	0	0	0	534,402	534,402
<u>\$5,384</u>	<u>\$187,811</u>	<u>\$1,130,976</u>	<u>\$626,725</u>	<u>\$146,617</u>	<u>\$743,489</u>	<u>\$3,445,302</u>
\$0	\$29,261	\$36,939	\$0	\$0	\$0	\$66,200
0	0	0	626,725	0	0	626,725
0	29,261	36,939	626,725	0	0	692,925
0	80,366	0	0	0	0	80,366
0	9,291	0	0	0	0	74,474
0	89,657	0	0	0	0	154,840
0	68,893	1,094,037	0	146,617	743,489	2,568,717
5,384	0	0	0	0	0	28,820
5,384	68,893	1,094,037	0	146,617	743,489	2,597,537
<u>\$5,384</u>	<u>\$187,811</u>	<u>\$1,130,976</u>	<u>\$626,725</u>	<u>\$146,617</u>	<u>\$743,489</u>	<u>\$3,445,302</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, 2021

	State Highway	Permissive Tax	DARE Grant	Drug Enforcement
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Payments in Lieu of Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	71,379	112,698	4,783	0
Interest	166	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>71,545</u>	<u>112,698</u>	<u>4,783</u>	<u>0</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	69,515	4,356	0	0
Community Environment	0	0	0	0
Public Health Services	0	0	0	0
<i>Total Expenditures</i>	<u>69,515</u>	<u>4,356</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,030	108,342	4,783	0
Other Financing Sources				
Excess from Sale of Assets Held for Resale	0	0	0	0
<i>Net Change in Fund Balances</i>	2,030	108,342	4,783	0
<i>Fund Balances Beginning of Year</i>	<u>52,731</u>	<u>80,616</u>	<u>68,324</u>	<u>2,811</u>
<i>Fund Balances End of Year</i>	<u><u>\$54,761</u></u>	<u><u>\$188,958</u></u>	<u><u>\$73,107</u></u>	<u><u>\$2,811</u></u>

Law Enforcement	DWI Enforcement	Law Enforcement Assistance	Cemetery	Special Events	Police Pension	Sanitary Sewer
\$0	\$0	\$0	\$0	\$0	\$80,049	\$0
0	0	0	0	0	0	0
0	0	0	3,869	0	0	44,350
2,186	2,732	0	0	0	0	0
0	0	0	0	0	11,190	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>2,186</u>	<u>2,732</u>	<u>0</u>	<u>3,869</u>	<u>0</u>	<u>91,239</u>	<u>44,350</u>
0	0	0	0	0	1,154	0
30,535	0	0	0	0	194,105	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	51,927
<u>30,535</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>195,259</u>	<u>51,927</u>
(28,349)	2,732	0	3,869	0	(104,020)	(7,577)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(28,349)	2,732	0	3,869	0	(104,020)	(7,577)
<u>211,850</u>	<u>5,031</u>	<u>4,780</u>	<u>19,567</u>	<u>5,384</u>	<u>172,913</u>	<u>1,101,614</u>
<u>\$183,501</u>	<u>\$7,763</u>	<u>\$4,780</u>	<u>\$23,436</u>	<u>\$5,384</u>	<u>\$68,893</u>	<u>\$1,094,037</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, 2021

	Police Equipment	Economic Development	Total Nonmajor Special Revenue Funds
Revenues			
Property Taxes	\$0	\$0	\$80,049
Payments in Lieu of Taxes	0	2,000	2,000
Charges for Services	14,835	0	63,054
Fines and Forfeitures	0	83	5,001
Intergovernmental	0	0	200,050
Interest	0	0	166
Other	407	0	407
<i>Total Revenues</i>	<u>15,242</u>	<u>2,083</u>	<u>350,727</u>
Expenditures			
Current:			
General Government	0	0	1,154
Security of Persons and Property	28,693	0	253,333
Transportation	0	0	73,871
Community Environment	0	21,800	21,800
Public Health Services	0	0	51,927
<i>Total Expenditures</i>	<u>28,693</u>	<u>21,800</u>	<u>402,085</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(13,451)	(19,717)	(51,358)
Other Financing Sources			
Excess from Sale of Assets Held for Resale	0	88,885	88,885
<i>Net Change in Fund Balances</i>	(13,451)	69,168	37,527
<i>Fund Balances Beginning of Year</i>	<u>160,068</u>	<u>674,321</u>	<u>2,560,010</u>
<i>Fund Balances End of Year</i>	<u><u>\$146,617</u></u>	<u><u>\$743,489</u></u>	<u><u>\$2,597,537</u></u>

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	<u>Land Improvements</u>	<u>Building Improvements</u>	<u>Street Improvements</u>	<u>Storm Sewer Improvements</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$251,435	\$7,520	\$11,643	\$6,329
Accounts Receivable	1,957	0	0	0
Payments in Lieu of Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Assets Held for Resale	200,000	0	135,300	0
<i>Total Assets</i>	<u>\$453,392</u>	<u>\$7,520</u>	<u>\$146,943</u>	<u>\$6,329</u>
Liabilities				
Intergovernmental Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources				
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	0	0	146,943	0
Assigned	453,392	7,520	0	6,329
<i>Total Fund Balances</i>	<u>453,392</u>	<u>7,520</u>	<u>146,943</u>	<u>6,329</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$453,392</u>	<u>\$7,520</u>	<u>\$146,943</u>	<u>\$6,329</u>

(continued)

City of Norton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2021

	Sanitary Sewer Improvements	Tax Increment Financing	Newpark Drive Reconstruction	Cleveland- Massillon Road Widening
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,703	\$201,923	\$88,842	\$281,374
Accounts Receivable	0	0	0	0
Payments in Lieu of Taxes Receivable	0	203,511	0	0
Special Assessments Receivable	0	0	289,420	439,020
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$10,703</u>	<u>\$405,434</u>	<u>\$378,262</u>	<u>\$720,394</u>
Liabilities				
Intergovernmental Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	650	0	14,730
<i>Total Liabilities</i>	<u>0</u>	<u>650</u>	<u>0</u>	<u>14,730</u>
Deferred Inflows of Resources				
Payments in Lieu of Taxes	0	203,511	0	0
Unavailable Revenue	0	0	289,420	439,020
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>203,511</u>	<u>289,420</u>	<u>439,020</u>
Fund Balances				
Restricted	0	201,273	88,842	266,644
Assigned	10,703	0	0	0
<i>Total Fund Balances</i>	<u>10,703</u>	<u>201,273</u>	<u>88,842</u>	<u>266,644</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$10,703</u>	<u>\$405,434</u>	<u>\$378,262</u>	<u>\$720,394</u>

Eastern Road Waterline	Medina Line Road Resurfacing	Total Nonmajor Capital Projects Funds
\$500	\$5,690	\$865,959
0	0	1,957
0	0	203,511
0	0	728,440
0	0	335,300
<u>\$500</u>	<u>\$5,690</u>	<u>\$2,135,167</u>
\$0	\$0	\$0
0	0	15,380
0	0	15,380
0	0	203,511
0	0	728,440
0	0	931,951
500	5,690	709,892
0	0	477,944
500	5,690	1,187,836
<u>\$500</u>	<u>\$5,690</u>	<u>\$2,135,167</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, 2021

	Land Improvements	Building Improvements	Street Improvements	Storm Sewer Improvements	Sanitary Sewer Improvements
Revenues					
Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	128,346	0	0	0	0
Intergovernmental	183,498	0	0	0	0
<i>Total Revenues</i>	<u>311,844</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures					
General Government	0	0	0	0	0
Capital Outlay	342,044	7,444	3,981	0	0
Debt Service:					
Principal Retirement	15,000	0	0	0	0
Interest and Fiscal Charges	1,500	0	0	0	0
<i>Total Expenditures</i>	<u>358,544</u>	<u>7,444</u>	<u>3,981</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(46,700)	(7,444)	(3,981)	0	0
Other Financing Sources					
SIB Loans Issued	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(46,700)	(7,444)	(3,981)	0	0
<i>Fund Balances Beginning of Year</i>	<u>500,092</u>	<u>14,964</u>	<u>150,924</u>	<u>6,329</u>	<u>10,703</u>
<i>Fund Balances End of Year</i>	<u>\$453,392</u>	<u>\$7,520</u>	<u>\$146,943</u>	<u>\$6,329</u>	<u>\$10,703</u>

<u>Tax Increment Financing</u>	<u>Newpark Drive Reconstruction</u>	<u>Cleveland- Massillon Road Widening</u>	<u>Eastern Road Waterline</u>	<u>Medina Line Road Resurfacing</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$301,014	\$0	\$0	\$0	\$0	\$301,014
0	0	0	0	0	128,346
0	0	385,545	0	5,690	574,733
<u>301,014</u>	<u>0</u>	<u>385,545</u>	<u>0</u>	<u>5,690</u>	<u>1,004,093</u>
111,150	0	0	0	0	111,150
650	47,633	908,719	0	0	1,310,471
0	0	0	0	0	15,000
0	0	0	0	0	1,500
<u>111,800</u>	<u>47,633</u>	<u>908,719</u>	<u>0</u>	<u>0</u>	<u>1,438,121</u>
189,214	(47,633)	(523,174)	0	5,690	(434,028)
0	0	470,749	0	0	470,749
189,214	(47,633)	(52,425)	0	5,690	36,721
12,059	136,475	319,069	500	0	1,151,115
<u>\$201,273</u>	<u>\$88,842</u>	<u>\$266,644</u>	<u>\$500</u>	<u>\$5,690</u>	<u>\$1,187,836</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$435,818	\$433,484	\$426,925	(\$6,559)
Municipal Income Tax	5,779,100	6,479,100	7,262,046	782,946
Charges for Services	234,330	284,330	181,206	(103,124)
Licenses, Permits and Fees	30,185	30,185	53,314	23,129
Fines and Forfeitures	15,250	15,250	9,679	(5,571)
Intergovernmental	651,187	733,978	852,127	118,149
Interest	193,335	193,335	143,849	(49,486)
Contributions and Donations	3,060	3,060	3,761	701
Rentals	4,761	4,761	10,340	5,579
Other	69,847	69,847	70,366	519
<i>Total Revenues</i>	7,416,873	8,247,330	9,013,613	766,283
Expenditures				
Current:				
General Government:				
City Council:				
Personal Services	141,196	141,196	137,053	4,143
Other than Personal Services	20,775	20,775	10,086	10,689
Total City Council	161,971	161,971	147,139	14,832
Mayor's Office:				
Personal Services	46,533	46,533	46,046	487
Other than Personal Services	340	340	330	10
Total Mayor's Office	46,873	46,873	46,376	497
Administrative Office:				
Personal Services	173,662	176,694	176,694	0
Other than Personal Services	13,905	15,396	15,396	0
Capital Outlay	795	435	430	5
Total Administrative Office	188,362	192,525	192,520	5
Finance Office:				
Personal Services	280,720	277,688	225,566	52,122
Other than Personal Services	90,802	89,581	88,143	1,438
Capital Outlay	0	90	90	0
Total Finance Office	\$371,522	\$367,359	\$313,799	\$53,560

