

City of Canal Fulton, Ohio

Comprehensive Annual Financial Report



For the Year Ended December 31, 2019



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Mayor and Members of City Council
City of Canal Fulton
155 East Main Street, Suite A
Canal Fulton, Ohio 44614-0607

We have reviewed the *Independent Auditor's Report* of the City of Canal Fulton, Stark County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2019 through December 31, 2019. 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 Canal Fulton 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

August 12, 2020

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CITY OF CANAL FULTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

Prepared by The Department of Finance

William Rouse
Director of Finance

Introductory Section

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

I. Introductory Section

Table of Contents	i
Letter of Transmittal.....	v
Principal Officials.....	xi
Organization Chart	xii
GFOA Certificate of Achievement.....	xiii

II. Financial Section

Independent Auditors' Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund.....	22
Police Fund	23
Fire/EMS Fund	24
Statement of Fund Net Position – Proprietary Funds	25
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds...	26
Statement of Cash Flows – Proprietary Funds	27
Notes to the Basic Financial Statements	29

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

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Six Years	74
Schedule of the City’s Proportionate Share of the Net Pension Asset – Ohio Public Employees Retirement System – Combined Plan – Last Two Years	76
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Public Employees Retirement System – OPEB Plan – Last Three Years	77
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Six Years	78
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Three Years	80
Schedule of the City’s Contributions – Ohio Public Employees Retirement System – Last Seven Years	82
Schedule of the City’s Contributions – Ohio Police and Fire Pension Fund – Last Seven Years.....	84
Notes to Required Supplementary Information	86

Combining and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions.....	90
Combining Balance Sheet – Nonmajor Governmental Funds.....	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	93
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	96
Combining Balance Sheet – Nonmajor Capital Projects Funds	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	100

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

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in
Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:

Major Funds:

General Fund	103
Police Fund.....	106
Fire/EMS Fund.....	107
Capital Projects Reserve Fund	108
Water Fund.....	109
Sewer Fund.....	110
Storm Sewer Fund.....	111

Nonmajor Funds:

Street Maintenance Fund.....	112
State Highway Fund	113
Motor Vehicle License Fund.....	114
Enforcement and Education Fund	115
Law Enforcement Trust Fund.....	116
Canal Boat Fund.....	117
Fire Demolition Fund	118
Unclaimed Monies Fund	119
General Trust Fund.....	120
Park Deposits Fund	121
Budget Stabilization Fund.....	122
General Obligation Debt Retirement Fund.....	123
Locust Street Project Fund	124
Parks and Recreation Capital Projects Fund	125
Downtown Capital Improvement Fund.....	126
Capital Improvements Fund	127
Road Improvement Projects Fund.....	128
Fire Equipment Fund.....	129

III. Statistical Section

Statistical Section Descriptions	S1
Net Position by Component – Last Ten Years	S2
Changes in Net Position – Last Ten Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years	S8
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S10
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years	S12
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S14
Property Tax Levies and Collections – Last Ten Years	S16

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

Principal Real Property Taxpayers – 2019 and 2010	S18
Income Tax Revenue Base and Collections – Last Ten Years.....	S19
Legal Debt Margin – Last Ten Years	S20
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years	S22
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt per Capita – Last Ten Years.....	S24
Computation of Direct and Overlapping Governmental Activities Debt.....	S25
Pledged Revenue Coverage – Water – Last Ten Years.....	S26
Pledged Revenue Coverage – Sewer – Last Ten Years.....	S27
Pledged Revenue Coverage – Storm Sewer – Last Ten Years.....	S28
Principal Employers – 2019 and 2010.....	S29
Demographic and Economic Statistics – Last Ten Years.....	S30
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years	S32
Operating Indicators by Function/Program – Last Ten Years.....	S34
Capital Assets Statistics by Function/Program – Last Nine Years.....	S38



City of Canal Fulton

155 East Market Street, Suite A
Canal Fulton, Ohio 44614
(330) 854-6761 Fax (330) 854-6260

June 30, 2020

To the Citizens, Mayor and Members of Council
of the City of Canal Fulton, Ohio:

We are pleased to present our 2019 Comprehensive Annual Financial Report (CAFR) for the City of Canal Fulton for your review. This report, for the year ended December 31, 2019, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Canal Fulton (the City). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every general purpose local government prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have an annual audit. This report is published to fulfill that requirement for the year ended December 31, 2019.

Responsibility for both the accuracy of the data and completeness and fairness of the entire presentation rests with the management of the City, 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.

State statutes require the City to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. Clark, Schaefer and Hackett was selected to perform these services and has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2019. The Independent Auditors’ 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 Auditors’ 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

History of Canal Fulton

The Village of Milan, named after Milan, Italy, was the first settlement west of the Tuscarawas River in Stark County. The Village, located on the present site of Canal Fulton, was platted and recorded in Canton, Ohio on March 23, 1814. Several years after this, plans for the construction of a canal connecting Lake Erie to the Ohio River were prepared. The canal route lay through Stark County and, as a result, its construction produced twenty-five new villages in the County from 1826-1836. The first of these villages founded was Fulton. It was located on the east side of the Tuscarawas River opposite Milan. In 1832, the name “Canal” was prefixed to Fulton as it conveyed a more dynamic quality. Several years later, the Village was incorporated and, in 1853, Canal Fulton, West Fulton and Milan merged to form one community.

The Ohio and Erie Canal was completed in 1832. The canal ran from Cleveland on Lake Erie to Portsmouth on the Ohio River. It was the first important commercial avenue in the State. The census of 1840 reported that Stark County, as a direct result of the canal, was being transformed into one of the nation’s greatest trade centers. Canal Fulton’s commercial activity primarily served the canal traffic and the exporters of farm produce. The Canal Era began to come to an end in 1869 with the arrival of the railroad. Canal Fulton had grown rapidly with its two main commercial ventures: canal work and coal mining, but when these ceased, the population and commercial activity declined.

Today, Canal Fulton serves the surrounding rural area as an education, retail, and transportation center. Several industries are located in the City, but most of the residents commute to work outside the community. In the 1990’s, communities along the Ohio-Erie Canalway began working together to reconstruct the old canal towpath into a multi-use trail. Now with most of this trail completed, Canal Fulton has become a destination for cyclists, hikers, equestrian, and bird watchers throughout the region. Tourism has also become a factor in Canal Fulton’s commercial activity. Canal Fulton’s historic district, which is listed in the National Register of Historical Places, has over eighty sites including buildings and homes. Canal Fulton is also home to the St. Helena III, one of only four canal boats operating in Ohio. Visitors can cruise an original section of the canal where they see Lock IV, a canal lock that retains much of its original appearance.

Profile of the City

The City of Canal Fulton, encompassing an area of approximately 3.3 square miles, is located in the northwest portion of Stark County, Ohio. The City has a population of 5,479 as reported in 2010 by the Bureau of Census. Canal Fulton is a “home-rule” city as defined by the State of Ohio Revised Code and operates pursuant to its Charter under a Mayor, City Council, and City Manager form of government. The representative branch of the City’s government consists of the Mayor and six City Council members who are elected at large to staggered four-year terms. The Mayor presides over all meetings of City Council and appoints the City Manager, upon confirmation of City Council, who serves as the Chief Administrative Officer of the City. The Mayor also appoints the Director of Law, the Director of Finance, the Police Chief, the Fire Chief, and members to a number of boards and commissions, upon confirmation of City Council. The Mayor does not have the authority to vote on ordinances or resolutions unless there is a tie among City Council members, nor does the Mayor have the power to veto legislation passed by City Council. City Council establishes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes.

The City provides a full range of municipal services to its citizens, including police and fire protection, emergency medical service, parks and recreation, street maintenance and repairs, zoning and other general government services. In addition, water, sanitary sewer, and storm sewer services are provided under the enterprise fund concept with user charges set to ensure adequate coverage of operating expenses, payments on debt and adequate infrastructure maintenance, repair, replacement and expansion. Health services are provided by the Stark County Health Department. Solid waste collection is provided by private contractors selected by customers (the City does not contract with those private contractors).

The City owns six parks offering residents a variety of activities to improve health and fitness. Various features include a small fishing pond, walking trails, children playgrounds, picnic areas, tennis courts, baseball fields, basketball courts, and enclosed fenced areas for dog exercise. Several gazebos and pavilions are available for special occasions.

The City's residents are served by a diversified set of transportation options, including State Routes 21, 93 and 236, and I-77 in Canton. It is served by Amtrak for passenger rail service located in nearby Alliance, and is served by passenger and freight air services at Akron-Canton Regional Airport, located approximately 10 miles from the City. Public mass transit for the area is provided by the Stark Area Regional Transit Authority (SARTA) which offers fixed route and curb service within and between the cities of Stark County.

Youth education is provided locally by the Northwest Local School District and Saints Philip and James, a Holy Cross Academy Catholic School. Additionally, several public and private two-year and four-year colleges and universities are within commuting distance, including the University of Mount Union, the University of Akron, Kent State University, Northeastern Ohio College of Medicine, Walsh University, Malone College and the Stark State College of Technology. Several museums and attractions are located within a 20 minute drive from the City including the Pro Football Hall of Fame, the McKinley Presidential Library and Museum, the Akron Zoo and the Akron Art Museum. These and other area attractions offer a variety of cultural and educational programs to the residents of Canal Fulton.

Economic Condition

Summary of Local Economy

While there is some commercial property within the City, Canal Fulton is generally classified as a bedroom community with most residents commuting to work outside the City. As a result, the City's local economy is dependent on conditions throughout Stark County and the surrounding areas. The economic conditions in Stark County had been steadily improving as evidenced by the decline in the countywide unemployment rate from 11.2 percent during the recession year of 2009 to 5.2 percent in 2018. In 2019, the Stark County unemployment rate ranged from a high of 6.0 percent in January to a low of 3.6 percent in April, before ending the year at 4.4 percent. The local economic conditions have a significant impact on the City's income tax collections, which accounts for over 51 percent of the funding for the City's general government operations. The following table shows the City's income tax collections the last seven years by component:

Income Tax Collections

Year of Collection	Collections from Individual Returns	Collections from Business Net Profit Returns	Collections from Payroll Withholdings	Total Collections
2013	\$828,246	\$166,361	\$1,248,925	\$2,243,532
2014	866,349	171,789	1,265,245	2,303,383
2015	902,118	216,211	1,300,300	2,418,629
2016	842,049	168,704	1,424,034	2,434,787
2017	763,713	176,184	1,380,269	2,320,166
2018	728,448	170,562	1,434,264	2,333,274
2019	758,368	194,279	1,481,923	2,434,570

Note: All income tax information is presented on a cash basis.

The table above shows that the City’s total income tax collections achieved an average annual growth rate of over one percent between 2013 and 2019. Although some of the fluctuations can be attributed to the local economy, it is important to note that the State of Ohio also passed House Bill 5 in 2014, which changed the laws governing municipal income tax collections for the 2016 tax year (2017 collection year for individuals). Some of the changes include revisions to the due dates for submitting payroll withholdings, higher thresholds for requiring individuals and businesses to submit estimated tax payments, and uniform rules for processing business net profit/loss returns. The new laws contribute to the variances shown in the table.