(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, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Income Tax:				
Personal Services	\$9,058	\$9,058	\$9,039	\$19
Other than Personal Services	<u>662,730</u>	<u>662,730</u>	<u>588,038</u>	<u>74,692</u>
Total Income Tax	<u>671,788</u>	<u>671,788</u>	<u>597,077</u>	<u>74,711</u>
Information Technology:				
Other than Personal Services	<u>81,270</u>	<u>120,565</u>	<u>95,142</u>	<u>25,423</u>
Other General Government:				
Other than Personal Services	478,220	488,622	468,702	19,920
Capital Outlay	<u>192</u>	<u>25,820</u>	<u>25,818</u>	<u>2</u>
Total Other General Government	<u>478,412</u>	<u>514,442</u>	<u>494,520</u>	<u>19,922</u>
Law Director:				
Personal Services	51,491	51,956	51,768	188
Other than Personal Services	<u>121,112</u>	<u>145,647</u>	<u>140,534</u>	<u>5,113</u>
Total Law Director	<u>172,603</u>	<u>197,603</u>	<u>192,302</u>	<u>5,301</u>
Engineer:				
Other than Personal Services	<u>80,015</u>	<u>225,015</u>	<u>225,002</u>	<u>13</u>
Planning Commission:				
Other than Personal Services	<u>1,070</u>	<u>1,070</u>	<u>992</u>	<u>78</u>
Parks and Recreation Board:				
Other than Personal Services	<u>6,955</u>	<u>6,955</u>	<u>640</u>	<u>6,315</u>
Building and Zoning Board:				
Other than Personal Services	<u>30,915</u>	<u>30,915</u>	<u>809</u>	<u>30,106</u>
Civil Service Commission:				
Other than Personal Services	<u>5,445</u>	<u>5,445</u>	<u>1,200</u>	<u>4,245</u>
Records Commission:				
Personal Services	<u>15,286</u>	<u>15,286</u>	<u>14,683</u>	<u>603</u>
Storm Sewer:				
Other than Personal Services	<u>287,507</u>	<u>287,507</u>	<u>226,544</u>	<u>60,963</u>
Total General Government	<u>\$2,599,994</u>	<u>\$2,845,319</u>	<u>\$2,548,745</u>	<u>\$296,574</u>

(continued)

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Security of Persons and Property:				
Police Department:				
Personal Services	\$2,209,984	\$2,209,984	\$2,165,372	\$44,612
Other than Personal Services	277,316	296,526	231,504	65,022
Capital Outlay	54,481	35,271	30,143	5,128
Total Police Department	2,541,781	2,541,781	2,427,019	114,762
EMS Department:				
Other than Personal Services	221,520	254,440	254,435	5
Total Security of Persons and Property	2,763,301	2,796,221	2,681,454	114,767
Community Environment:				
Community Development:				
Other than Personal Services	29,953	29,953	15,000	14,953
Building and Zoning:				
Personal Services	19,155	19,155	18,782	373
Other than Personal Services	2,425	1,945	1,914	31
Capital Outlay	0	480	480	0
Total Building and Zoning	21,580	21,580	21,176	404
Total Community Environment	51,533	51,533	36,176	15,357
Leisure Time Activities:				
Parks:				
Personal Services	235,636	235,636	188,445	47,191
Other than Personal Services	79,135	79,135	61,577	17,558
Total Leisure Time Activities	314,771	314,771	250,022	64,749
Debt Service:				
Principal Retirement	54,000	54,000	54,000	0
Interest and Fiscal Charges	9,113	9,113	9,113	0
Total Debt Service	63,113	63,113	63,113	0
<i>Total Expenditures</i>	5,792,712	6,070,957	5,579,510	491,447
<i>Excess of Revenues Over Expenditures</i>	\$1,624,161	\$2,176,373	\$3,434,103	\$1,257,730

(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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Sale of Capital Assets	\$10,530	\$10,530	\$0	(\$10,530)
Advances In	0	103,000	103,000	0
Transfers Out	<u>(2,282,739)</u>	<u>(4,132,739)</u>	<u>(3,814,694)</u>	<u>318,045</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(2,272,209)</u>	<u>(4,019,209)</u>	<u>(3,711,694)</u>	<u>307,515</u>
<i>Net Change in Fund Balance</i>	(648,048)	(1,842,836)	(277,591)	1,565,245
<i>Fund Balance Beginning of Year</i>	2,848,037	2,848,037	2,848,037	0
Prior Year Encumbrances Appropriated	<u>139,541</u>	<u>139,541</u>	<u>139,541</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,339,530</u></u>	<u><u>\$1,144,742</u></u>	<u><u>\$2,709,987</u></u>	<u><u>\$1,565,245</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Service Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$23,100	\$65,830	\$98,843	\$33,013
Special Assessments	17,900	17,900	30,570	12,670
Intergovernmental	839,140	839,140	867,349	28,209
Interest	2,120	2,120	3,825	1,705
Other	16,750	16,750	21,778	5,028
<i>Total Revenues</i>	<u>899,010</u>	<u>941,740</u>	<u>1,022,365</u>	<u>80,625</u>
Expenditures				
Current:				
Transportation:				
Service Department:				
Personal Services	847,906	847,906	733,344	114,562
Other than Personal Services	534,639	543,364	455,822	87,542
Capital Outlay	170,381	176,186	176,186	0
Total Transportation	<u>1,552,926</u>	<u>1,567,456</u>	<u>1,365,352</u>	<u>202,104</u>
Debt Service:				
Principal Retirement	153,278	153,278	153,278	0
Interest and Fiscal Charges	17,103	17,103	17,103	0
Total Debt Service	<u>170,381</u>	<u>170,381</u>	<u>170,381</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,723,307</u>	<u>1,737,837</u>	<u>1,535,733</u>	<u>202,104</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(824,297)</u>	<u>(796,097)</u>	<u>(513,368)</u>	<u>282,729</u>
Other Financing Sources				
Sale of Capital Assets	1,580	1,580	8,771	7,191
Transfers In	815,000	815,000	500,000	(315,000)
<i>Total Other Financing Sources</i>	<u>816,580</u>	<u>816,580</u>	<u>508,771</u>	<u>(307,809)</u>
<i>Net Change in Fund Balance</i>	(7,717)	20,483	(4,597)	(25,080)
<i>Fund Balance Beginning of Year</i>	577,892	577,892	577,892	0
Prior Year Encumbrances Appropriated	<u>27,860</u>	<u>27,860</u>	<u>27,860</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$598,035</u>	<u>\$626,235</u>	<u>\$601,155</u>	<u>(\$25,080)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire and EMS Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,641,549	\$1,632,617	\$1,646,729	\$14,112
Charges for Services	391,925	391,925	294,890	(97,035)
Intergovernmental	239,570	239,570	227,025	(12,545)
Other	81,293	81,293	6,102	(75,191)
<i>Total Revenues</i>	<u>2,354,337</u>	<u>2,345,405</u>	<u>2,174,746</u>	<u>(170,659)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	1,753,951	1,847,856	1,852,031	(4,175)
Other than Personal Services	568,434	597,314	483,900	113,414
Capital Outlay	269,797	252,597	189,259	63,338
Total Security of Persons and Property	<u>2,592,182</u>	<u>2,697,767</u>	<u>2,525,190</u>	<u>172,577</u>
Debt Service:				
Principal Retirement	43,350	43,350	43,350	0
Interest and Fiscal Charges	1,313	1,313	1,313	0
Total Debt Service	<u>44,663</u>	<u>44,663</u>	<u>44,663</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,636,845</u>	<u>2,742,430</u>	<u>2,569,853</u>	<u>172,577</u>
<i>Net Change in Fund Balance</i>	(282,508)	(397,025)	(395,107)	1,918
<i>Fund Balance Beginning of Year</i>	1,248,276	1,248,276	1,248,276	0
Prior Year Encumbrances Appropriated	<u>21,396</u>	<u>21,396</u>	<u>21,396</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$987,164</u>	<u>\$872,647</u>	<u>\$874,565</u>	<u>\$1,918</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, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$173,430	\$173,430	\$242,158	\$68,728
Intergovernmental	100,000	100,000	100,000	0
<i>Total Revenues</i>	<u>273,430</u>	<u>273,430</u>	<u>342,158</u>	<u>68,728</u>
Expenditures				
Current:				
Public Health Services:				
Barberton Fees:				
Other than Personal Services	965	965	963	2
Capital Outlay:				
Waterline Improvements:				
Other than Personal Services	323,765	384,765	373,628	11,137
Capital Outlay	3,108,105	3,108,105	2,694,482	413,623
Total Capital Outlay	<u>3,431,870</u>	<u>3,492,870</u>	<u>3,068,110</u>	<u>424,760</u>
<i>Total Expenditures</i>	<u>3,432,835</u>	<u>3,493,835</u>	<u>3,069,073</u>	<u>424,762</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,159,405)</u>	<u>(3,220,405)</u>	<u>(2,726,915)</u>	<u>493,490</u>
Other Financing Sources				
OPWC Loan Issued	305,375	305,375	429,824	124,449
OWDA Loan Issued	2,700,000	2,700,000	2,057,163	(642,837)
<i>Total Other Financing Sources</i>	<u>3,005,375</u>	<u>3,005,375</u>	<u>2,486,987</u>	<u>(518,388)</u>
<i>Net Change in Fund Balance</i>	(154,030)	(215,030)	(239,928)	(24,898)
<i>Fund Balance Beginning of Year</i>	528,700	528,700	528,700	0
Prior Year Encumbrances Appropriated	191,400	191,400	191,400	0
<i>Fund Balance End of Year</i>	<u>\$566,070</u>	<u>\$505,070</u>	<u>\$480,172</u>	<u>(\$24,898)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$199,806	\$199,806	\$194,619	(\$5,187)
Expenditures				
Current:				
General Government:				
County Auditor Fees:				
Other than Personal Services	3,445	6,337	4,092	2,245
Debt Service:				
Principal Retirement	146,130	146,131	146,130	1
Interest and Fiscal Charges	55,138	55,165	55,165	0
Total Debt Service	201,268	201,296	201,295	1
<i>Total Expenditures</i>	204,713	207,633	205,387	2,246
<i>Net Change in Fund Balance</i>	(4,907)	(7,827)	(10,768)	(2,941)
<i>Fund Balance Beginning of Year</i>	191,301	191,301	191,301	0
<i>Fund Balance End of Year</i>	<u>\$186,394</u>	<u>\$183,474</u>	<u>\$180,533</u>	<u>(\$2,941)</u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water and Sewer Improvements Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Tax	\$624,490	\$624,490	\$370,001	(\$254,489)
Special Assessments	0	0	119,174	119,174
Intergovernmental	75,000	75,000	0	(75,000)
<i>Total Revenues</i>	<u>699,490</u>	<u>699,490</u>	<u>489,175</u>	<u>(210,315)</u>
Expenditures				
Capital Outlay:				
Public Health Services:				
Other than Personal Services	385,227	476,862	463,970	12,892
Capital Outlay	0	439,365	83,198	356,167
Total Capital Outlay	<u>385,227</u>	<u>916,227</u>	<u>547,168</u>	<u>369,059</u>
Debt Service:				
Principal Retirement	153,535	135,410	130,360	5,050
Interest and Fiscal Charges	8,656	26,781	26,753	28
Total Debt Service	<u>162,191</u>	<u>162,191</u>	<u>157,113</u>	<u>5,078</u>
<i>Total Expenditures</i>	<u>547,418</u>	<u>1,078,418</u>	<u>704,281</u>	<u>374,137</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	152,072	(378,928)	(215,106)	163,822
Other Financing Sources				
Transfers In	0	450,000	450,000	0
<i>Net Change in Fund Balance</i>	152,072	71,072	234,894	163,822
<i>Fund Balance Beginning of Year</i>	<u>3,023,426</u>	<u>3,023,426</u>	<u>3,023,426</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,175,498</u>	<u>\$3,094,498</u>	<u>\$3,258,320</u>	<u>\$163,822</u>