The City’s residential tax base consists of approximately 2,400 housing units and includes new construction as well as a collection of century homes located in the historic district. Property values inside the City increased nearly 14 percent from 2018 to 2019 due to a combination of the county-wide property reappraisal that took place in 2018 (reflected in 2019 property tax collections) and continued commercial and residential development within the City. The U.S. Census Bureau reports that the City’s homeowner vacancy rate was 3.5 percent during the 2010 census, which was essentially unchanged from the 2000 census. This is further illustrated by the City’s total population reported in the 2010 census (5,479) remaining relatively stable when compared to the 2000 census (5,061). Given the City’s status as a bedroom community, this stability has been important in ensuring consistent tax revenues and the overall health of the community.

Moving forward, several businesses within the City are currently expanding their operations and the City expects some growth in new housing construction over the next several years. This economic growth will be beneficial to the City and community, and the City is working to encourage and assist these expansions. Additionally, the City is undertaking several major transportation and infrastructure improvement projects that will also help facilitate future growth.

Long-Term Financial Planning

As part of the annual budget process, the City Manager and City Council review a three-year financial forecast, which serves as a planning tool to identify and prepare for future needs and funding.

With the recent growth in income tax revenues, the City has made it a priority to set aside resources to help maintain long-term financial stability. Specifically, the City established the capital projects reserve fund to be used in accumulating resources to replace vehicles and equipment in the future. The City had \$157,933 available in this fund as of December 31, 2019. Similarly, the City had \$250,000 set aside for emergencies as of December 31, 2019, which represents approximately 30.8 percent of the 2019 general fund expenditures on a cash basis.

Relevant Financial Policies

The following is relevant legislation that governs the City's financial operations:

- Section 181.03 of the City's administrative code specifies that 93.3 percent of income tax collections be distributed to the general fund and the remaining 6.7 percent be placed in the police fund.
- Ordinance 46-18 stipulates that 73.0 percent of water utility charges be used for water operations, 17.0 percent for water debt service, and 10.0 percent for water capital projects.
- Ordinance 32-15 stipulates that 87.0 percent of sewer utility charges be used for sewer operations, 6.5 percent for sewer debt service, and 6.5 percent for sewer capital projects.
- Ordinance 12-19 establishes employee pay rates and allocates personnel costs among the various governmental and enterprise funds.

Major Initiatives

The City worked on the following initiatives in 2019:

- The City received a \$750,000 grant from the State of Ohio to construct a new community park. Phase one of the park construction took place in 2019, with completion expected in 2020. Additional phases of park development are expected to take place starting in 2021.
- The City helped facilitate the construction of a new YMCA, which is located adjacent to the community park. The YMCA opened at the end of 2019 and represents an opportunity to bring additional employment and recreational opportunities to the City.
- The City made significant investments in its utilities during 2019. Specifically, the City completed engineering design work to construct a new water tower near the Route 21 corridor. The City anticipates completing the land purchase and financing for the water tower in 2020, with construction taking place in 2021 and 2022. The water tower will provide service to future commercial and residential developments planned for that area, but will also be looped to provide backup service to the rest of the City. In addition, the City started a program designed to replace the old water meters in every home and business with automatic meter reading technology. The City completed phase one of the project in 2019 with every meter expected to be replaced by 2022.
- Major capital expenditures in 2019 include water well and waterline rehabilitations, sewer plant and lift station repairs, and purchasing vehicles for utilities, fire, and police.
- In addition to the projects listed above, the City completed several street repairs, an extensive chip and seal program, and storm sewer drainage improvements at other locations throughout the City.

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 for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for one year. The City of Canal Fulton has received a certificate for the past year. The City believes our current report continues to conform to Certificate of Achievement program requirements, and has submitted it to the Governmental Finance Officers Association to determine eligibility for another Certificate of Achievement.

Successful preparation of a report of this scope could not have been accomplished without the dedication of the Finance Department staff. Further appreciation is extended to the Mayor, the City Manager, City Council, the Stark County Auditor's Office, and the Local Government Services Section of Auditor of State Keith Faber's Office. In addition, we would like to thank the residents and taxpayers of the City for entrusting us with the administration of their local government.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William Rouse', written in a cursive style.

William Rouse
Finance Director
City of Canal Fulton

**City of Canal Fulton
Stark County, Ohio**

*Principal Officials
December 31, 2019*

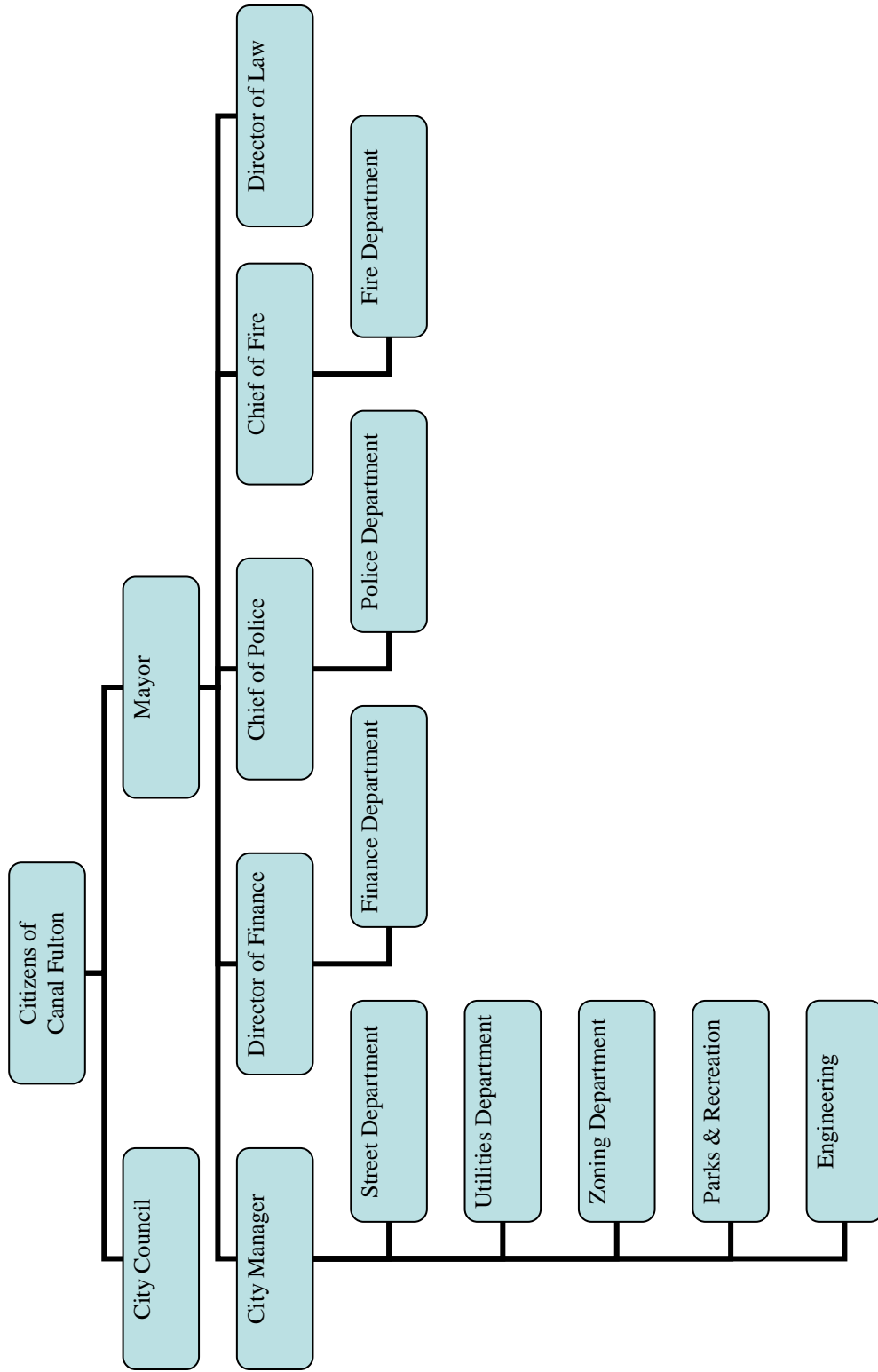
Elected Officials

Mayor Joseph Schultz
City Council President Susan Mayberry
City Council Member Bonnie Donaldson
City Council Member Scott Svab
City Council Member Danny Losch
City Council Member Eric Whittington
City Council Member Daniel Bucher

Appointed Officials

City Manager Mark Cozy
Director of Finance William Rouse
Director of Law Scott Fellmeth
Chief of Police Doug Swartz
Chief of Fire Raymond Durkee

**City of Canal Fulton
Organization Chart – December 31, 2019**





Government Finance Officers Association

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

Presented to

**City of Canal Fulton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

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Financial Section

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INDEPENDENT AUDITORS' REPORT

City Council
City of Canal Fulton, Ohio
155 East Market Street
Canal Fulton, Ohio 44614

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canal Fulton, Ohio (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canal Fulton, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the General, Police and Fire/EMS Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Subsequent Event Footnote

As discussed in Note 22 to the financial statements, the financial impact of COVID-19 pandemic and the ensuing emergency measures will impact subsequent periods of the City. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the year ended December 31, 2019, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the City's proportionate share of net pension and other postemployment benefits (OPEB) liabilities, the schedules of the City's contributions to pension and OPEB plans, and the notes to the required supplementary information (as listed in the table of contents) be presented to supplement the basic financial statements. Such information, 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.

Other 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 accompanying combining statements, individual fund schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020 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 the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 30, 2020

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

The discussion and analysis for the City of Canal Fulton's (the City) financial statements provide an overall review of the financial activity of the City for the twelve months ended December 31, 2019. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Financial highlights for 2019 are as follows:

- The 2019 income tax collections on a cash basis were \$2,434,570, which was 4.3 percent higher than the prior year. The higher income tax collections are due to growth in commercial payroll withholdings associated with a strong local economy.
- Due to the budget stabilization arrangement, which was established to provide options to respond to unexpected infrastructure failure or disaster situations, the cash balance of the City's general fund emergency reserve increased to \$250,000. Also, the fund balance in the capital projects reserve fund was \$193,586.
- The City's 2019 water and sewer charges for services and sales increased by 3.8 and 0.6 percent, respectively. The increases were due to the City's utility billing ordinances, which tie annual rate increases to changes in the consumer price index.
- The City started a comprehensive water meter replacement program in 2019. The intent of the program is to replace every residential and commercial meter in the City with automated meter reading technology. The program is estimated to be completed in 2022, and will significantly improve the efficiency of the City utility billing function.

Using this Annual Financial Report

This report consists of a series of financial statements and notes to those statements. These statements are prepared and organized in a manner that allows the reader to look at the financial activities of the City of Canal Fulton as a whole and also allows the reader to obtain a more detailed view of the City's operations, if they prefer.