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Projects Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$50,000	\$50,000	\$0	(\$50,000)
Intergovernmental	1,492,200	1,492,200	68,922	(1,423,278)
<i>Total Revenues</i>	<u>1,542,200</u>	<u>1,542,200</u>	<u>68,922</u>	<u>(1,473,278)</u>
Expenditures				
Capital Outlay:				
General Government:				
Capital Outlay	0	400,000	381,979	18,021
Transportation:				
Capital Outlay	2,722,930	1,779,025	866,368	912,657
Public Health Services				
Capital Outlay	150,000	150,000	136,460	13,540
Debt Service:				
Bond Issuance Costs	0	135	134	1
<i>Total Expenditures</i>	<u>2,872,930</u>	<u>2,329,160</u>	<u>1,384,941</u>	<u>944,219</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,330,730)</u>	<u>(786,960)</u>	<u>(1,316,019)</u>	<u>(529,059)</u>
Other Financing Sources				
Lease Issued	357,230	357,230	0	(357,230)
SIB Loan Issued	650,000	0	0	(650,000)
Transfers In	323,500	923,500	923,500	600,000
<i>Total Other Financing Sources</i>	<u>1,330,730</u>	<u>1,280,730</u>	<u>923,500</u>	<u>(407,230)</u>
<i>Net Change in Fund Balance</i>	0	493,770	(392,519)	(936,289)
<i>Fund Balance Beginning of Year</i>	<u>404,290</u>	<u>404,290</u>	<u>404,290</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$404,290</u>	<u>\$898,060</u>	<u>\$11,771</u>	<u>(\$936,289)</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$69,515	\$70,326	\$811
Interest	0	187	187
<i>Total Revenues</i>	69,515	70,513	998
Expenditures			
Current:			
Transportation:			
State Highway:			
Other	69,515	69,515	0
<i>Net Change in Fund Balance</i>	0	998	998
<i>Fund Balance Beginning of Year</i>	42,291	42,291	0
<i>Fund Balance End of Year</i>	\$42,291	\$43,289	\$998

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Tax Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$89,670	\$111,660	\$21,990
Expenditures			
Current:			
Transportation:			
Street Maintenance:			
Other than Personal Services	54,238	12,407	41,831
<i>Net Change in Fund Balance</i>	35,432	99,253	63,821
<i>Fund Balance Beginning of Year</i>	68,780	68,780	0
Prior Year Encumbrances Appropriated	4,238	4,238	0
<i>Fund Balance End of Year</i>	<u>\$108,450</u>	<u>\$172,271</u>	<u>\$63,821</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DARE Grant Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$7,045	\$4,783	(\$2,262)
Expenditures			
Current:			
Security of Persons and Property:			
Drug Abuse Resistance Education:			
Other than Personal Services	7,045	0	7,045
<i>Net Change in Fund Balance</i>	0	4,783	4,783
<i>Fund Balance Beginning of Year</i>	68,324	68,324	0
<i>Fund Balance End of Year</i>	\$68,324	\$73,107	\$4,783

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Enforcement Fund
For the Year Ended December 31, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	2,811	2,811	0
<i>Fund Balance End of Year</i>	<u>\$2,811</u>	<u>\$2,811</u>	<u>\$0</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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$0	\$2,186	\$2,186
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Capital Outlay	30,538	30,535	3
<i>Net Change in Fund Balance</i>	(30,538)	(28,349)	2,189
<i>Fund Balance Beginning of Year</i>	196,087	196,087	0
Prior Year Encumbrances Appropriated	15,763	15,763	0
<i>Fund Balance End of Year</i>	\$181,312	\$183,501	\$2,189

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DWI Enforcement Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$2,330	\$2,710	\$380
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	2,330	2,710	380
<i>Fund Balance Beginning of Year</i>	4,751	4,751	0
<i>Fund Balance End of Year</i>	\$7,081	\$7,461	\$380

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Assistance Fund
For the Year Ended December 31, 2021

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

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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$1,425	\$3,869	\$2,444
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	1,425	3,869	2,444
<i>Fund Balance Beginning of Year</i>	19,567	19,567	0
<i>Fund Balance End of Year</i>	\$20,992	\$23,436	\$2,444

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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	5,384	5,384	0
<i>Fund Balance End of Year</i>	\$5,384	\$5,384	\$0

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$81,282	\$80,049	(\$1,233)
Intergovernmental	9,880	11,190	1,310
Other	235	0	(235)
<i>Total Revenues</i>	<u>91,397</u>	<u>91,239</u>	<u>(158)</u>
Expenditures			
Current:			
General Government:			
County Auditor Fees:			
Other than Personal Services	1,295	1,154	141
Security of Persons and Property:			
Police Department:			
Personal Services	<u>169,360</u>	<u>166,417</u>	<u>2,943</u>
<i>Total Expenditures</i>	<u>170,655</u>	<u>167,571</u>	<u>3,084</u>
<i>Net Change in Fund Balance</i>	(79,258)	(76,332)	2,926
<i>Fund Balance Beginning of Year</i>	<u>174,486</u>	<u>174,486</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$95,228</u></u>	<u><u>\$98,154</u></u>	<u><u>\$2,926</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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$0	\$44,350	\$44,350
Intergovernmental	150,000	0	(150,000)
<i>Total Revenues</i>	<u>150,000</u>	<u>44,350</u>	<u>(105,650)</u>
Expenditures			
Public Health Services:			
Sewerline Improvements:			
Other than Personal Services	15,000	14,988	12
Capital Outlay	465,540	90,979	374,561
<i>Total Expenditures</i>	<u>480,540</u>	<u>105,967</u>	<u>374,573</u>
<i>Net Change in Fund Balance</i>	(330,540)	(61,617)	268,923
<i>Fund Balance Beginning of Year</i>	1,045,053	1,045,053	0
Prior Year Encumbrances Appropriated	<u>105,540</u>	<u>105,540</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$820,053</u></u>	<u><u>\$1,088,976</u></u>	<u><u>\$268,923</u></u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Fiscal Recovery Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$691,175	\$626,725	(\$64,450)
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	691,175	626,725	(64,450)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$691,175	\$626,725	(\$64,450)

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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$41,090	\$14,835	(\$26,255)
Other	635	10,407	9,772
<i>Total Revenues</i>	41,725	25,242	(16,483)
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Capital Outlay	81,000	73,399	7,601
<i>Net Change in Fund Balance</i>	(39,275)	(48,157)	(8,882)
<i>Fund Balance Beginning of Year</i>	192,936	192,936	0
<i>Fund Balance End of Year</i>	\$153,661	\$144,779	(\$8,882)

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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Payments in Lieu of Taxes	\$0	\$2,000	\$2,000
Fines and Forfeitures	0	139	139
<i>Total Revenues</i>	<u>0</u>	<u>2,139</u>	<u>2,139</u>
Expenditures			
Current:			
Community Environment:			
Community Development:			
Other than Personal Services	9,800	0	9,800
Capital Outlay	21,800	21,800	0
<i>Total Expenditures</i>	<u>31,600</u>	<u>21,800</u>	<u>9,800</u>
<i>Excess of Revenues Under Expenditures</i>	(31,600)	(19,661)	11,939
Other Financing Sources			
Sale of Capital Assets	156,550	156,548	(2)
<i>Net Change in Fund Balance</i>	124,950	136,887	11,937
<i>Fund Balance Beginning of Year</i>	<u>72,200</u>	<u>72,200</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$197,150</u></u>	<u><u>\$209,087</u></u>	<u><u>\$11,937</u></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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Rentals	\$12,305	\$7,330	(\$4,975)
Expenditures			
Current:			
Leisure Time Activities:			
Community Center:			
Other than Personal Services	14,541	7,863	6,678
<i>Net Change in Fund Balance</i>	(2,236)	(533)	1,703
<i>Fund Balance Beginning of Year</i>	1,329	1,329	0
Prior Year Encumbrances Appropriated	911	911	0
<i>Fund Balance End of Year</i>	\$4	\$1,707	\$1,703

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Historical Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Leisure Time Activities:			
Historical House:			
Other than Personal Services	3,166	1,646	1,520
<i>Excess of Revenues Under Expenditures</i>	(3,166)	(1,646)	1,520
Other Financing Sources			
Transfers In	3,045	0	3,045
<i>Net Change in Fund Balance</i>	(121)	(1,646)	(1,525)
<i>Fund Balance Beginning of Year</i>	1,699	1,699	0
Prior Year Encumbrances Appropriated	121	121	0
<i>Fund Balance End of Year</i>	\$1,699	\$174	(\$1,525)

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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	27,628	27,628	0
<i>Fund Balance End of Year</i>	<u>\$27,628</u>	<u>\$27,628</u>	<u>\$0</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Scrap Tire Fund
For the Year Ended December 31, 2021

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

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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$0	\$416	\$416
Expenditures			
Current:			
Transportation:			
Road Program:			
Capital Outlay	1,176,113	1,140,083	36,030
<i>Excess of Revenues Under Expenditures</i>	(1,176,113)	(1,139,667)	36,446
Other Financing Sources			
Transfers In	1,315,000	1,315,000	0
<i>Net Change in Fund Balance</i>	138,887	175,333	36,446
<i>Fund Balance Beginning of Year</i>	961,642	961,642	0
<i>Fund Balance End of Year</i>	\$1,100,529	\$1,136,975	\$36,446

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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
General Government:			
Personal Services	15,429	11,254	4,175
Security of Persons and Property:			
Personal Services	18,571	18,571	0
<i>Total Expenditures</i>	34,000	29,825	4,175
<i>Excess of Revenues Under Expenditures</i>	(34,000)	(29,825)	(4,175)
Other Financing Sources			
Transfers In	200,000	200,000	0
<i>Net Change in Fund Balance</i>	166,000	170,175	4,175
<i>Fund Balance Beginning of Year</i>	59,262	59,262	0
<i>Fund Balance End of Year</i>	\$225,262	\$229,437	\$4,175

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Special Assessments	\$0	\$2,313	\$2,313
Expenditures			
Current:			
General Government:			
County Auditor Fees:			
Other than Personal Services	40	39	1
Debt Service:			
Principal Retirement	244,266	243,789	477
Interest and Fiscal Charges	108,753	102,265	6,488
Bond Issuance Costs	617	616	1
<i>Total Debt Service</i>	353,636	346,670	6,966
<i>Total Expenditures</i>	353,676	346,709	6,967
<i>Excess of Revenues Under Expenditures</i>	(353,676)	(344,396)	9,280
Other Financing Sources			
Transfers In	426,194	426,194	0
<i>Net Change in Fund Balance</i>	72,518	81,798	9,280
<i>Fund Balance Beginning of Year</i>	20,234	20,234	0
<i>Fund Balance End of Year</i>	\$92,752	\$102,032	\$9,280

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Improvements Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$134,020	\$128,693	(\$5,327)
Intergovernmental	0	183,498	183,498
<i>Total Revenues</i>	<u>134,020</u>	<u>312,191</u>	<u>178,171</u>
Expenditures			
Capital Outlay:			
Community Environment:			
Capital Outlay	371,195	346,924	24,271
Debt Service:			
Principal Retirement	15,000	15,000	0
Interest and Fiscal Charges	1,500	1,500	0
<i>Total Debt Service</i>	<u>16,500</u>	<u>16,500</u>	<u>0</u>
<i>Total Expenditures</i>	<u>387,695</u>	<u>363,424</u>	<u>24,271</u>
<i>Net Change in Fund Balance</i>	(253,675)	(51,233)	202,442
<i>Fund Balance Beginning of Year</i>	297,788	297,788	0
Prior Year Encumbrances Appropriated	4,880	4,880	0
<i>Fund Balance End of Year</i>	<u>\$48,993</u>	<u>\$251,435</u>	<u>\$202,442</u>

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Improvements Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
General Government:			
Capital Outlay	7,445	7,444	1
<i>Net Change in Fund Balance</i>	(7,445)	(7,444)	1
<i>Fund Balance Beginning of Year</i>	14,964	14,964	0
<i>Fund Balance End of Year</i>	\$7,519	\$7,520	\$1

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Improvements Fund
For the Year Ended December 31, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Transportation:			
Capital Outlay	11,609	4,415	7,194
<i>Net Change in Fund Balance</i>	(11,609)	(4,415)	7,194
<i>Fund Balance Beginning of Year</i>	8,000	8,000	0
Prior Year Encumbrances Appropriated	7,624	7,624	0
<i>Fund Balance End of Year</i>	\$4,015	\$11,209	\$7,194

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Sewer Improvements Fund
For the Year Ended December 31, 2021

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

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Improvements Fund
For the Year Ended December 31, 2021

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

City of Norton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tax Increment Financing Fund
For the Year Ended December 31, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Payments in Lieu of Taxes	\$228,840	\$301,014	\$72,174
Expenditures			
Current:			
General Government:			
TIF Payments:			
Other than Personal Services	106,420	106,420	0
General Government:			
County Auditor Fees:			
Other than Personal Services	4,731	4,730	1
Capital Outlay:			
General Government:			
Capital Outlay	55,109	54,300	809
<i>Total Expenditures</i>	166,260	165,450	810
<i>Net Change in Fund Balance</i>	62,580	135,564	72,984
<i>Fund Balance Beginning of Year</i>	12,059	12,059	0
<i>Fund Balance End of Year</i>	\$74,639	\$147,623	\$72,984

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, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Transportation:			
Capital Outlay	47,635	47,633	2
Debt Service:			
Principal Retirement	72,558	72,558	0
Interest and Fiscal Charges	9,164	9,160	4
Total Debt Service	81,722	81,718	4
<i>Total Expenditures</i>	129,357	129,351	6
<i>Excess of Revenues Under Expenditures</i>	(129,357)	(129,351)	6
Other Financing Uses			
Advances Out	(103,000)	(103,000)	0
<i>Net Change in Fund Balance</i>	(232,357)	(232,351)	6
<i>Fund Balance Beginning of Year</i>	239,475	239,475	0
<i>Fund Balance End of Year</i>	\$7,118	\$7,124	\$6

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland-Massillon Road Widening Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$187,088	\$385,545	\$198,457
Expenditures			
Capital Outlay:			
Transportation:			
Other	37,695	37,695	0
Capital Outlay	812,417	812,417	0
<i>Total Expenditures</i>	850,112	850,112	0
<i>Excess of Revenues Under Expenditures</i>	(663,024)	(464,567)	198,457
Other Financing Sources			
SIB Loan Issued	426,872	426,872	0
<i>Net Change in Fund Balance</i>	(236,152)	(37,695)	198,457
<i>Fund Balance Beginning of Year</i>	319,069	319,069	0
<i>Fund Balance End of Year</i>	\$82,917	\$281,374	\$198,457

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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	500	500	0
<i>Fund Balance End of Year</i>	\$500	\$500	\$0

City of Norton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Medina Line Road Resurfacing Fund
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,690	\$5,690	\$0
Expenditures			
Capital Outlay:			
Transportation:			
Capital Outlay	51,207	51,207	0
<i>Net Change in Fund Balance</i>	(45,517)	(45,517)	0
<i>Fund Balance Beginning of Year</i>	51,207	51,207	0
<i>Fund Balance End of Year</i>	\$5,690	\$5,690	\$0

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Statistical

Section

Statistical Section

This part of the City of Norton, Ohio's Annual Comprehensive 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 Annual Comprehensive Financial Reports for the relevant year.

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

	<u>2021</u>	<u>2020</u>	<u>2019 (3)</u>	<u>2018 (2)</u>
Governmental Activities				
Net Investment in Capital Assets	\$32,454,070	\$29,906,287	\$26,082,717	\$20,431,843
Restricted:				
Capital Projects	2,343,537	1,854,908	664,262	390,117
Debt Service	1,573,938	1,712,854	914,230	889,748
Police	496,763	478,252	613,847	730,136
Fire/EMS	1,607,640	1,879,176	1,769,738	1,766,264
Transportation	1,795,627	1,503,543	1,350,554	846,707
Public Utilities	1,988,699	1,717,917	2,024,302	2,205,841
Economic Development	743,489	834,389	381,470	158,783
Unclaimed Monies	15,858	15,858	15,107	14,879
Other Purposes	0	0	0	0
Unrestricted (Deficit)	<u>5,714,282</u>	<u>4,528,769</u>	<u>310,799</u>	<u>(1,482,016)</u>
<i>Total Governmental Activities Net Position</i>	<u><u>\$48,733,903</u></u>	<u><u>\$44,431,953</u></u>	<u><u>\$34,127,026</u></u>	<u><u>\$25,952,302</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.

2017	2016	2015 (1)	2014	2013	2012
\$18,234,870	\$21,366,802	\$19,026,829	\$17,549,395	\$15,997,153	\$15,103,220
384,597	419,111	255,837	298,792	319,094	454,614
1,174,698	2,030,745	1,883,002	2,135,396	2,206,606	2,269,790
300,936	128,039	133,343	108,101	87,313	62,123
1,884,573	1,823,272	1,919,138	1,714,333	1,600,748	1,338,729
675,219	721,503	972,141	960,450	1,035,559	780,096
2,160,341	2,197,256	1,980,557	1,662,644	1,621,036	1,497,061
0	0	0	0	0	0
9,542	9,542	8,329	8,329	7,033	6,633
0	0	64,363	63,297	60,950	57,990
(1,355,012)	2,711,856	3,736,490	3,152,937	6,049,719	5,446,624
<u>\$23,469,764</u>	<u>\$31,408,126</u>	<u>\$29,980,029</u>	<u>\$27,653,674</u>	<u>\$28,985,211</u>	<u>\$27,016,880</u>

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

	2021	2020	2019 (3)	2018 (2)
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$113,180	\$1,007,023	\$520,682	\$260,145
Security of Persons and Property	478,209	408,935	391,222	666,507
Transportation	56,710	902,578	59,738	500,760
Community Environment	158,718	129,537	37,447	2,685
Public Health Services	284,052	4,213,618	265,057	249,304
Leisure Time Activities	17,670	8,645	32,938	24,944
Subtotal - Charges for Services	<u>1,108,539</u>	<u>6,670,336</u>	<u>1,307,084</u>	<u>1,704,345</u>
Operating Grants and Contributions:				
General Government	0	138	169	72,585
Security of Persons and Property	262,910	1,685,373	257,631	257,938
Transportation	1,169,503	1,004,603	1,284,684	821,277
Public Health Services	100,000	0	0	0
Leisure Time Activities	1,500	0	2,250	50
Subtotal - Operating Grants and Contributions	<u>1,533,913</u>	<u>2,690,114</u>	<u>1,544,734</u>	<u>1,151,850</u>
Capital Grants and Contributions:				
General Government	0	0	57,080	0
Transportation	1,734,834	2,489,260	3,791,692	1,003,114
Community Environment	183,498	0	0	0
Public Health Services	66,544	0	31,443	74,598
Subtotal - Capital Grants and Contributions	<u>1,984,876</u>	<u>2,489,260</u>	<u>3,880,215</u>	<u>1,077,712</u>
<i>Total Governmental Activities Program Revenues</i>	<u>4,627,328</u>	<u>11,849,710</u>	<u>6,732,033</u>	<u>3,933,907</u>
Expenses				
Governmental Activities:				
General Government	2,395,088	2,303,919	2,826,474	2,650,174
Security of Persons and Property	5,456,352	6,137,480	2,652,411	5,573,805
Transportation	2,603,470	2,388,925	2,237,809	1,887,289
Community Environment	385,559	48,537	52,379	51,948
Public Health Services	506,473	145,434	262,469	135,116
Leisure Time Activities	235,905	364,577	391,354	407,627
Interest and Fiscal Charges	195,869	194,855	199,599	188,739
<i>Total Governmental Activities Expenses</i>	<u>11,778,716</u>	<u>11,583,727</u>	<u>8,622,495</u>	<u>10,894,698</u>
Net (Expense)/Revenue	<u>(\$7,151,388)</u>	<u>\$265,983</u>	<u>(\$1,890,462)</u>	<u>(\$6,960,791)</u>

2017	2016	2015 (1)	2014	2013	2012
\$510,674	\$331,914	\$320,652	\$301,110	\$361,645	\$2,264,295
661,825	369,815	390,310	457,479	452,148	410,342
15,568	13,888	20,008	80,220	45,147	5,346
3,807	3,468	4,381	14,538	11,415	13,861
170,235	251,703	326,831	283,247	269,186	335,691
14,267	16,753	11,498	6,418	4,862	3,977
<u>1,376,376</u>	<u>987,541</u>	<u>1,073,680</u>	<u>1,143,012</u>	<u>1,144,403</u>	<u>3,033,512</u>
15,939	14,190	20,362	21,670	15,076	0
255,391	250,064	600,938	244,608	285,302	236,940
810,800	834,131	730,329	754,921	776,227	759,919
0	0	0	0	0	0
1,614	2,488	8,314	2,912	0	0
<u>1,083,744</u>	<u>1,100,873</u>	<u>1,359,943</u>	<u>1,024,111</u>	<u>1,076,605</u>	<u>996,859</u>
0	0	0	0	0	0
570,681	314,191	335,767	554,695	214,930	145,167
0	0	0	0	0	0
40,000	0	0	0	0	0
<u>610,681</u>	<u>314,191</u>	<u>335,767</u>	<u>554,695</u>	<u>214,930</u>	<u>145,167</u>
<u>3,070,801</u>	<u>2,402,605</u>	<u>2,769,390</u>	<u>2,721,818</u>	<u>2,435,938</u>	<u>4,175,538</u>
2,074,731	2,182,194	2,215,323	1,897,592	1,936,401	2,024,702
5,126,841	4,639,014	4,279,816	4,054,819	4,046,180	3,404,024
1,827,182	1,864,094	1,861,856	2,219,620	1,585,557	1,369,735
61,897	50,195	83,176	182,717	176,888	205,175
103,112	154,236	26,810	279,427	88,571	90,538
326,356	278,580	359,994	115,566	153,148	132,009
218,080	216,860	218,992	218,845	250,152	355,527
<u>9,738,199</u>	<u>9,385,173</u>	<u>9,045,967</u>	<u>8,968,586</u>	<u>8,236,897</u>	<u>7,581,710</u>
<u>(\$6,667,398)</u>	<u>(\$6,982,568)</u>	<u>(\$6,276,577)</u>	<u>(\$6,246,768)</u>	<u>(\$5,800,959)</u>	<u>(\$3,406,172)</u>

(continued)

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

	2021	2020	2019 (3)	2018 (2)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$406,259	\$372,014	\$368,191	\$358,665
Police and Fire Disability and Pension	76,174	69,752	69,036	67,250
Fire/EMS	1,541,879	1,656,516	1,635,479	1,585,645
Payments in Lieu of Taxes	303,014	33,080	0	0
Income Taxes Levied for:				
General Purposes	7,625,108	5,876,534	5,925,548	5,782,387
Water and Sewer Improvements	373,300	493,770	600,192	553,798
Grants and Entitlements not Restricted to				
Specific Programs	887,632	658,033	545,437	690,108
Interest	(15,503)	327,387	376,793	48,658
Gain on Sale of Assets Held for Resale	88,885	0	137,587	0
Other	166,590	551,858	406,923	353,752
<i>Total Governmental Activities</i>	<u>11,453,338</u>	<u>10,038,944</u>	<u>10,065,186</u>	<u>9,440,263</u>
Special Item - Loss on Transfer of Operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	<u><u>\$4,301,950</u></u>	<u><u>\$10,304,927</u></u>	<u><u>\$8,174,724</u></u>	<u><u>\$2,479,472</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.