The statement of net position and the statement of activities provide information from a summary perspective showing the effects of the operations for the year 2019 and how they affected the operations of the City as a whole.

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

Reporting the City of Canal Fulton as a Whole

Statement of Net Position and Statement of Activities

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. They provide a good resource for an overall evaluation of the City's financial performance. These statements include all non-custodial assets, deferred outflows or resources, liabilities, and deferred inflows of resources using the accrual basis of accounting.

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

This method takes into account all revenues when they are earned and all expenses when they are incurred. These transactions are booked when they occur and not when the actual cash is received for revenues or when invoices are paid for expenses.

These two statements report the City's net position and changes in that position. The change in net position is important since it is an indication of whether the financial position of the City is improving or declining. However, to properly evaluate the operation of the City, certain non-cash items should be taken into consideration. These items would include the current economic situation as a whole, the current tax base for the City and the age and condition of the City's buildings and infrastructure.

In the statement of net position and the statement of activities, the City is divided into two major activities:

Governmental Activities – Most of the City's programs and services are reported here, including general government, police, fire, transportation and leisure time activities.

Business-Type Activities – These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The City's business-type activities are water, sewer, and storm sewer.

Reporting on the Most Significant Funds of the City of Canal Fulton

Fund Financial Statements

The analysis of the City's major funds begins on page 11. Fund financial statements give a detailed report of the activities within the funds. The City currently has twenty-one funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Canal Fulton. Some funds provide for streets, police, fire and emergency medical service protection, capital improvements, water service and sewer service. Some also provide for the purchase of capital assets, while others provide for the payment of principal and interest on debt. Each fund is in some ways an entity unto itself. Each fund, other than the general fund, has a designated revenue stream and designated uses for the monies within the fund.

In this report, the focus is on seven major funds, the general fund, the police fund, the fire/EMS fund, the capital projects reserve fund, the water fund, the sewer fund, and the storm sewer fund.

Governmental Funds All of the City's major activities (excluding the Utility Department) are reported in the governmental funds. This report shows how monies flow into and out of these funds and also shows what balances are available for future expenditures. The accounting method used to report this activity is the modified accrual method. This method reports cash and like-cash items that can be converted into cash. This shows what level of financial resources are available or will be available to provide the services that the general government will provide in the near future. These services include police, fire and emergency medical service protection, as well as improving and maintaining the City's streets. 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.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities. The City of Canal Fulton has three enterprise operations under the proprietary classification. They are the water, sewer, and storm sewer funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

The City of Canal Fulton as a Whole

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2019 as it compares to 2018.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	Restated 2018	2019	Restated 2018	2019	Restated 2018
Assets						
Current and Other Assets	\$4,236,650	\$4,151,741	\$2,273,464	\$2,400,738	\$6,510,114	\$6,552,479
Net Pension Asset	15,169	18,181	19,306	23,144	34,475	41,325
Capital Assets, Net	12,848,954	12,161,009	11,213,578	11,272,124	24,062,532	23,433,133
<i>Total Assets</i>	<u>17,100,773</u>	<u>16,330,931</u>	<u>13,506,348</u>	<u>13,696,006</u>	<u>30,607,121</u>	<u>30,026,937</u>
Deferred Outflows of Resources						
Pension	769,211	352,210	339,614	179,957	1,099,144	507,668
OPEB	164,077	168,541	51,832	51,832	207,595	202,879
<i>Total Deferred Outflows of Resources</i>	<u>933,288</u>	<u>520,751</u>	<u>391,446</u>	<u>231,789</u>	<u>1,306,739</u>	<u>710,547</u>
Liabilities						
Current and Other Liabilities	317,942	144,834	163,041	83,985	480,983	228,819
Long-Term Liabilities:						
Due Within One Year	263,014	253,602	219,736	216,470	482,750	470,072
Due in More than One Year:						
Net Pension Liability	2,882,979	2,020,319	1,070,394	618,580	3,953,373	2,638,899
Net OPEB Liability	660,924	1,778,104	551,228	460,348	1,212,152	2,238,452
Other Amounts	1,152,932	1,413,679	1,889,411	2,107,300	3,042,343	3,520,979
<i>Total Liabilities</i>	<u>5,277,791</u>	<u>5,610,538</u>	<u>3,893,810</u>	<u>3,486,683</u>	<u>9,171,601</u>	<u>9,097,221</u>
Deferred Inflows of Resources						
Property Taxes	453,516	432,352	0	0	453,516	432,352
Pension	96,226	290,607	27,402	162,852	113,947	428,960
OPEB	102,367	89,355	1,496	34,292	95,549	106,153
<i>Total Deferred Inflows of Resources</i>	<u>652,109</u>	<u>812,314</u>	<u>28,898</u>	<u>197,144</u>	<u>663,012</u>	<u>967,465</u>
Net Position						
Net Investment in Capital Assets	11,479,443	10,876,002	9,139,463	8,987,568	20,618,906	19,863,570
Restricted for:						
Capital Projects	323,330	432,538	0	0	323,330	432,538
Debt Service	39,289	20,276	0	0	39,289	20,276
Street Repair and Maintenance	568,174	425,479	0	0	568,174	425,479
Police Protection	346,339	214,246	0	0	346,339	214,246
Other Purposes	17,916	7,366	0	0	17,916	7,366
Unclaimed Monies	1,956	1,956	0	0	1,956	1,956
Unrestricted (Deficit)	(672,286)	(1,549,033)	835,623	1,256,400	163,337	(292,633)
<i>Total Net Position</i>	<u>\$12,104,161</u>	<u>\$10,428,830</u>	<u>\$9,975,086</u>	<u>\$10,243,968</u>	<u>\$22,079,247</u>	<u>\$20,672,798</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019. GASB notes that pension and 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. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of 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

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

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 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 are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Total assets increased in 2019 as a result of an increase in capital assets. Additions outpaced depreciation, as multiple assets were acquired during the year; moreover, there were no asset deletions in 2019.

As current liabilities increased, long-term liabilities decreased slightly during the year. This was due to a significant increase in contracts payable over the prior year related primarily to equipment purchases contracted prior to the end of the year, offset by the payment of debt.

By comparing assets and deferred outflows of resources and liabilities and deferred inflows of resources, one can see the overall position of the City has improved over the prior year, as evidenced by an increase in net position. Management continues to diligently plan expenses, staying carefully within the City's revenues in an effort to maintain excellent levels of service within the constraints of the budget.

Table 2 shows the change in net position for 2019 as it compares to 2018.

Table 2
Change in Net Position

	Governmental Activities		Business - Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	\$213,346	\$231,299	\$1,955,094	\$1,912,764	\$2,168,440	\$2,144,063
Operating Grants and Contributions	637,121	805,749	16,640	0	653,761	805,749
Capital Grants and Contributions	731,281	272,150	0	195,453	731,281	467,603
Total Program Revenues	1,581,748	1,309,198	1,971,734	2,108,217	3,553,482	3,417,415
General Revenues:						
Property Taxes	432,738	404,740	0	0	432,738	404,740
Income Taxes	2,439,590	2,318,255	0	0	2,439,590	2,318,255
Grants and Entitlements	135,532	122,413	0	0	135,532	122,413
Unrestricted Contributions	4,451	0	0	0	4,451	0
Gain on Sale of Capital Assets	0	168,058	0	0	0	168,058
Interest	104,471	97,077	0	0	104,471	97,077
Other	65,133	103,672	40,700	84,678	105,833	188,350
Total General Revenues	3,181,915	3,214,215	40,700	84,678	3,222,615	3,298,893
Total Revenues	\$4,763,663	\$4,523,413	\$2,012,434	\$2,192,895	\$6,776,097	\$6,716,308

(continued)

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

Table 2
Change in Net Position (continued)

	Governmental Activities		Business - Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Expenses						
General Government	\$797,909	\$749,583	\$0	\$0	\$797,909	\$749,583
Security of Persons and Property	1,181,505	2,181,540	0	0	1,181,505	2,181,540
Transportation	854,859	813,188	0	0	854,859	813,188
Leisure Time Activities	196,714	143,612	0	0	196,714	143,612
Interest and Fiscal Charges	57,345	92,628	0	0	57,345	92,628
Water	0	0	1,129,232	916,730	1,129,232	916,730
Sewer	0	0	1,096,143	1,024,207	1,096,143	1,024,207
Storm Sewer	0	0	55,941	70,993	55,941	70,993
Total Program Expenses	<u>3,088,332</u>	<u>3,980,551</u>	<u>2,281,316</u>	<u>2,011,930</u>	<u>5,369,648</u>	<u>5,992,481</u>
Increase in Net Position	1,675,331	542,862	(268,882)	180,965	1,406,449	723,827
Net Position Beginning of Year - Restated (See Note 3)	<u>10,428,830</u>	<u>9,885,968</u>	<u>10,243,968</u>	<u>10,063,003</u>	<u>20,672,798</u>	<u>19,948,971</u>
Net Position End of Year	<u>\$12,104,161</u>	<u>\$10,428,830</u>	<u>\$9,975,086</u>	<u>\$10,243,968</u>	<u>\$22,079,247</u>	<u>\$20,672,798</u>

In 2019, total revenues were more than total revenues in the prior year. A large part of this increase is due to capital grants and contributions related to an ODNR grant received during 2019 for the purpose of building a park in the City.

Governmental expenses were lower in 2019 than in the prior year. The major contributing factor to this decrease was a decrease in security of persons and property expenses due to a significant decrease in the net OPEB liability related to the Ohio Police and Fire pension fund.

For 2019, OP&F recognized a change in benefit terms for their OPEB plan. Under this new model, OP&F 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. These changes contributed to OPEB expense decreasing from \$175,963 in 2018 to a negative OPEB expense of (\$1,124,408) for 2019.

Governmental Activities

The funding for governmental activities comes from several different sources, the most significant being the City's municipal income tax. Other prominent sources are property taxes, intergovernmental revenue, and charges for services.

The City's income tax was established to be effective January 1, 1984 at a rate of 0.5 percent. This rate was later increased to 0.75 percent effective January 1, 1996 and further increased to 1 percent effective January 1, 2001. In the November 2004 election, the voters of Canal Fulton elected to increase the income tax rate to 1.1 percent effective January 1, 2005. Lastly, effective on January 1, 2007, the income tax rate moved from the previous 1.1 percent to 1.5 percent. Also, January 1, 2003, the City allowed a 50 percent credit of the City's income tax rate for taxes paid to other political subdivisions in Ohio.

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

The operations of the City's police and fire departments account for the largest expenses of the governmental activities. The City's police department is a full-time 24-hour a day, 365-days a year department, with a chief, secretary, and 10 patrolmen comprising the full-time employees and three part-time patrolmen. The fire department is staffed by part-time firefighters. The remaining amount that is needed to operate the police and fire departments is subsidized by the general fund and income tax revenue.

Business-Type Activities

The City operates a Utility Department consisting of water and sewer services. The water utility includes a water treatment plant, the water distribution system, and the water utility administration. The sewer utility includes the wastewater collection system, wastewater treatment plant, and sewer utility administration.