2017	2016	2015 (1)	2014	2013	2012
\$344,233	\$337,668	\$337,438	\$344,483	\$334,169	\$382,368
64,544	63,312	63,270	64,597	62,650	63,078
1,611,809	1,583,197	1,762,935	1,636,440	1,651,119	1,215,093
0	0	0	0	0	0
5,677,465	5,291,209	5,236,793	4,523,622	4,391,800	4,316,218
634,629	636,854	648,945	624,802	694,590	549,706
491,771	394,364	422,526	430,244	455,722	409,661
54,646	14,469	4,355	4,331	6,920	6,069
0	0	0	0	0	0
126,991	89,592	126,670	112,396	172,320	187,211
9,006,088	8,410,665	8,602,932	7,740,915	7,769,290	7,129,404
(5,949,503)	0	0	0	0	0
(\$3,610,813)	\$1,428,097	\$2,326,355	\$1,494,147	\$1,968,331	\$3,723,232

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

	2021	2020	2019 (1)	2018
General Fund				
Nonspendable	\$52,983	\$64,290	\$57,254	\$55,215
Committed	243,578	123,758	302,024	160,374
Assigned	2,610,393	1,485,992	1,002,186	871,348
Unassigned	2,552,237	3,406,119	2,420,526	2,992,508
Total General Fund	<u>5,459,191</u>	<u>5,080,159</u>	<u>3,781,990</u>	<u>4,079,445</u>
All Other Governmental Funds				
Nonspendable	421,480	370,244	1,369,735	222,801
Restricted	6,156,052	6,516,487	5,157,109	5,927,429
Committed	3,209,362	2,832,097	2,545,834	2,549,497
Assigned	477,944	536,968	(343,773)	542,078
Unassigned (Deficit)	(171,841)	0	209,577	(12,642)
Total All Other Governmental Funds	<u>10,092,997</u>	<u>10,255,796</u>	<u>8,938,482</u>	<u>9,229,163</u>
Total Governmental Funds	<u>\$15,552,188</u>	<u>\$15,335,955</u>	<u>\$12,720,472</u>	<u>\$13,308,608</u>

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

2017	2016	2015	2014	2013	2012
\$44,898	\$38,681	\$26,969	\$37,610	\$98,982	\$44,748
215,625	49,313	139,396	288,342	288,560	119,975
549,876	391,007	1,319,338	2,294,197	897,613	424,568
3,134,220	2,889,200	2,432,922	1,057,499	2,661,398	3,154,498
3,944,619	3,368,201	3,918,625	3,677,648	3,946,553	3,743,789
299,924	446,443	243,160	189,003	383,514	329,246
5,341,443	4,519,704	4,612,381	4,035,695	3,984,514	3,613,285
1,777,814	1,611,360	1,832,367	1,635,499	1,472,771	1,176,524
296,859	276,999	254,185	241,059	237,206	151,091
(17,799)	N/A	(139,208)	(162,453)	(184,773)	(253,907)
7,698,241	6,854,506	6,802,885	5,938,803	5,893,232	5,016,239
\$11,642,860	\$10,222,707	\$10,721,510	\$9,616,451	\$9,839,785	\$8,760,028

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

	2021	2020	2019	2018
Revenues				
Property Taxes	\$2,153,703	\$2,064,493	\$2,044,466	\$2,063,144
Payments in Lieu of Taxes	303,014	33,080	0	0
Municipal Income Tax	7,984,572	6,330,910	6,887,698	5,998,755
Charges for Services	1,017,377	790,775	1,003,298	944,643
Special Assessments	346,676	437,062	186,444	178,454
Licenses, Permits and Fees	53,314	34,745	36,105	29,203
Fines and Forfeitures	15,512	16,900	52,571	1,054,056
Intergovernmental	3,751,129	6,033,509	5,796,343	3,001,957
Contributions and Donations	3,761	696	62,866	60,163
Interest	(15,503)	327,387	376,793	48,658
Rentals	17,670	8,645	32,938	15,454
Other	166,590	551,858	406,923	503,752
<i>Total Revenues</i>	<u>15,797,815</u>	<u>16,630,060</u>	<u>16,886,445</u>	<u>13,898,239</u>
Expenditures				
Current:				
General Government	2,616,910	2,139,677	2,511,077	2,580,372
Security of Persons and Property	5,361,312	5,223,567	5,112,694	4,823,870
Transportation	2,428,350	3,152,491	3,254,656	2,723,223
Community Environment	57,960	45,381	51,976	53,651
Public Health Services	2,784,015	433,207	639,330	147,748
Leisure Time Activities	262,898	303,912	337,852	290,941
Capital Outlay	4,150,871	4,224,410	6,979,297	1,227,055
Debt Service:				
Principal Retirement	787,777	607,808	606,398	702,457
Interest and Fiscal Charges	211,958	197,983	214,536	197,006
Issuance Costs	134	60,000	10,000	0
<i>Total Expenditures</i>	<u>18,662,185</u>	<u>16,388,436</u>	<u>19,717,816</u>	<u>12,746,323</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,864,370)</u>	<u>241,624</u>	<u>(2,831,371)</u>	<u>1,151,916</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	8,771	6,233	102,466	11,721
Excess from Sale of Assets Held for Resale	88,885	0	137,587	0
Refunding General Obligation Bonds Issued	0	1,910,000	0	0
Payments to Refunded Bond Escrow Agent	0	(1,856,053)	0	0
Refunded Bonds Redeemed	0	0	0	0
General Obligation Bonds Issued	0	415,000	0	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Bonds	0	0	0	0
OPWC Loans Issued	429,824	62,891	280,536	0
OWDA Loans Issued	2,082,374	0	0	0
SIB Loans Issued	470,749	1,498,970	1,510,215	0
Inception of Capital Lease	0	336,818	212,431	499,045
Notes Issued	0	0	0	0
Transfers In	2,299,694	1,300,000	1,743,967	1,561,794
Transfers Out	(2,299,694)	(1,300,000)	(1,743,967)	(1,561,794)
<i>Total Other Financing Sources (Uses)</i>	<u>3,080,603</u>	<u>2,373,859</u>	<u>2,243,235</u>	<u>510,766</u>
<i>Net Change in Fund Balances</i>	<u>\$216,233</u>	<u>\$2,615,483</u>	<u>(\$588,136)</u>	<u>\$1,662,682</u>
Debt Service as a Percentage of Noncapital Expenditures	9.4%	8.5%	8.0%	9.1%

2017	2016	2015	2014	2013	2012
\$2,002,191	\$1,993,504	\$2,001,248	\$2,026,631	\$2,082,476	\$1,686,380
0	0	0	0	0	0
6,535,766	5,855,346	5,832,540	4,963,954	5,086,439	4,837,150
946,949	904,150	948,416	850,157	845,918	889,126
357,932	202,419	203,517	216,399	220,208	189,719
37,581	46,625	58,842	157,191	45,683	47,727
40,186	25,588	35,324	74,276	87,202	90,768
2,076,566	1,803,860	2,189,512	1,998,353	1,693,928	1,659,832
250	50	0	0	0	0
54,646	14,469	4,355	4,331	6,920	6,069
0	0	0	0	0	0
126,991	89,592	126,670	112,396	172,320	187,211
<u>12,179,058</u>	<u>10,935,603</u>	<u>11,400,424</u>	<u>10,403,688</u>	<u>10,241,094</u>	<u>9,593,982</u>
2,624,479	2,177,948	2,252,940	1,859,765	1,963,390	1,798,467
4,638,589	4,359,494	4,177,697	3,992,931	3,818,902	3,222,091
2,248,245	2,526,130	1,835,865	1,758,558	1,389,802	1,163,451
59,318	49,538	83,273	209,388	176,232	181,650
13,658	32,912	7,532	138,189	91,729	112,933
242,472	259,183	307,243	63,375	78,496	92,904
758,799	1,554,870	909,614	1,160,198	712,306	392,174
550,761	558,170	490,121	1,459,298	1,720,000	1,675,000
214,275	221,349	231,080	241,729	274,652	237,315
0	0	0	0	0	183,519
<u>11,350,596</u>	<u>11,739,594</u>	<u>10,295,365</u>	<u>10,883,431</u>	<u>10,225,509</u>	<u>9,059,504</u>
828,462	(803,991)	1,105,059	(479,743)	15,585	534,478
21,701	33,188	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	2,238,000
0	0	0	0	0	(2,240,740)
0	0	0	0	0	(40,087)
0	0	0	0	0	0
0	0	0	0	0	657,000
0	0	0	0	0	149,211
13,990	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
556,000	272,000	0	256,409	64,172	0
0	0	0	0	1,000,000	1,315,000
1,088,410	1,666,557	1,409,482	844,785	1,061,733	928,519
<u>(1,088,410)</u>	<u>(1,666,557)</u>	<u>(1,409,482)</u>	<u>(844,785)</u>	<u>(1,061,733)</u>	<u>(928,519)</u>
<u>591,691</u>	<u>305,188</u>	<u>0</u>	<u>256,409</u>	<u>1,064,172</u>	<u>2,078,384</u>
<u>\$1,420,153</u>	<u>(\$498,803)</u>	<u>\$1,105,059</u>	<u>(\$223,334)</u>	<u>\$1,079,757</u>	<u>\$2,612,862</u>
8.5%	8.8%	8.3%	17.4%	21.7%	23.0%

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
2021	\$247,841,920	\$46,188,900	\$840,088,057	\$11,187,960	\$12,713,591
2020	248,019,750	46,188,900	840,596,143	11,187,960	12,713,591
2019	210,876,070	41,441,170	720,906,400	10,448,110	11,872,852
2018	209,709,910	40,240,850	714,145,029	9,796,980	11,132,932
2017	195,907,930	39,153,740	671,604,771	9,481,250	10,774,148
2016	195,916,920	37,868,350	667,957,914	8,959,310	10,181,034
2015	195,729,110	38,123,000	668,148,886	8,810,290	10,011,693
2014	202,787,640	38,090,060	688,222,000	8,226,100	9,347,841
2013	203,623,800	35,486,820	683,173,200	7,634,790	8,675,898
2012	203,018,390	36,257,850	683,646,400	6,104,960	6,937,455

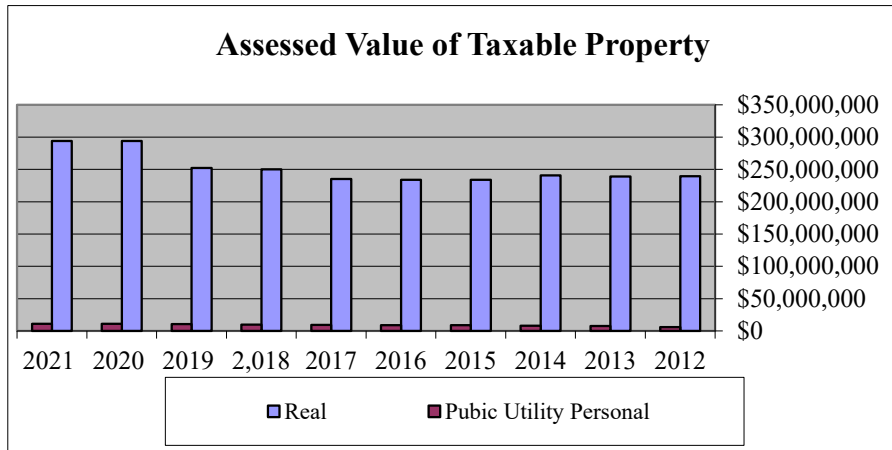
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

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

Source: Summit County, Fiscal Officer

Assessed Value	Total Estimated Actual Value	Ratio	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
\$305,218,780	\$852,801,648	35.79%	\$10.5000	\$9.9296
305,396,610	853,309,734	35.79	9.5000	8.0609
262,765,350	732,779,252	35.86	9.5000	9.0224
259,747,740	725,277,960	35.81	9.5000	9.0078
244,542,920	682,378,919	35.84	9.5000	9.0193
242,744,580	678,138,948	35.80	9.5000	9.4085
242,662,400	678,160,579	35.78	9.5000	9.4149
249,103,800	697,569,841	35.71	9.5000	9.4075
246,745,410	691,849,098	35.66	9.5000	9.5000
245,381,200	690,583,855	35.53	9.5000	9.5000



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

	2021	2020	2019	2018
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				
2007 Fire				
Residential/Agricultural Real	2.4016	2.4023	2.8154	2.8090
Commercial/Industrial and Public Utility Real	2.4527	2.4533	2.7439	2.7412
General Business and Public Utility Personal	3.0000	3.0000	3.0000	3.0000
2012 Fire				
Residential/Agricultural Real	0.0000	3.6836	4.3170	4.3071
Commercial/Industrial and Public Utility Real	0.0000	3.7617	4.2073	4.2032
General Business and Public Utility Personal	0.0000	4.6000	4.6000	4.6000
2021 Fire				
Residential/Agricultural Real	5.5982	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	5.5987	0.0000	0.0000	0.0000
General Business and Public Utility Personal	5.6000	0.0000	0.0000	0.0000
Total Voted Millage by type of property				
Residential/Agricultural Real	\$7.9998	\$6.0859	\$7.1324	\$7.1161
Commercial/Industrial and Public Utility Real	8.0515	6.2150	6.9511	6.9444
General Business and Public Utility Personal	<u>8.6000</u>	<u>7.6000</u>	<u>7.6000</u>	<u>7.6000</u>
Total Millage by type of property				
Residential/Agricultural Real	\$9.8998	\$7.9859	\$9.0324	\$9.0161
Commercial/Industrial and Public Utility Real	9.9515	8.1150	8.8511	8.8444
General Business and Public Utility Personal	<u>10.5000</u>	<u>9.5000</u>	<u>9.5000</u>	<u>9.5000</u>
Total Weighted Average Tax Rate				
	<u>\$9.9296</u>	<u>\$8.0609</u>	<u>\$9.0224</u>	<u>\$9.0078</u>
Overlapping Rates by Taxing District				
Norton City School District				
Residential/Agricultural Real	\$29.6878	\$29.7020	\$34.0476	\$33.9302
Commercial/Industrial and Public Utility Real	39.3939	39.4110	43.8786	43.7751
General Business and Public Utility Personal	62.8600	62.8700	63.6000	63.5300
Summit County				
Residential/Agricultural Real	12.1814	11.7668	12.9177	11.9164
Commercial/Industrial and Public Utility Real	12.9903	12.5392	13.5472	12.5857
General Business and Public Utility Personal	14.1000	13.7000	13.7000	12.7000
Akron/Summit Library				
Residential/Agricultural Real	1.5893	1.5888	2.4024	2.4419
Commercial/Industrial and Public Utility Real	1.7159	1.7100	2.4926	2.5413
General Business and Public Utility Personal	1.9000	1.9000	2.5200	2.5600
Summit Metropolitan Park District				
Residential/Agricultural Real	1.7533	1.2114	1.3597	1.3595
Commercial/Industrial and Public Utility Real	1.8584	1.3119	1.4459	1.4508
General Business and Public Utility Personal	2.0000	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.

2017	2016	2015	2014	2013	2012
\$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
2.8074	3.0000	3.0000	3.0000	3.0000	3.0000
2.7788	2.7685	2.7862	2.7612	3.0000	3.0000
3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
4.3046	4.6000	4.6000	4.6000	4.6000	4.6000
4.2608	4.2450	4.2722	4.2339	4.6000	4.6000
4.6000	4.6000	4.6000	4.6000	4.6000	4.6000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$7.1120	\$7.6000	\$7.6000	\$7.6000	\$7.6000	\$7.6000
7.0396	7.0135	7.0584	6.9951	7.6000	7.6000
7.6000	7.6000	7.6000	7.6000	7.6000	7.6000
\$9.0120	\$9.5000	\$9.5000	\$9.5000	\$9.5000	\$9.5000
8.9396	8.9135	8.9584	8.8951	9.5000	9.5000
9.5000	9.5000	9.5000	9.5000	9.5000	9.5000
\$9.0193	\$9.4085	\$9.4149	\$9.4075	\$9.5000	\$9.5000
\$35.7079	\$37.9003	\$37.8793	\$37.8562	\$37.1794	\$33.2344
46.1433	46.0701	46.3062	45.8159	48.7633	44.8455
65.4500	65.6900	65.6900	65.6900	65.6900	61.8000
11.9075	12.6367	12.6392	12.6389	12.6216	12.6205
12.6367	12.4514	12.4764	12.4472	12.6974	12.6935
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
2.4414	2.6000	2.6200	2.1000	2.1100	2.1400
2.5547	2.5529	2.5854	2.0610	2.1100	2.1400
2.5600	2.6000	2.6200	2.1000	2.1100	2.1400
1.3583	1.4599	1.4600	1.4600	1.4600	1.4600
1.4583	1.4287	1.4317	1.4279	1.4600	1.4600
1.4600	1.4600	1.4600	1.4600	1.4600	1.4600

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

Year	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections
2021	\$2,460,492	\$2,358,330	95.85%	\$102,162	\$2,460,492
2020	2,374,019	2,291,038	96.50	82,980	2,374,018
2019	2,355,872	2,279,731	96.77	76,140	2,355,871
2018	2,342,482	2,280,521	97.35	61,179	2,341,700
2017	2,300,409	2,226,735	96.80	73,674	2,300,409
2016	2,286,053	2,213,402	96.82	72,651	2,286,053
2015	2,282,245	2,206,432	96.68	75,814	2,282,246
2014	2,348,806	2,252,337	95.89	79,338	2,331,675
2013	2,344,094	2,271,743	96.91	83,778	2,355,521
2012	1,859,759	1,779,092	95.66	125,306	1,904,398

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%	\$161,122	6.55%
100.00	140,967	5.94
100.00	140,444	5.96
99.97	120,455	5.14
100.00	149,593	6.50
100.00	143,204	6.26
100.00	144,401	6.33
99.27	161,763	6.89
100.49	144,566	6.17
102.40	155,992	8.39

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>
2021	2.00 %	\$7,632,047	\$1,770,726	23.20 %	\$4,874,338	63.87 %
2020	2.00	6,395,134	1,410,127	22.05	4,245,090	66.38
2019	2.00	6,572,232	1,594,640	24.26	4,185,756	63.69
2018	2.00	6,381,426	1,564,669	24.52	4,025,920	63.09
2017	2.00	6,257,100	1,658,839	26.51	3,770,916	60.27
2016	2.00	5,809,183	1,577,176	27.15	3,523,090	60.65
2015	2.00	5,672,736	1,414,780	24.94	3,357,125	59.18
2014	2.00	5,039,544	1,424,441	28.27	3,146,456	62.44
2013	2.00	5,042,325	1,369,495	27.16	3,069,767	60.88
2012	2.00	4,848,364	1,398,753	28.85	2,988,047	61.63

(1) Cash Basis

Taxes from Net Profits	Percentage of Taxes from Net Profits
\$986,983	12.93 %
739,917	11.57
791,836	12.05
790,837	12.39
827,345	13.22
708,917	12.20
900,831	15.88
577,023	11.45
603,062	11.96
461,564	9.52

City of Norton, Ohio
Principal Real Estate Property Taxpayers
 2021 and 2012

Taxpayer	2021	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Columbia Woods Apartments, LLC	\$2,788,720	0.95 %
Albrecht, Incorporated	2,270,350	0.77
Pittsburgh Plate Glass Company	2,153,280	0.73
J R Engineering, Incorporated	2,130,500	0.72
Seal Real Estate Holdings, LLC	1,808,220	0.62
Falkenstein, Albert J. Trustee	982,850	0.33
Newpark Drive Limited Partnership	931,970	0.32
Barber Road Storage, LLC	705,950	0.24
Strachan, Wyman ET AIL	647,390	0.22
Summit Tri Star LLC	647,390	0.22
Total	\$15,066,620	5.12 %
Total Real Assessed Valuation	\$294,030,820	

Taxpayer	2012	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Albrecht, Incorporated	\$2,423,700	1.01 %
Columbia Woods Apartments, LLC	2,241,520	0.93
J R Engineering, Incorporated	1,575,030	0.66
World Real Estate Services, LTD	1,250,010	0.52
Seal Real Estate Holdings, LLC	1,065,420	0.45
Pittsburgh Plate Glass Company	979,330	0.41
Falkenstein Albert J. Trustee	827,820	0.35
Newpark Drive Limited Partnership	809,620	0.34
Barber Road Storage, LLC	796,680	0.33
Strachan, Wyman ET AIL	566,290	0.24
Total	\$12,535,420	5.24 %
Total Real Assessed Valuation	\$239,276,240	