The water utility services 2,128 customer accounts, which include customers within the City as well as customers outside of the City. The City owns and maintains the water treatment plant, which is located within the City, and the water lines of the distribution system, which are primarily located within the City, used to service the customers of the water utility.

Residential water customers within the City pay a water rate of \$2.43 per thousand gallons of usage plus a minimum fixed-rate charge of \$20.41 per month. Residential water customers outside the City pay a water rate of \$6.07 per thousand gallons of usage plus a minimum fixed-rate charge of \$20.41 per month. The City's utility billing ordinance stipulates that the per gallon water usage charge and minimum fixed-rate monthly charge are subject to inflationary increases based on the Consumer Price Index (CPI).

The City's water treatment plant treats an average of 435,000 gallons of water per day with a capacity to treat an additional 400,000 gallons per day. The raw water is supplied by five wells in the well field co-located with the water treatment plant, which was built in 1989.

The sewer utility services 2,007 customer accounts. The City owns and maintains the sewer lines of the collection system, which are located primarily within the City, and the wastewater treatment plant, which is located in neighboring Lawrence Township.

Sewer customers with a water meter pay a sewer rate of \$2.95 per thousand gallons of usage plus a minimum fixed-rate charge of \$19.92 per month. Sewer customers without a water meter pay an unmetered flat sewer rate of \$33.20 per month. As of December 31, 2019, there were 56 sewer customer accounts paying the flat sewer rate. The City's utility billing ordinance stipulates that the per gallon sewer charge and minimum fixed-rate monthly charge are subject to inflationary increases based on CPI.

The City's wastewater treatment plant treats an average of 575,000 gallons of wastewater per day with a capacity to treat an additional 925,000 gallons per day. The wastewater treatment plant was built in 1983.

Through the Joint User Cost System with the Stark County Metropolitan Sewer District, the City receives wastewater from a portion of the Stark County Metropolitan Sewer District system located in northwestern Stark County and then processes this wastewater at the City's wastewater treatment plant. The Stark County Metropolitan Sewer District subsequently reimburses the City forty-percent of capital expenditures incurred for the wastewater treatment plant. In addition, the Stark County Metropolitan Sewer District reimburses the City for the operating expenses incurred within the Joint User Costs System based upon the number of City and Stark County Metropolitan Sewer District users connected to the sewer system.

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

As of December 31, 2019, the Joint User Cost System had 3,413 single family home equivalent connections, of which the combined total of all City sewer customers comprised 83.5 percent of the single family home equivalent connections and the remaining 16.5 percent were located in the Stark County Metropolitan Sewer District. In 2019, the City sewer utility received \$86,799 (on a cash basis) from the Stark County Metropolitan Sewer District for the operations of the Joint User Cost System.

The storm sewer fund was established to account for a \$2.00 water bill charge paid by all water customers on a monthly basis for the provision of storm drainage runoff service to the residents and commercial users located within the City.

The revenues and expenses for the three utilities are reported under the business-type activities in Table 2. The majority of revenues are derived from charges for services. In 2019, revenues were more than the total expenses for the utilities, resulting in an increase in net position for the business-type activities.

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. The City's general fund reflected an increase in fund balance, which was due primarily to an increase in income tax revenues. The police fund had an increase in fund balance due to largely to an increase in intergovernmental revenues. The fire/EMS fund had a decrease in fund balance due to an increase in expenditures as a result of increases in personal services. The capital projects reserve fund had an increase in fund balance due primarily to increases in intergovernmental grants received for the purpose of constructing a park within the City.

Information about the proprietary funds starts on page 25. These funds are accounted for on an accrual basis. The water fund had an operating loss due to operating expenses outpacing operating revenues, though both increased from the prior year. The sewer fund had an operating loss due primarily to an increase in operating expenses related to personal services. The storm sewer fund had operating income due to the storm sewer charge being able to cover all costs of maintaining storm sewer infrastructure.

Budgeting Highlights

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the general fund. The legal level of budgetary control is at the personnel costs and other non-payroll costs appropriation groups within each department, as established by appropriation ordinance passed by City Council. Any budgetary modifications at this level may only be made by supplemental appropriation ordinance of City Council. City Council approves an annual budget resolution detailing its initial expenditure budget at the more detailed expense line-item level than the original appropriation ordinance. The budget resolution grants the Finance Director authority to shift the budget expenditures between individual expense line-items as long as the total appropriations of the appropriation groups are not violated and the changes are reported to City Council monthly. Inter-fund transfers and advances are approved for their total annual amount as a part of the annual appropriation ordinance and supplemental appropriation ordinances passed by City Council. Monthly posting of inter-fund transfers and advances as well as their year-to-date totals are reported to City Council monthly.

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

Strong emphasis is placed on fund balances. The Finance Director reviews the fund balances on a daily basis. Special attention is paid to the City's largest funds, which are the general, water, and sewer funds. Council receives a monthly report showing the beginning fund balance for all funds at the beginning of the year, monthly and year-to-date revenues, and the current fund balance.

Line item reports are reviewed regularly by the Finance Director. The department heads, as well as the City Manager, also monitor their appropriations to ensure the entire operation of the City operates within the appropriations.

For the general fund, final budgeted revenues were slightly lower than original budgeted revenues, and actual revenue collections were higher than the final budget revenues. The increase in budgeted to actual revenue was primarily due to higher interest revenues.

Also in the general fund, the final budgeted expenditures were the same as the original budgeted expenditures. The difference between actual expenditures and final appropriations was mainly due to diligent oversight of expenditures in the general government line item. The City's ending unencumbered cash balance in the general fund was higher than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land and construction in progress, are reported net of depreciation. Additions to capital assets included a tractor, radios, camera system, fire engine, police vehicle, dump truck, and road improvements. Despite annual depreciation, capital assets increased from the prior fiscal year. For more information on capital assets, refer to Note 17 of the basic financial statements.

Debt Administration

During 2005, the City issued \$730,000 of Water Improvement Bonds for the purpose of constructing a waterline for the Northwest Local School District.

During 2006, the City issued \$1,500,000 in fire station bonds, the proceeds of which were used to finance the construction of a new fire station.

During 2018, the City issued \$825,000 of Various Purpose Improvement General Obligation Bonds for the purpose of making improvements to the service building and retiring a portion of the 2018 bond anticipation notes.

The OPWC loans are comprised of ten separate, zero percent interest loans. The purpose of these loans are for the construction and improvement of various water, sewer, and storm sewer projects, which the most notable is the Water Treatment Plant project. These loans will be repaid over a period of 30 years by user fees. The loans will be retired anywhere from 2022 to 2041.

See Note 15 in the financial statements for more information regarding the City's debt.

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

Current Financial Issues

Over the past twenty years, income tax collections (on a cash basis) have increased from \$425,403 in 1993, to \$2,434,570 in 2019. This is largely attributed to the voter approved, four tenths of a percent increase that began in 2008. In addition, the Northwest Local School District became the City's largest employer in June 2008 through annexation. The voters also approved a one tenth of a percent income tax rate levy dedicated to the Police Department. The remaining one and four tenths of a percent income tax rate levies are receipted into the general fund, from where it is distributed to various City departments and funds via transfers in the annual appropriation ordinances adopted by City Council. Transfers from the general fund to the various funds are used to support the operating expenses and capital improvements for all City departments except the water and sewer utilities. Because income taxes represent the primary source for funding the City's traditional government functions (Police, Fire, Administration, etc.), it is important that the City continue to promote economic development.

The majority of the City's debt consists of bonds and zero percent interest OPWC loans owed by the water and sewer utilities, which will be repaid from user fees charged by the respective utility. In 2015, the City issued \$1.0 million in bond anticipation notes to pay the up-front engineering and design costs associated with the Cherry and Locust Street intersection project. The City also issued \$730,000 of bond anticipation notes in 2017 to purchase and renovate a building to house the City's service and utility departments. The City retired both of these debt issues in 2018, issuing \$825,000 in 15 year bonds and using grants and local resources to pay the difference. The 15 year bonds will be repaid through a combination of general fund resources and water and sewer enterprise fund resources.

City Council adopted ordinances in 2011 and 2012 that created five-year phase in plans for increasing the water and sewer rates, and allowing for inflationary rate increases annually thereafter. The increase in water fees has enabled the City to stop the historical practice of subsidizing the water utility via transfers from the general fund. Similarly, the sewer rate increase has enabled the sewer utility to make substantial investments in capital upgrades including needed building repairs, reconstruction of the influent bar screen, and required maintenance to sewer infrastructure. The rate increases have also allowed both utilities to build reserves to fund future capital improvements and meet increased debt service requirements, and take on special projects that will help improve overall efficiency like the comprehensive meter replacement program.

In addition to building reserve balances in the utility funds, the City has an emergency reserve with a total balance of \$250,000 at the end of 2019. This reserve was originally established by City Council in 2010 to accumulate resources to help the City better withstand downturns in the local economy or the sudden loss of key revenues. Similarly, City Council created a capital projects reserve fund in 2015 to accumulate resources to help replace vehicles and equipment in the future. The City had approximately \$158,000 in this fund at the end of 2019.

The combination of the City's improved income tax collections, conservative budgeting practices, recent utility rate increases and infrastructure improvements, and continued funding for the reserve funds have helped ensure that the City is financially stable and positioned to meet future challenges.

Contacting the City's Finance Department

This report is intended to provide our citizens and anyone interested in the financial aspects of the City of Canal Fulton a general overview of our financial operation. If there are any questions, please feel free to contact the Finance Director, William Rouse, City of Canal Fulton, 155 East Market Street, Canal Fulton, Ohio 44614, telephone (330) 854-6761 or website at www.cityofcanalfulton.org.