Source: Summit County Fiscal Officer

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Bonded Debt (3)	Ratio of General Obligation Bonded Debt to Estimated Actual Value of Taxable Property	General Obligation Bonded Debt Per Capita
2021	11,673	\$852,801,648	\$2,461,773	0.29 %	\$210.89
2020	12,085	853,309,734	2,734,194	0.32	226.25
2019	12,085	732,779,252	2,510,555	0.34	207.74
2018	12,085	725,277,960	2,715,507	0.37	224.70
2017	12,085	682,378,919	3,039,200	0.45	251.49
2016	12,085	678,138,948	3,350,373	0.49	277.23
2015	12,085	678,160,579	3,662,025	0.54	303.02
2014	12,085	697,569,841	3,967,789	0.57	328.32
2013	12,085	691,849,098	4,267,401	0.62	353.12
2012	12,085	690,583,855	4,557,733	0.66	377.14

Sources:

(1) U.S. Bureau of Census

(2) Summit County Fiscal Officer

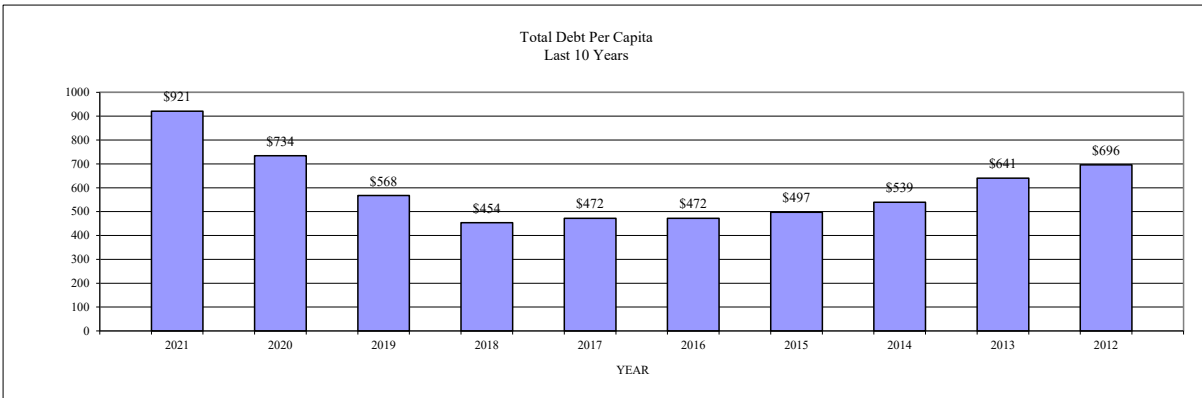
(3) Includes all general obligation bonded debt with the exception of special assessment debt.

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

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

Year	General Obligation Bonds	Long-Term Notes	Special Assessment Bonds	OPWC Loans	OWDA Loan	SIB Loans	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
2021	\$2,461,773	\$0	\$1,275,416	\$761,804	\$2,082,374	\$3,364,232	\$805,224	\$10,750,823	2.55%	\$921
2020	2,734,194	0	1,427,256	343,427	0	3,009,185	1,055,852	8,569,914	2.03	734
2019	2,510,555	0	1,579,232	280,536	0	1,510,215	981,842	6,862,380	2.18	568
2018	2,715,507	0	1,718,002	0	0	0	1,050,809	5,484,318	1.74	454
2017	3,039,200	0	1,858,031	13,990	0	0	795,231	5,706,452	1.81	472
2016	3,350,373	0	1,995,580	0	0	0	359,992	5,705,945	1.81	472
2015	3,662,025	0	2,137,650	0	0	0	211,162	6,010,837	1.91	497
2014	3,967,789	0	2,275,610	0	0	0	276,283	6,519,682	2.07	539
2013	4,267,401	1,000,000	2,409,719	0	0	0	64,172	7,741,292	2.46	641
2012	4,557,733	1,315,000	2,543,111	0	0	0	0	8,415,844	2.67	696

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, 2021

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct:			
General Obligation Bonds	\$2,461,773	100.00%	\$2,461,773
Special Assessment Bonds	1,275,416	100.00	1,275,416
OPWC Loans	761,804	100.00	761,804
OWDA Loan	2,082,374	100.00	2,082,374
SIB Loans	3,364,232	100.00	3,364,232
Capital Leases	805,224	100.00	805,224
<i>Total Direct Debt</i>	<u>10,750,823</u>		<u>10,750,823</u>
Overlapping:			
Norton City School District			
General Obligation Bonds	23,534,437	84.21	19,818,349
Summit County			
General Obligation Bonds	51,233,830	2.10	1,075,910
Barberton City School District			
General Obligation Bonds	32,960,000	2.03	669,088
<i>Total Overlapping Debt</i>	<u>107,728,267</u>		<u>21,563,348</u>
Total	<u><u>\$118,479,090</u></u>		<u><u>\$32,314,171</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

	2021	2020	2019	2018
Total Assessed Property Value	<u>\$305,218,780</u>	<u>\$305,396,610</u>	<u>\$262,765,350</u>	<u>\$259,747,740</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$32,047,972</u>	<u>\$32,066,644</u>	<u>\$27,590,362</u>	<u>\$27,273,513</u>
Debt Outstanding:				
General Obligation Bonds	2,444,670	2,708,540	2,427,274	2,619,214
Special Assessment Bonds	1,230,330	1,376,460	1,522,726	1,655,786
OPWC Loans	761,804	343,427	280,536	0
OWDA Loan	2,082,374	0	0	0
SIB Loans	3,364,232	3,009,185	1,510,215	0
Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	9,883,410	7,437,612	5,740,751	4,275,000
Less:				
Special Assessment Bonds	(1,230,330)	(1,376,460)	(1,522,726)	(1,655,786)
Amount Available in Debt Service	<u>(102,032)</u>	<u>(20,234)</u>	<u>(936)</u>	<u>2,013</u>
Total Net Debt Applicable to Debt Limit	<u>8,551,048</u>	<u>6,040,918</u>	<u>4,217,089</u>	<u>2,621,227</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$23,496,924</u>	<u>\$26,025,726</u>	<u>\$23,373,273</u>	<u>\$24,652,286</u>
Legal Debt Margin as a Percentage of the Debt Limit	73.32%	81.16%	84.72%	90.39%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$16,787,033</u>	<u>\$16,796,814</u>	<u>\$14,452,094</u>	<u>\$14,286,126</u>
Total Gross Indebtedness	9,883,410	7,437,612	5,740,751	4,275,000
Less:				
Special Assessment Bonds	(1,230,330)	(1,376,460)	(1,522,726)	(1,655,786)
Amount Available in Debt Service	<u>(102,032)</u>	<u>(20,234)</u>	<u>(936)</u>	<u>2,013</u>
Net Debt Within 5 ½ % Limitations	<u>8,551,048</u>	<u>6,040,918</u>	<u>4,217,089</u>	<u>2,621,227</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$8,235,985</u>	<u>\$10,755,896</u>	<u>\$10,235,005</u>	<u>\$11,664,899</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	49.06%	64.04%	70.82%	81.65%

Source: City Financial Records

2017	2016	2015	2014	2013	2012
<u>\$244,542,920</u>	<u>\$242,744,580</u>	<u>\$242,662,400</u>	<u>\$249,103,800</u>	<u>\$246,745,410</u>	<u>\$245,381,200</u>
<u>\$25,677,007</u>	<u>\$25,488,181</u>	<u>\$25,479,552</u>	<u>\$26,155,899</u>	<u>\$25,908,268</u>	<u>\$25,765,026</u>
2,929,894	3,228,054	3,526,694	3,819,444	4,106,044	4,383,362
1,790,106	1,921,946	2,058,306	2,190,556	2,318,956	2,446,638
13,990	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
100,000	200,000	270,000	465,000	1,000,000	1,315,000
4,833,990	5,350,000	5,855,000	6,475,000	7,425,000	8,145,000
(1,790,106)	(1,921,946)	(2,058,306)	(2,190,556)	(2,318,956)	(2,446,638)
17	1,106	(95)	(151,315)	(147,492)	(170,451)
<u>3,043,901</u>	<u>3,429,160</u>	<u>3,796,599</u>	<u>4,133,129</u>	<u>4,958,552</u>	<u>5,527,911</u>
<u>\$22,633,106</u>	<u>\$22,059,021</u>	<u>\$21,682,953</u>	<u>\$22,022,770</u>	<u>\$20,949,716</u>	<u>\$20,237,115</u>
88.15%	86.55%	85.10%	84.20%	80.86%	78.54%
<u>\$13,449,861</u>	<u>\$13,350,952</u>	<u>\$13,346,432</u>	<u>\$13,700,709</u>	<u>\$13,570,998</u>	<u>\$13,495,966</u>
4,833,990	5,350,000	5,855,000	6,475,000	7,425,000	8,145,000
(1,790,106)	(1,921,946)	(2,058,306)	(2,190,556)	(2,318,956)	(2,446,638)
17	1,106	(95)	(151,315)	(147,492)	(170,451)
<u>3,043,901</u>	<u>3,429,160</u>	<u>3,796,599</u>	<u>4,133,129</u>	<u>4,958,552</u>	<u>5,527,911</u>
<u>\$10,405,960</u>	<u>\$9,921,792</u>	<u>\$9,549,833</u>	<u>\$9,567,580</u>	<u>\$8,612,446</u>	<u>\$7,968,055</u>
77.37%	74.32%	71.55%	69.83%	63.46%	59.04%

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)
2021	11,673	\$422,375,832	\$36,184	\$73,146	43.9
2020	12,085	314,923,015	26,059	56,645	43.7
2019	12,085	314,923,015	26,059	56,645	43.7
2018	12,085	314,923,015	26,059	56,645	43.7
2017	12,085	314,923,015	26,059	56,645	43.7
2016	12,085	314,923,015	26,059	56,645	43.7
2015	12,085	314,923,015	26,059	56,645	43.7
2014	12,085	314,923,015	26,059	56,645	43.7
2013	12,085	314,923,015	26,059	56,645	43.7
2012	12,085	314,923,015	26,059	56,645	43.7