Basic Financial Statements

City of Canal Fulton, Ohio

Statement of Net Position

December 31, 2019

	Governmental Activities *	Business-Type Activities *	Total*
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,554,898	\$2,128,138	\$4,683,036
Accounts Receivable	17,507	135,083	152,590
Intergovernmental Receivable	636,833	6,941	643,774
Income Taxes Receivable	529,019	0	529,019
Property Taxes Receivable	465,858	0	465,858
Materials and Supplies Inventory	32,535	3,302	35,837
Net Pension Asset (See Note 18)	15,169	19,306	34,475
Nondepreciable Capital Assets	3,946,701	471,493	4,418,194
Depreciable Capital Assets, Net	8,902,253	10,742,085	19,644,338
<i>Total Assets</i>	<u>17,100,773</u>	<u>13,506,348</u>	<u>30,607,121</u>
Deferred Outflows of Resources			
Pension	769,211	339,614	1,099,144
OPEB	164,077	51,832	207,595
<i>Total Deferred Outflows of Resources</i>	<u>933,288</u>	<u>391,446</u>	<u>1,306,739</u>
Liabilities			
Accounts Payable	70,034	50,940	120,974
Accrued Wages	39,969	14,886	54,855
Contracts Payable	154,772	70,796	225,568
Intergovernmental Payable	15,046	3,108	18,154
Deposits Held Payable	26,024	16,103	42,127
Vacation Benefits Payable	6,772	2,380	9,152
Accrued Interest Payable	5,325	4,828	10,153
Long-Term Liabilities:			
Due Within One Year	263,014	219,736	482,750
Due In More Than One Year:			
Net Pension Liability (See Note 18)	2,882,979	1,070,394	3,953,373
Net OPEB Liability (See Note 19)	660,924	551,228	1,212,152
Other Amounts	1,152,932	1,889,411	3,042,343
<i>Total Liabilities</i>	<u>5,277,791</u>	<u>3,893,810</u>	<u>9,171,601</u>
Deferred Inflows of Resources			
Property Taxes	453,516	0	453,516
Pension	96,226	27,402	113,947
OPEB	102,367	1,496	95,549
<i>Total Deferred Inflows of Resources</i>	<u>652,109</u>	<u>28,898</u>	<u>663,012</u>
Net Position			
Net Investment in Capital Assets	11,479,443	9,139,463	20,618,906
Restricted for:			
Capital Projects	323,330	0	323,330
Debt Service	39,289	0	39,289
Street Repair and Maintenance	568,174	0	568,174
Police Protection	346,339	0	346,339
Other Purposes	17,916	0	17,916
Unclaimed Monies	1,956	0	1,956
Unrestricted (Deficit)	(672,286)	835,623	163,337
<i>Total Net Position</i>	<u>\$12,104,161</u>	<u>\$9,975,086</u>	<u>\$22,079,247</u>

*After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension/OPEB-related items have been eliminated.

See accompanying notes to the basic financial statements

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

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$797,909	\$30,084	\$0	\$0
Security of Persons and Property	1,181,505	148,765	149,696	49,479
Transportation	854,859	0	484,481	0
Leisure Time Activities	196,714	34,497	2,944	681,802
Interest and Fiscal Charges	57,345	0	0	0
<i>Total Governmental Activities</i>	<u>3,088,332</u>	<u>213,346</u>	<u>637,121</u>	<u>731,281</u>
Business-Type Activities:				
Water	1,129,232	984,545	0	0
Sewer	1,096,143	911,741	0	0
Storm Sewer	55,941	58,808	16,640	0
<i>Total Business-Type Activities</i>	<u>2,281,316</u>	<u>1,955,094</u>	<u>16,640</u>	<u>0</u>
<i>Total</i>	<u>\$5,369,648</u>	<u>\$2,168,440</u>	<u>\$653,761</u>	<u>\$731,281</u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Projects

Income Tax Levied for:

General Purposes

Other Purposes

Grants and Entitlements not

Restricted to Specific Programs

Unrestricted Contributions

Interest

Other

Total General Revenues

Change in Net Position

*Net Position Beginning of Year -
Restated (See Note 3)*

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$767,825)	\$0	(\$767,825)
(833,565)	0	(833,565)
(370,378)	0	(370,378)
522,529	0	522,529
(57,345)	0	(57,345)
(1,506,584)	0	(1,506,584)
0	(144,687)	(144,687)
0	(184,402)	(184,402)
0	19,507	19,507
0	(309,582)	(309,582)
(1,506,584)	(309,582)	(1,816,166)
242,040	0	242,040
106,101	0	106,101
84,597	0	84,597
2,276,114	0	2,276,114
163,476	0	163,476
135,532	0	135,532
4,451	0	4,451
104,471	0	104,471
65,133	40,700	105,833
3,181,915	40,700	3,222,615
1,675,331	(268,882)	1,406,449
10,428,830	10,243,968	20,672,798
\$12,104,161	\$9,975,086	\$22,079,247

City of Canal Fulton, Ohio
Balance Sheet
Governmental Funds
December 31, 2019

	General	Police	Fire/ EMS	Capital Projects Reserve	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$874,601	\$344,567	\$268,314	\$197,418	\$863,327	\$2,548,227
Accounts Receivable	5,101	1,203	11,203	0	0	17,507
Intergovernmental Receivable	48,333	107	299,212	0	289,181	636,833
Income Taxes Receivable	493,570	35,449	0	0	0	529,019
Property Taxes Receivable	254,822	0	0	0	211,036	465,858
Materials and Supplies Inventory	0	0	0	0	32,535	32,535
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	6,671	0	0	0	0	6,671
Total Assets	\$1,683,098	\$381,326	\$578,729	\$197,418	\$1,396,079	\$4,236,650
Liabilities						
Accounts Payable	\$15,233	\$18,146	\$15,488	\$0	\$21,167	\$70,034
Accrued Wages	6,146	19,831	10,652	0	3,340	39,969
Contracts Payable	8,618	4,992	12,123	3,832	125,207	154,772
Intergovernmental Payable	5,959	7,254	571	0	1,262	15,046
Deposits Held Payable	1,124	0	0	0	24,900	26,024
Total Liabilities	37,080	50,223	38,834	3,832	175,876	305,845
Deferred Inflows of Resources						
Property Taxes	248,038	0	0	0	205,478	453,516
Unavailable Revenue	341,712	21,491	292,100	0	188,641	843,944
Total Deferred Inflows of Resources	589,750	21,491	292,100	0	394,119	1,297,460
Fund Balances						
Nonspendable	5,547	0	0	0	32,535	38,082
Restricted	0	309,612	0	0	788,129	1,097,741
Committed	0	0	247,795	193,586	5,420	446,801
Assigned	37,449	0	0	0	0	37,449
Unassigned	1,013,272	0	0	0	0	1,013,272
Total Fund Balances	1,056,268	309,612	247,795	193,586	826,084	2,633,345
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,683,098	\$381,326	\$578,729	\$197,418	\$1,396,079	\$4,236,650

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances	\$2,633,345
 <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.	12,848,954
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Delinquent Property Taxes	12,342
Income Taxes	320,717
Intergovernmental	510,885
Total	843,944
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(6,772)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(5,325)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(980,527)
Premiums on Bonds	(3,821)
Capital Lease Payable	(388,984)
Compensated Absences	(42,614)
Total	(1,415,946)
The net pension/OPEB asset/liabilities are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Net Pension Asset	15,169
Deferred Outflows - Pension	769,211
Deferred Outflows - OPEB	164,077
Net Pension Liability	(2,882,979)
Net OPEB Liability	(660,924)
Deferred Inflows - Pension	(96,226)
Deferred Inflows - OPEB	(102,367)
Total	(2,794,039)
 <i>Net Position of Governmental Activities</i>	 \$12,104,161

See accompanying notes to the basic financial statements

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

	General	Police	Fire/ EMS	Capital Projects Reserve	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$243,663	\$0	\$0	\$0	\$193,386	\$437,049
Income Taxes	2,267,864	162,880	0	0	0	2,430,744
Charges for Services	7,945	0	144,575	0	31,387	183,907
Fines, Licenses and Permits	19,439	1,821	0	0	2,369	23,629
Intergovernmental	115,180	134,648	57,980	681,802	514,106	1,503,716
Special Assessments	2,700	0	0	0	0	2,700
Interest	99,156	0	0	0	5,315	104,471
Rent	3,110	0	0	0	0	3,110
Contributions and Donations	4,451	880	0	0	2,944	8,275
Other	24,592	8,158	8,260	0	24,123	65,133
<i>Total Revenues</i>	<u>2,788,100</u>	<u>308,387</u>	<u>210,815</u>	<u>681,802</u>	<u>773,630</u>	<u>4,762,734</u>
Expenditures						
Current:						
General Government	689,307	0	0	0	1,722	691,029
Security of Persons and Property	0	1,277,812	643,237	0	3,425	1,924,474
Transportation	21,118	0	0	0	370,381	391,499
Leisure Time Activities	50,958	0	0	0	47,642	98,600
Capital Outlay	4,784	0	0	709,816	765,806	1,480,406
Debt Service:						
Principal Retirement	0	0	0	0	232,362	232,362
Interest and Fiscal Charges	0	0	0	0	61,232	61,232
<i>Total Expenditures</i>	<u>766,167</u>	<u>1,277,812</u>	<u>643,237</u>	<u>709,816</u>	<u>1,482,570</u>	<u>4,879,602</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,021,933</u>	<u>(969,425)</u>	<u>(432,422)</u>	<u>(28,014)</u>	<u>(708,940)</u>	<u>(116,868)</u>
Other Financing Sources (Uses)						
Transfers In	0	1,065,000	425,000	75,000	419,025	1,984,025
Transfers Out	(1,975,000)	0	0	0	(9,025)	(1,984,025)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,975,000)</u>	<u>1,065,000</u>	<u>425,000</u>	<u>75,000</u>	<u>410,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	46,933	95,575	(7,422)	46,986	(298,940)	(116,868)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>1,009,335</u>	<u>214,037</u>	<u>255,217</u>	<u>146,600</u>	<u>1,125,024</u>	<u>2,750,213</u>
<i>Fund Balances End of Year</i>	<u>\$1,056,268</u>	<u>\$309,612</u>	<u>\$247,795</u>	<u>\$193,586</u>	<u>\$826,084</u>	<u>\$2,633,345</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019*

Net Change in Fund Balances - Total Governmental Funds		(\$116,868)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlay as an expenditure; 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 outlay exceeded depreciation in the current period:		
Capital Asset Additions	1,331,448	
Current Year Depreciation	(643,503)	
Total		687,945
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	(4,311)	
Income Taxes	8,846	
Intergovernmental	(3,606)	
Total		929
Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		232,362
In the statement of activities, interest is accrued on outstanding bonds and bond premiums are amortized over the term of the bonds, whereas in governmental funds, an expenditure is reported when bonds are issued:		
Accrued Interest	3,250	
Amortization of Premiums on Debt	637	
Total		3,887
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Vacation Benefits Payable	3,326	
Compensated Absences	18,336	
Total		21,662
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	181,840	
OPEB	3,290	
Total		185,130
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities:		
Pension	(436,130)	
OPEB	1,096,414	
Total		660,284
<i>Change in Net Position of Governmental Activities</i>		\$1,675,331

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$244,418	\$244,418	\$243,663	(\$755)
Income Taxes	2,257,053	2,257,052	2,271,435	14,383
Charges for Services	6,500	6,500	7,945	1,445
Fines, Licenses, and Permits	31,155	31,155	19,923	(11,232)
Intergovernmental	105,573	105,573	118,073	12,500
Special Assessments	2,000	2,000	2,700	700
Interest	50,000	50,000	99,156	49,156
Rent	2,500	2,500	3,110	610
Contributions and Donations	500	500	3,351	2,851
Other	7,049	7,049	22,716	15,667
<i>Total Revenues</i>	<u>2,706,748</u>	<u>2,706,747</u>	<u>2,792,072</u>	<u>85,325</u>
Expenditures				
Current:				
General Government	799,562	799,562	735,540	64,022
Transportation	23,500	23,500	23,500	0
Leisure Time Activities	73,173	73,173	52,669	20,504
<i>Total Expenditures</i>	<u>896,235</u>	<u>896,235</u>	<u>811,709</u>	<u>84,526</u>
<i>Excess of Revenues Over Expenditures</i>	1,810,513	1,810,512	1,980,363	169,851
Other Financing Uses				
Transfers Out	<u>(1,900,000)</u>	<u>(1,975,000)</u>	<u>(1,975,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(89,487)	(164,488)	5,363	169,851
<i>Fund Balance Beginning of Year - Restated</i>	509,243	509,243	509,243	0
Prior Year Encumbrances Appropriated	<u>51,669</u>	<u>51,669</u>	<u>51,669</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$471,425</u>	<u>\$396,424</u>	<u>\$566,275</u>	<u>\$169,851</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$162,050	\$162,050	\$163,135	\$1,085
Fines, Licenses and Permits	750	750	618	(132)
Intergovernmental	136,700	136,700	134,541	(2,159)
Contributions and Donations	5,000	5,000	880	(4,120)
Other	5,500	5,500	8,158	2,658
<i>Total Revenues</i>	310,000	310,000	307,332	(2,668)
Expenditures				
Current:				
Security of Persons and Property	1,410,722	1,410,722	1,345,864	64,858
<i>Excess of Revenues Under Expenditures</i>	(1,100,722)	(1,100,722)	(1,038,532)	62,190
Other Financing Sources				
Transfers In	1,065,000	1,065,000	1,065,000	0
<i>Net Change in Fund Balance</i>	(35,722)	(35,722)	26,468	62,190
<i>Fund Balance Beginning of Year</i>	210,407	210,407	210,407	0
Prior Year Encumbrances Appropriated	30,843	30,843	30,843	0
<i>Fund Balance End of Year</i>	<u>\$205,528</u>	<u>\$205,528</u>	<u>\$267,718</u>	<u>\$62,190</u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$135,000	\$135,000	\$140,841	\$5,841
Intergovernmental	99,500	99,500	61,996	(37,504)
Other	1,000	1,000	8,260	7,260
<i>Total Revenues</i>	235,500	235,500	211,097	(24,403)
Expenditures				
Current:				
Security of Persons and Property	690,644	690,644	665,427	25,217
<i>Excess of Revenues Under Expenditures</i>	(455,144)	(455,144)	(454,330)	814
Other Financing Sources				
Transfers In	425,000	425,000	425,000	0
<i>Net Change in Fund Balance</i>	(30,144)	(30,144)	(29,330)	814
<i>Fund Balance Beginning of Year</i>	229,132	229,132	229,132	0
Prior Year Encumbrances Appropriated	30,360	30,360	30,360	0
<i>Fund Balance End of Year</i>	<u>\$229,348</u>	<u>\$229,348</u>	<u>\$230,162</u>	<u>\$814</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2019

	Water	Sewer	Storm Sewer	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,124,863	\$932,935	\$54,237	\$2,112,035
Accounts Receivable	68,844	61,371	4,868	135,083
Intergovernmental Receivable	0	6,941	0	6,941
Materials and Supplies Inventory	542	2,760	0	3,302
Restricted Cash and Cash Equivalents	8,213	7,407	483	16,103
<i>Total Current Assets</i>	<u>1,202,462</u>	<u>1,011,414</u>	<u>59,588</u>	<u>2,273,464</u>
<i>Noncurrent Assets:</i>				
Nondepreciable Capital Assets	294,391	171,908	5,194	471,493
Depreciable Capital Assets, Net	4,438,208	3,900,657	2,403,220	10,742,085
Net Pension Asset	9,653	9,653	0	19,306
<i>Total Noncurrent Assets</i>	<u>4,742,252</u>	<u>4,082,218</u>	<u>2,408,414</u>	<u>11,232,884</u>
<i>Total Assets</i>	<u>5,944,714</u>	<u>5,093,632</u>	<u>2,468,002</u>	<u>13,506,348</u>
Deferred Outflows of Resources				
Deferred Outflows - Pension	169,806	169,808	0	339,614
Deferred Outflows - OPEB	26,324	26,324	0	52,648
<i>Total Deferred Outflows of Resources</i>	<u>196,130</u>	<u>196,132</u>	<u>0</u>	<u>392,262</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	12,442	37,524	974	50,940
Accrued Wages	7,443	7,443	0	14,886
Contracts Payable	66,088	4,708	0	70,796
Intergovernmental Payable	1,554	1,554	0	3,108
Deposits Held Payable	8,213	7,407	483	16,103
Vacation Benefits Payable	1,190	1,190	0	2,380
Accrued Interest Payable	4,270	558	0	4,828
General Obligation Bonds Payable	51,276	11,277	0	62,553
OPWC Loans Payable	89,991	52,080	6,886	148,957
Compensated Absences Payable	4,113	4,113	0	8,226
<i>Total Current Liabilities</i>	<u>246,580</u>	<u>127,854</u>	<u>8,343</u>	<u>382,777</u>
<i>Long-Term Liabilities:</i>				
General Obligation Bonds Payable	429,736	183,460	0	613,196
OPWC Loans Payable	882,072	272,204	96,409	1,250,685
Compensated Absences Payable	12,765	12,765	0	25,530
Net Pension Liability	535,197	535,197	0	1,070,394
Net OPEB Liability	275,614	275,614	0	551,228
<i>Total Long-Term Liabilities</i>	<u>2,135,384</u>	<u>1,279,240</u>	<u>96,409</u>	<u>3,511,033</u>
<i>Total Liabilities</i>	<u>2,381,964</u>	<u>1,407,094</u>	<u>104,752</u>	<u>3,893,810</u>
Deferred Inflows of Resources				
Deferred Inflows - Pension	13,702	13,700	0	27,402
Deferred Inflows - OPEB	1,156	1,156	0	2,312
<i>Total Deferred Inflows of Resources</i>	<u>14,858</u>	<u>14,856</u>	<u>0</u>	<u>29,714</u>
Net Position				
Net Investment in Capital Assets	3,280,800	3,553,544	2,305,119	9,139,463
Unrestricted	463,222	314,270	58,131	835,623
<i>Total Net Position</i>	<u>\$3,744,022</u>	<u>\$3,867,814</u>	<u>\$2,363,250</u>	<u>\$9,975,086</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019*

	Water	Sewer	Storm Sewer	Total
Operating Revenues				
Charges for Services	\$984,545	\$911,741	\$58,808	\$1,955,094
Other	13,883	26,718	99	40,700
<i>Total Operating Revenues</i>	<u>998,428</u>	<u>938,459</u>	<u>58,907</u>	<u>1,995,794</u>
Operating Expenses				
Personal Services	302,568	302,570	0	605,138
Fringe Benefits	229,134	229,139	0	458,273
Contractual Services	344,228	303,037	4,773	652,038
Materials and Supplies	47,281	52,059	974	100,314
Depreciation	182,522	198,926	50,064	431,512
Other	3,889	3,626	130	7,645
<i>Total Operating Expenses</i>	<u>1,109,622</u>	<u>1,089,357</u>	<u>55,941</u>	<u>2,254,920</u>
<i>Operating Income (Loss)</i>	<u>(111,194)</u>	<u>(150,898)</u>	<u>2,966</u>	<u>(259,126)</u>
Non-Operating Revenues (Expenses)				
Federal and State Subsidies	0	0	16,640	16,640
Interest and Fiscal Charges	(19,610)	(6,786)	0	(26,396)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(19,610)</u>	<u>(6,786)</u>	<u>16,640</u>	<u>(9,756)</u>
<i>Change in Net Position</i>	(130,804)	(157,684)	19,606	(268,882)
<i>Net Position Beginning of Year</i>	<u>3,874,826</u>	<u>4,025,498</u>	<u>2,343,644</u>	<u>10,243,968</u>
<i>Net Position End of Year</i>	<u>\$3,744,022</u>	<u>\$3,867,814</u>	<u>\$2,363,250</u>	<u>\$9,975,086</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Water	Sewer	Storm Sewer	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$998,049	\$919,787	\$59,362	\$1,977,198
Other Cash Receipts	16,883	26,718	99	43,700
Cash Payments to Employees for Services	(428,313)	(428,319)	0	(856,632)
Cash Payments for Goods and Services	(326,989)	(336,693)	(4,773)	(668,455)
Other Cash Payments	(1,675)	(1,630)	0	(3,305)
<i>Net Cash Provided by Operating Activities</i>	<u>257,955</u>	<u>179,863</u>	<u>54,688</u>	<u>492,506</u>
Cash Flows from Capital and Related Financing Activities				
Federal and State Subsidies	0	0	16,640	16,640
Principal Paid on Bonds	(49,975)	(9,975)	0	(59,950)
Interest Paid on Bonds	(21,289)	(7,715)	0	(29,004)
Principal Paid on OPWC Loans	(89,991)	(52,082)	(6,887)	(148,960)
Payments for Capital Acquisitions	(239,061)	(103,767)	(30,138)	(372,966)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(400,316)</u>	<u>(173,539)</u>	<u>(20,385)</u>	<u>(594,240)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(142,361)	6,324	34,303	(101,734)
<i>Cash and Cash Equivalents Beginning of Year - Restated</i>	<u>1,275,437</u>	<u>934,018</u>	<u>20,417</u>	<u>2,229,872</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,133,076</u></u>	<u><u>\$940,342</u></u>	<u><u>\$54,720</u></u>	<u><u>\$2,128,138</u></u>

(continued)

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2019

	Water	Sewer	Storm Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	(\$111,194)	(\$150,898)	\$2,966	(\$259,126)
Adjustments:				
Depreciation	182,522	198,926	50,064	431,512
(Increase) Decrease in Assets:				
Accounts Receivable	16,504	8,046	554	25,104
Materials and Supplies Inventory	72	364	0	436
Net Pension Asset	(2,899)	(2,899)	0	(5,798)
Decrease in Deferred Outflows of Resources:				
Pension	123,613	123,612	0	247,225
OPEB	18,790	18,790	0	37,580
Increase (Decrease) in Liabilities:				
Accounts Payable	2,976	17,887	974	21,837
Accrued Wages	1,072	1,072	0	2,144
Contracts Payable	61,268	(52)	0	61,216
Intergovernmental Payable	(2,552)	(2,552)	0	(5,104)
Vacation Benefits Payable	(1,512)	(1,512)	0	(3,024)
Deposits Held Payable	2,214	1,996	130	4,340
Compensated Absences Payable	(2,729)	(2,729)	0	(5,458)
Net Pension Liability	(580)	(580)	0	(1,160)
Net OPEB Liability	15,095	15,095	0	30,190
Decrease in Deferred Inflows of Resources:				
Pension	(39,862)	(39,860)	0	(79,722)
OPEB	(4,843)	(4,843)	0	(9,686)
<i>Net Cash Provided by Operating Activities</i>	<u>\$257,955</u>	<u>\$179,863</u>	<u>\$54,688</u>	<u>\$492,506</u>

See accompanying notes to the basic financial statements

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

Note 1 – Description of the City and Reporting Entity

As a result of the 2000 census, Canal Fulton, formerly known as the Village of Canal Fulton, became the City of Canal Fulton. The City of Canal Fulton (the "City") is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a Mayor-City Manager-Council form of government. The Mayor and Council are elected to staggered four year terms. The City Manager is appointed by the Mayor upon confirmation by City Council.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government provides the following services to its citizens: water and utilities, storm sewer activities, park operations (leisure time activities), street maintenance and repairs, police and fire protection, emergency medical services, and administrative duties.