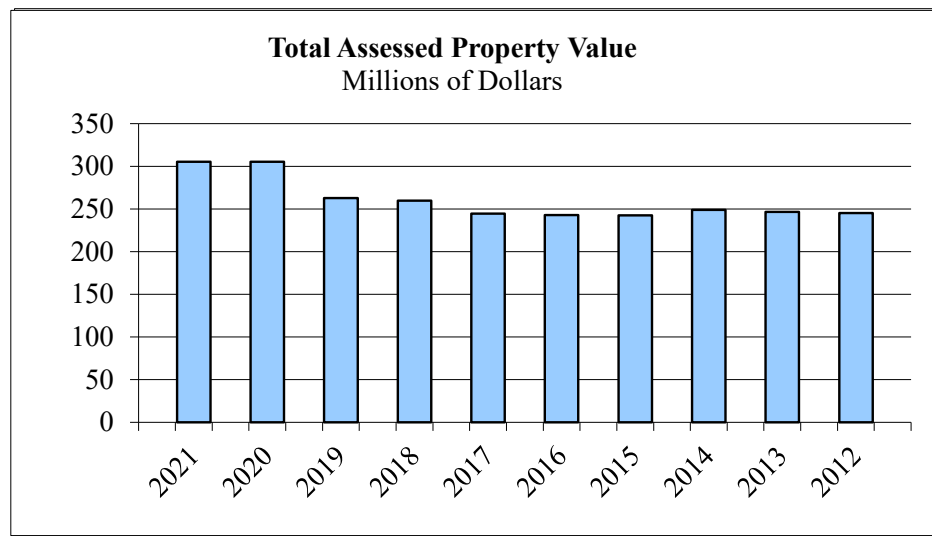
(1) U.S. Bureau of Census

(2) Source: Norton City School District Audited Financials

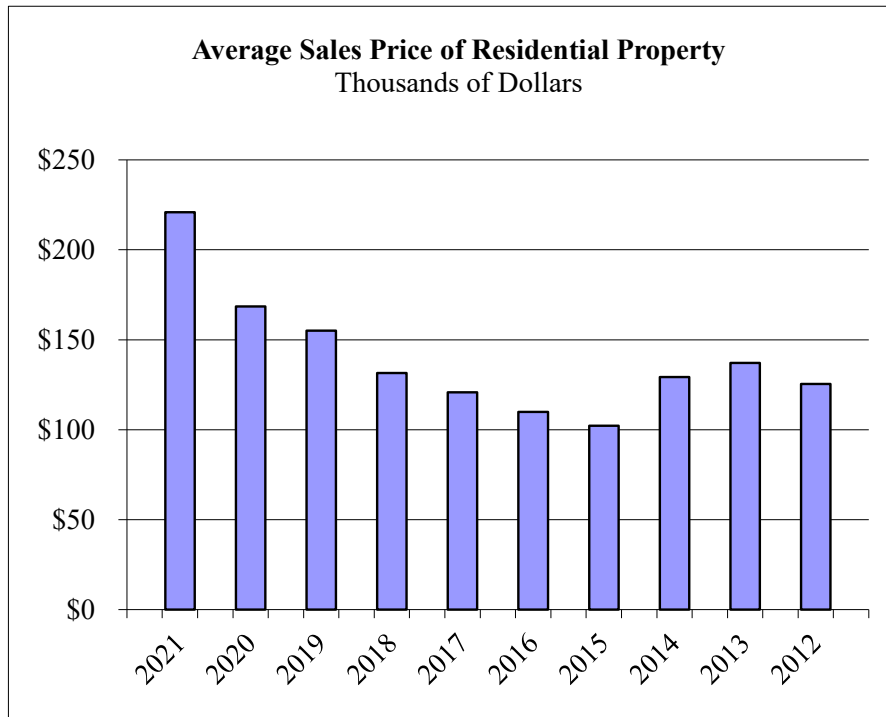
(3) Source: U.S. Bureau of Labor Statistics

(4) Source: Summit County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Summit County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
25.00 %	1,184	3.50 %	\$220,837	\$305,218,780
26.50	2,371	5.50	168,563	305,396,610
18.90	2,546	4.00	155,129	262,765,350
18.90	2,554	4.90	131,600	259,747,740
18.90	2,500	4.80	120,762	244,542,920
18.90	2,582	6.20	109,877	242,744,580
18.90	2,510	4.70	102,250	242,662,400
18.90	2,581	5.50	129,306	249,103,800
18.90	2,587	7.20	137,112	246,745,410
18.90	2,593	6.80	125,430	245,381,200



City of Norton, Ohio

Principal Employers

2021 and 2012

2021	
Employers	
S.A. Comunale Company	
Norton City School District	
Fred Martin Motor Company	
Albrecht, Incorporated	
PPG Industries, Incorporated	
City of Norton	
Ganley Ford, Incorporated	
Barberton Tree Service	
The Cleveland Clinic	
ICP Adhesive & Sealant	
Total Employees of Top Ten Employers	<u>1,992</u>
Percentage of Total City Employment at Top Ten Employers	<u>44.58%</u>
Total Estimated Employment within the City	<u>4,468</u>

2012	
Employers	
Akwend, LTC	
City of Norton	
Fomo Products, Incorporated	
Fred Martin Motor Company	
Albrecht, Incorporated	
Ganley Ford, Incorporated	
J R Engineering, Incorporated	
Lenic Norton, Incorporated	
Norton City School District	
S.A. Comunale Company	
Total Employees of Top Employers	<u>2,430</u>
Total Estimated Employment within the City	<u>6,808</u>

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

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

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

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

Function/Program	2021	2020	2019	2018
General Government				
<i>Council and Clerk</i>				
Number of Ordinances	106	114	119	107
Number of Resolutions	18	16	17	25
Number of Planning Commission docket items	14	12	0	3
Zoning Board of Appeals docket items	9	12	0	15
Park and Cemetery Board docket items	8	7	0	1
<i>Finance Department</i>				
Number of checks/ vouchers issued	1,446	1,445	1,765	1,775
General Fund Interest earnings for fiscal year (cash basis)	\$143,849	\$196,139	\$200,778	\$101,074
Agency Ratings - Fitch	AA	AA	AA	AA
Health Insurance Costs (cash basis in thousands)	\$906	\$707	\$850	\$780
Health Insurance Costs vs General Fund Expenditures %	10.0%	10.0%	11.0%	14.7%
General Fund Receipts (cash basis in thousands)	\$9,014	\$7,636	\$7,769	\$7,324
General Fund Expenditures (cash basis in thousands)	\$5,580	\$4,316	\$5,768	\$5,323
General Fund Cash Balances (in thousands)	\$2,710	\$2,848	\$2,346	\$2,567
<i>Municipal Court</i>				
Number of Misdemeanor Cases	228	214	470	523
Number of OVI cases	40	43	52	44
Number of Traffic cases	1,047	1,082	1,503	1,594
<i>Building Department Indicators</i>				
Residential/Commercial Permits Issued (1)	0	0	0	0
Zoning Permits	165	178	178	140
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	\$30,289	\$11,563	\$27,639	\$23,042

2017	2016	2015	2014	2013	2012
82	82	57	71	72	68
22	17	32	43	39	36
3	14	3	18	37	49
15	7	8	8	17	26
1	2	1	10	1	3
1,729	1,788	1,815	1,648	1,680	1,545
\$49,388	\$13,944	\$4,113	\$4,029	\$6,650	\$5,643
AA	AA	A+	A+	A+	A+
\$873	\$811	\$728	\$566	\$607	\$571
19.0%	17.5%	12.1%	9.6%	9.0%	9.2%
\$6,822	\$6,311	\$5,764	\$6,253	\$6,302	\$6,467
\$4,593	\$4,637	\$6,023	\$5,889	\$6,749	\$6,178
\$2,860	\$2,671	\$3,002	\$2,527	\$1,869	\$2,103
451	533	268	27	61	51
79	112	84	6	81	43
1,347	2,223	1,429	787	878	845
0	0	26	166	106	119
139	112	17	52	56	64
0	0	22	62	72	90
0	0	25	68	55	77
0	0	90	348	289	350
\$22,051	\$19,900	\$28,235	\$41,079	\$22,808	\$27,987

(continued)

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

Function/Program	2021	2020	2019	2018
Security of Persons & Property				
<i>Police</i>				
Felony Arrests	175	121	128	171
Misdemeanor Arrests	228	214	470	523
Arson	0	0	0	4
Assault	27	24	49	53
Residential Burglary	4	51	48	42
Domestic Violence	73	93	83	90
Drug Offense	248	243	235	318
Homicide	0	0	0	1
Larceny	182	222	194	233
Vandalism/Criminal Damaging	109	113	145	111
Robbery	1	1	1	3
Sex Offense	11	11	17	31
Auto Theft/Stolen Plates	25	21	16	18
Traffic Crashes	525	532	610	705
Traffic Fatalities	2	2	0	0
Driving While Intoxicated	40	43	52	44
Traffic Citations Issued	1,047	1,082	1,503	1,594
Warrant Arrests	218	166	224	280
<i>Fire</i>				
EMS Calls	1,218	1,023	1,162	1,177
Ambulance Billing Collections (GROSS)	\$292,456	\$217,597	\$304,054	\$270,626
Revenue per run	\$240	\$213	\$262	\$230
Fire Calls	720	622	627	649
Public Health and Welfare				
Cemetery burials	3	3	5	3
Cemetery foundations	6	0	2	2
Cemetery (re)sale of lots	9	2	2	8
Cemetery receipts	\$3,869	\$758	\$335	\$3,936
Health Advisory Board docket items	0	0	1	1

Source: City Records

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

2017	2016	2015	2014	2013	2012
142	144	79	100	69	100
451	533	301	284	220	287
4	1	0	0	0	2
19	20	25	16	13	19
51	50	54	78	37	21
112	133	128	49	46	54
353	246	108	75	73	57
0	0	2	0	0	0
234	299	255	233	202	222
75	69	90	72	66	69
2	2	3	0	3	3
13	16	8	8	5	13
20	20	12	12	7	23
525	382	326	335	315	294
1	1	1	0	0	4
79	112	69	63	82	144
1,347	2,223	1,819	1,139	1,376	1,533
249	223	145	108	161	219
1,177	1,126	1,129	1,070	1,004	876
\$278,264	\$256,749	\$306,753	\$295,625	\$257,198	\$230,169
\$236	\$228	\$272	\$276	\$256	\$263
655	538	440	464	369	451
2	1	0	1	2	1
3	1	0	1	1	1
0	2	0	0	1	2
\$2,021	\$2,092	\$0	\$2,694	\$2,200	\$512
1	1	1	1	1	1

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

Function/Program	2021	2020	2019	2018
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	11	14	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	25	27	17	17
City Cemeteries	2	2	2	2
Water Department				
Water Lines (miles)	16.80	16.80	16.80	14.80

Source: City Records

2017	2016	2015	2014	2013	2012
4,080	4,080	4,080	4,080	4,080	4,080
0	0	0	0	0	0
1	1	1	1	1	1
1	1	1	1	1	1
3,600	3,600	3,600	3,600	3,600	3,600
10	10	10	10	10	11
1	1	1	2	2	2
7	7	7	7	7	7
4	4	4	4	4	4
5	5	5	5	5	5
3	3	3	3	3	3
1	1	1	1	1	1
6,800	6,800	6,800	6,800	6,800	6,800
260	260	260	260	260	260
17	17	16	15	13	15
2	2	2	2	2	2
14.80	14.80	14.80	14.80	14.80	14.80

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

Function/Program	2021	2020	2019	2018
General Government				
Mayor	1	1	1	1
Council	8	8	8	8
Finance	2	3	3	3
City Administrator	1	1	1	1
Law	3	3	2	2
Administration	2	2	1	1
Engineer	1	1	0	0
Planning	0	0	0	0
Civil Service	0	0	0	0
Court	0	0	0	0
Security of Persons and Property				
Police	26	24	22	22
Fire Full Time	11	11	11	11
Fire Part Time	26	26	22	22
Fire - Secretary - Other	1	1	1	1
Community Development				
Building	1	1	1	1
Transportation				
Service	11	11	11	11
Totals:	<u>94</u>	<u>93</u>	<u>84</u>	<u>84</u>

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

2017	2016	2015	2014	2013	2012
1	1	1	2	2	2
8	8	8	8	8	8
3	3	3	3	3	3
1	1	1	1	1	1
2	2	2	2	2	2
1	1	2	2	2	2
0	0	0	0	0	0
0	0	0	0	0	1
0	0	0	0	0	0
0	0	2	2	2	2
22	22	19	21	28	28
11	11	10	3	3	3
22	22	22	30	25	29
1	1	1	1	1	1
1	1	1	1	1	1
11	11	11	8	8	8
84	84	83	84	86	91

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF NORTON

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/29/2022

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