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 organizations. Component units may also include organizations for which 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. There are no component units included as part of this report.

The City participates in the Local Organized Governments in Cooperation, which is defined as a joint venture, the Northwest Stark Senior Citizens Commission, which is defined as a related organization, as well as the Stark County Regional Planning Commission, the Stark Council of Governments, and the Stark County District Board of Health as jointly governed organizations. These organizations are presented in Notes 12, 13, and 14 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City of Canal Fulton 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 principles. The more significant of the City's accounting policies are described as follows.

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

The statement of net position presents the financial condition of the governmental and business-type 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 and for the business-type activities of the City. 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 or business activity 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 governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City's funds are classified as either governmental, proprietary or fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and 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 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 Canal Fulton and/or the general laws of Ohio.

Police Fund The police fund accounts for and reports income taxes levied and restricted for expenditures related to police protection in the City.

Fire/EMS Fund The fire/EMS fund accounts for and reports charges for services committed to expenditures related to fire protection and emergency medical services in the City.

Capital Projects Reserve Fund The capital projects reserve fund accounts for an reports monies committed by City Council for the purchase of capital assets.

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

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City has no internal service funds.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the City.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Storm Sewer Fund The storm sewer fund accounts for the provision of storm drainage runoff service to the residents and commercial users located within the City.

Fiduciary Fund Types 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. The City does not have any 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 generally are 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 statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on 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 these funds are included on the statement of fund net position. For the proprietary funds, the statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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

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 and the statements presented for proprietary and fiduciary funds 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.

Revenues - Exchange and Nonexchange 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.

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 18 and 19.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes income taxes, delinquent property taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 18 and 19).

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

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time 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 governmental funds.

Cash and Cash Equivalents

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

During 2019, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2019 amounted to \$99,156, which includes \$63,120 assigned from other City funds.

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

Inventory

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

Restricted Assets

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

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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

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 recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except land and construction in progress, are depreciated. 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 replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimate Lives</u>
Buildings and Improvements	50 years
Equipment and Machinery	5-10 years
Vehicles	5-15 years
Infrastructure	20-75 years

The City's current infrastructure consists of roads, storm sewers and water and sewer lines. Pursuant to GASB Statement No. 34, which includes guidance based upon an entity's size, the City only reports the infrastructure acquired after 2002.

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 employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Per City policy, all vacation time must be used within one year of accrual, thus the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination payments and those the City has identified as probable of receiving payment in the future (those employees who will be eligible to receive termination payments after seven years of service). 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 all employees after ten years of accumulated service.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liabilities (asset), 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.

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans 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 plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balances

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

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

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

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, as both are equally legally binding) 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

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

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 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.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes 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.

Net Position

Net position represents the difference between all other elements in the 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 there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for the Saint Helena canal boat.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, and storm water services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

Internal Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. 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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables”. Interfund balance amounts are eliminated in the statement of net position.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity-wide statement of net position.

Premiums

On the government-wide financial statements, premiums are deferred and amortized for the term of the debt issuances using the straight-line method. Premiums are presented as an increase of the face amount of the debt issuance payable. On governmental fund statements, premiums are received in the year the debt issuances are issued.

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

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.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the corresponding governmental funds. These custodial funds are not required to be budgeted and appropriated and therefore are not included in the Compliance note (Note 4). The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative 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 resolution 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 control has been established by Council at the personal services and individual object level within each department for all funds. Any budgetary modifications at this level may only be made by resolution of City Council. Authority to further allocate Council appropriations within departments has been given to the Finance Director.

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

The appropriation 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 reflect the first appropriation resolution 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.

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

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

Changes in Accounting Principles

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

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

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

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, the City’s agency funds reported assets and liabilities of \$41,003. The City reviewed its agency funds and certain funds have been reclassified as governmental or proprietary funds. These fund reclassifications resulted in the restatement of the City’s financial statements.

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

Restatement of Fund Balances and Net Position

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

	General	Police	Fire/ EMS	Capital Projects Reserve	Other Governmental Funds	Total Governmental Funds
Fund Balances, December 31, 2018	\$1,005,744	\$214,037	\$255,217	\$146,600	\$1,125,024	\$2,746,622
Adjustment:						
GASB Statement 84	3,591	0	0	0	0	3,591
Restated Fund Balances, December 31, 2018	<u>\$1,009,335</u>	<u>\$214,037</u>	<u>\$255,217</u>	<u>\$146,600</u>	<u>\$1,125,024</u>	<u>\$2,750,213</u>

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

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

	Governmental Activities	Business Type Activities
Net Position December 31, 2018	\$10,425,239	\$10,243,968
Adjustments:		
GASB Statement 84	3,591	0
Restated Net Position December 31, 2018	\$10,428,830	\$10,243,968

Note 4 – Compliance

Contrary to Ohio Revised Code Section 5705.39, the canal boat fund had original appropriations in excess of certified available resources in the amount of \$5,398.

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

Note 5 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), 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 balance - budget (non-GAAP basis) and actual presented for the general fund and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Budgetary revenues and expenditures of the park deposits and budget stabilization funds are reclassified to the general fund for GAAP reporting.
4. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP).

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

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

Net Change in Fund Balance
 General and Major Special Revenue Funds

	<u>General</u>	<u>Police</u>	<u>Fire/EMS</u>
GAAP Basis	\$46,933	\$95,575	(\$7,422)
Net Adjustment for Revenue Accruals	225,047	(1,055)	282
Net Adjustment for Expenditure Accruals	12,084	8,797	15,962
Perspective Differences:			
Park Deposits	(375)	0	0
Reserve Fund	(220,000)	0	0
Encumbrances	<u>(58,326)</u>	<u>(76,849)</u>	<u>(38,152)</u>
Budget Basis	<u>\$5,363</u>	<u>\$26,468</u>	<u>(\$29,330)</u>

Note 6 – Deposits and Investments

The City is a charter City and has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories.

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.

Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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 repayment of all public monies deposited in the financial institution.

Interim monies may 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;

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

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
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 and the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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 may also invest any 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.

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

Investments

As of December 31, 2019, the City had investments in STAR Ohio in the amount of \$4,558,667. The investments in STAR Ohio are valued at net asset value (NAV) per share and had an average maturity of 55.7 days as of December 31, 2019.

Credit Risk STAR Ohio carries a credit rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Note 7 – Receivables

Receivables at December 31, 2019, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, and accounts (billings for utility service). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Property Taxes

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

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019, was \$4.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

	Assessed Value
Real Property	\$108,033,430
Public Utility Property	2,009,780
Total	<u>\$110,043,210</u>

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Canal Fulton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2019, and for which there is an enforceable legal claim. In the general fund and general obligation debt retirement debt service fund, the entire receivable has been offset by deferred inflows of resources – property taxes since the current taxes were not levied to finance 2019 operations and the collection of delinquent taxes during the available period are not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency or business activities within the City. The City allows a credit of 50 percent for the income tax paid to another municipality to a maximum of half the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the general fund and the police special revenue fund.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amount</u>
<i>Governmental Activities:</i>	
SAFER Grant	\$299,212
Gasoline Tax	223,472
Permissive Motor Vehicle License Tax	42,820
Local Government	30,117
Homestead	24,448
Stark County Courts	14,255
Recycling Grant	2,226
Other	283
Total Governmental Activities	636,833
 <i>Business-Type Activities:</i>	
Sewer:	
Stark County	6,941
Total	\$643,774

Note 8 – Contingencies

Litigation

The City is not party to legal proceedings as of December 31, 2019.

Grants

The City receives 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 any other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2019.

Note 9 – Other Employee Benefits

Compensated Absences

Vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten or more days of vacation per year, depending upon length of service. Only five vacation days may be carried over to the following year. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at a rate of 4.6 hours for each completed pay period of 80 hours. Sick leave accumulation is unlimited, but upon retirement, employees can be paid twenty-five percent of accumulated, unused sick leave.

Medical and Dental Insurance

The City provides medical, dental, and vision benefits to employees through the Stark County Educational Service Center. The City also provides \$25,000 of life insurance for employees through the Stark County Educational Service Center. The City's portion of monthly premiums for 2019 were \$1,823.98 for family and \$763.18 for single.

Note 10 – 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. During 2019, the City contracted with The Ohio Municipal Joint Self Insurance Pool for various types of insurance.

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

The coverage and deductible are as follows:

Type of Coverage	Deductible	Coverage
General Liability	\$1,000	\$3,000,000
Employers Liability	0	1,000,000
Employee Benefits	1,000	1,000,000
Law Enforcement Officers Liability	5,000	3,000,000
Public Officials Liability	1,000	3,000,000
Automobile	0	3,000,000
Property	1,000	16,194,133
Electronic Equipment/Media Coverage	500	73,000
Public Employee Dishonesty	500	10,000
Boiler and Machinery	1,000	16,194,133
Emergency Medical Services Liability	1,000	3,000,000
Municipal Attorney and Law Director	1,000	1,000,000

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

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

Note 11 – Internal Activity

Interfund Transfers

Interfund transfers for the year ended December 31, 2019, consisted of the following:

Transfer to	Transfer From		
	General	Other Governmental Funds	Total
Police	\$1,065,000	\$0	\$1,065,000
Fire/EMS	425,000	0	425,000
Capital Projects Reserve	75,000	0	75,000
Other Governmental Funds	410,000	9,025	419,025
Total	\$1,975,000	\$9,025	\$1,984,025

The transfers from the general fund to the police and fire/EMS special revenue funds were to supplement the operations of those funds. The transfers from the general fund to the capital projects reserve fund and the other governmental funds were to supplement various operations and capital projects within the City. The transfers from other governmental funds to other governmental funds is from a capital projects fund closing, which was moved to the capital improvement capital projects fund in accordance with Ohio Revised Code.

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

Internal Balances – Change in Proportionate Share

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

Balances related to the internal proportionate share for pension and OPEB at December 31, 2019, were as follows:

	Pension		OPEB	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Governmental Activities	\$539	\$9,298	\$0	\$9,130
Business-Type Activities:				
Water	4,648	271	4,565	0
Sewer	4,650	268	4,565	0
Total Business-Type Activities	9,298	539	9,130	0
Total	\$9,837	\$9,837	\$9,130	\$9,130

Note 12 – Joint Venture

The City participates in the Local Organized Governments in Cooperation (LOGIC), a statutorily created political subdivision of the State formed in 1986 to provide safety dispatching services. LOGIC is a joint venture among the City, Jackson Township, Lawrence Township, City of Massillon, and Hills and Dales Village, with each participant providing one representative to serve on the board. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of LOGIC, including budgeting, appropriating, contracting, and designating management. Continued existence of LOGIC is dependent on the City’s continued participation; however, the City does not have an equity interest in the LOGIC. LOGIC does not provide specific financial benefits or impose specific financial burdens on the City. During 2019, the City made contributions of \$114,957, but does not have an equity interest in LOGIC. Financial statements of LOGIC may be obtained from Local Organized Governments in Cooperation, 2601 Cleveland Avenue, Canton, Ohio 44709.

Note 13 – Related Organization

Four of the nine members of the Northwest Stark Senior Citizens Commission (Senior Citizens Commission) are appointed by the Mayor of the City. Four of the nine members of the Senior Citizens Commission are elected by the members of the Northwest Stark Senior Center. These eight members of the Senior Citizens Commission elect the remaining member. The Senior Citizens Commission administers its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the Senior Citizens Commission nor is the Senior Citizens Commission financially dependent on the City. The City did not make any payments to the Senior Citizens Commission in 2019. Financial information may be obtained by contacting the Senior Citizens Commission at 853 Locust Street, Canal Fulton, Ohio 44614.

Note 14 – Jointly Governed Organizations

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Planning Commission), which is a statutorily created political subdivision of the State. The Planning Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 64 member board, the City appoints one member. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Planning Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Planning Commission. These include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Planning Commission's liabilities. In 2019, the City contributed a total of \$10,660 to the Planning Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, 201 3rd Street NE, Suite 201, Canton, Ohio 44702.

Stark Council of Governments

The City participates in the Stark Council of Governments (Council) which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships which direct the operations of the Stark County Metropolitan Narcotics Unit and the Stark County Crime Laboratory. Of the 27 members, the City has one appointed member. Each member's control over the operation of the Council is limited to its representation on the board. The board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City did not contribute any funds to the Council in 2019. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

Stark County District Board of Health

The City participates in the Stark County District Board of Health (Health District) which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Canal Fulton, the City of Louisville, and the City of North Canton. Of the 8 board members, the City has one appointed member. The board is made up of various professionals who are equally representative of the general health district. The board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$24,732 to the Health District in 2019. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

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

Note 15 – Long-Term Obligations

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<i>Governmental Activities:</i>			
General Obligation Bonds:			
Fire Station Bonds 1 - 2006	4.25-5%	\$750,000	December 1, 2025
Fire Station Bonds 2 - 2006	4.25-5	750,000	December 1, 2025
Various Purpose Improvement Bonds - 2018	3.47	415,577	December 1, 2033
<i>Business-Type Activities:</i>			
General Obligation Bonds:			
Northwest Waterline Bonds - 2005	3.0-4.5	730,000	March 15, 2025
Various Purpose Improvement Bonds - 2018	3.47	409,423	December 1, 2033
OPWC Loans from Direct Borrowings:			
Water Treatment Plant Loan - 2003	0	600,595	July 1, 2024
Milan Street Waterline Loan - 2006	0	331,649	January 1, 2026
Wooster/Milan Waterline Loan - 2016	0	533,411	January 1, 2037
Poplar/Steiner Waterline Loan - 2016	0	304,899	January 1, 2037
Locust Abandonment Waterline Loan - 2016	0	29,260	January 1, 2037
Denshire Sanitary Sewer Loan - 2003	0	417,195	July 1, 2022
Solids Handling Improvement Loan - 2003	0	376,100	January 1, 2023
High Street Sanitary Sewer Loan - 2009	0	116,357	January 1, 2041
WWTP Screening Improvements - 2014	0	170,750	July 1, 2035
Wooster Street Storm Sewer - 2014	0	137,727	January 1, 2035

The changes in the City's long-term obligations during the year consist of the following:

	Amount Outstanding 12/31/2018	Additions	Deletions	Amount Outstanding 12/31/2019	Amounts Due in One Year
<i>Governmental Activities:</i>					
<u>General Obligation Bonds:</u>					
Fire Station Bonds 1	\$335,000	\$0	\$40,000	\$295,000	\$45,000
Premium on Fire Station Bonds 1	3,151	0	450	2,701	0
Fire Station Bonds 2	330,000	0	40,000	290,000	45,000
Premium on Fire Station Bonds 2	1,307	0	187	1,120	0
2018 Various Purpose Improvement Bonds	415,577	0	20,050	395,527	22,447
Total General Obligation Bonds	1,085,035	0	100,687	984,348	112,447
<u>Other Long-Term Obligations:</u>					
Capital Leases	521,296	0	132,312	388,984	144,611
Compensated Absences	60,950	18,818	37,154	42,614	5,956
Total Other Long-Term Obligations	582,246	18,818	169,466	431,598	150,567
<u>Net Pension Liability:</u>					
OPERS	486,017	354,996	0	841,013	0
OPF	1,534,302	507,664	0	2,041,966	0
Total Net Pension Liability	2,020,319	862,660	0	2,882,979	0
<u>Net OPEB Liability:</u>					
OPERS	361,697	71,416	0	433,113	0
OPF	1,416,407	0	1,188,596	227,811	0
Total Net OPEB Liability	1,778,104	71,416	1,188,596	660,924	0
Total Governmental Activities	\$5,465,704	\$952,894	\$1,458,749	\$4,959,849	\$263,014

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

	Amount Outstanding 12/31/2018	Additions	Deletions	Amount Outstanding 12/31/2019	Amounts Due in One Year
<i>Business-Type Activities:</i>					
<u>General Obligation Bonds:</u>					
Northwest Waterline Bonds - Water:					
Serial Bonds	\$80,000	\$0	\$40,000	\$40,000	\$40,000
Term Bonds	245,000	0	0	245,000	0
Premium on Northwest Waterline Bonds	1,531	0	255	1,276	0
Various Purpose Improvement Bonds:					
Water	204,711	0	9,975	194,736	11,276
Sewer	204,712	0	9,975	194,737	11,277
Total General Obligation Bonds	<u>735,954</u>	<u>0</u>	<u>60,205</u>	<u>675,749</u>	<u>62,553</u>
<u>OPWC Loans from Direct Borrowings:</u>					
Water - Treatment Plant	165,164	0	30,030	135,134	30,030
Water - Milan Street	116,077	0	16,582	99,495	16,583
Water - Wooster/Milan	480,070	0	26,671	453,399	26,670
Water - Poplar/Steiner	274,409	0	15,245	259,164	15,245
Water - Locust Abandonment	26,334	0	1,463	24,871	1,463
Sewer - Denshire Sanitary Sewer	73,009	0	20,860	52,149	20,860
Sewer - Solids Handling Improvement	75,220	0	18,805	56,415	18,805
Sewer - High Street Sanitary Sewer	87,268	0	3,879	83,389	3,878
Sewer - WWTP Screening Improvements	140,869	0	8,538	132,331	8,537
Storm Sewer - Wooster Street Storm Sewer	110,182	0	6,887	103,295	6,886
Total OPWC Loans	<u>1,548,602</u>	<u>0</u>	<u>148,960</u>	<u>1,399,642</u>	<u>148,957</u>
Compensated Absences	39,214	6,800	12,258	33,756	8,226
Net Pension Liability - OPERS:					
Water	309,290	225,907	0	535,197	0
Sewer	309,290	225,907	0	535,197	0
Total Net Pension Liability - OPERS	<u>618,580</u>	<u>451,814</u>	<u>0</u>	<u>1,070,394</u>	<u>0</u>
Net OPEB Liability - OPERS:					
Water	230,174	45,440	0	275,614	0
Sewer	230,174	45,440	0	275,614	0
Total Net Pension OPEB - OPERS	<u>460,348</u>	<u>90,880</u>	<u>0</u>	<u>551,228</u>	<u>0</u>
Total Business-Type Activities	<u>\$3,402,698</u>	<u>\$549,494</u>	<u>\$221,423</u>	<u>\$3,730,769</u>	<u>\$219,736</u>

The fire station bonds 1 and 2 and the governmental portion of the 2018 various purpose improvement bonds are paid from the general obligation debt retirement fund, while the capital leases are paid from the general obligation debt retirement debt service fund and the fire equipment capital projects fund.

On March 15, 2005, the City issued \$730,000 of Water Improvement Bonds for the purpose of constructing a waterline for the Northwest Local School District. The bonds are subject to mandatory sinking fund redemption before maturity. Interest payments, at rates ranging from 3 percent to 4.5 percent per year are payable on March 15 and September 15 of each year, until the principal amount is paid.

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

Redemption Provisions

Mandatory Sinking Fund Redemption The Northwest waterline bonds maturing on March 15, 2025 are term bonds and are subject to mandatory sinking redemption requirements on March 15 in the years (Mandatory Redemption Dates) and in the principal amounts as follows (with the balance of \$55,000 to be paid at maturity on March 15, 2025):

<u>Year</u>	<u>Principal Amount</u>
2021	\$45,000
2022	45,000
2023	50,000
2024	50,000

On October 30, 2018, the City issued \$825,000 of Various Purpose Improvement General Obligation Bonds for the purposes of making improvements to the service building and retiring a portion of the short-term 2018 bond anticipation notes. The bonds were issued for a period of 15 years at an interest rate of 3.47 percent. Interest payments are payable on June 1 and December 1 of each year until the principal amount is paid.

The City has pledged future water revenues net of expenses to repay OPWC loans. These loans are payable solely from net revenues and are payable through 2026. Annual principal payments on these loans are expected to require less than 127 percent of net revenues and less than 10 percent of total revenues. The total principal remaining to be paid on the loans is \$972,063. Principal paid for the current year was \$89,991, total net revenues were \$71,328, and total revenues were \$998,428.

The City has pledged future sewer revenues net of expenses to repay OPWC loans. These loans are payable solely from net revenues and are payable through 2041. Annual principal payments on these loans are expected to require less than 109 percent of net revenues and less than 6 percent of total revenues. The total principal remaining to be paid on the loans is \$324,284. Principal paid for the current year was \$52,082, total net revenues were \$48,028, and total revenues were \$938,459.

The City has pledged future storm sewer revenues net of expenses to repay an OPWC loan. This loan is payable solely from net revenues and is payable through 2034. Annual principal payments on this loan are expected to require less than 233 percent of net revenues and less than 12 percent of total revenues. The total principal remaining to be paid on the loan is \$103,295. Principal paid for the current year was \$6,887, total net revenues were \$53,030, and total revenues were \$58,907.

The City's outstanding OPWC loans from direct borrowings related to business-type activities of \$1,399,642 contain provisions that in the 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, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension liability. However, employer pension and OPEB contributions are made from the general fund, the street maintenance, police, and fire/EMS special revenue funds, and the water and sewer enterprise funds. The compensated absences liability will be paid from the same funds.

As of December 31, 2019, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$9,937,730 and the unvoted legal debt margin was \$4,435,570.

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

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

Governmental Activities					
General Obligation					
Bonds					
Year	Principal		Interest		
2020	\$112,447		42,974		
2021	113,447		37,696		
2022	118,580		32,382		
2023	124,712		26,814		
2024	125,845		20,957		
2025-2029	251,478		43,888		
2030-2033	134,018		12,830		
Total	\$980,527		\$217,541		

Business-Type Activities					
General Obligation Bonds					
Year	Serial		Term		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2020	\$62,553	\$25,392	\$0	\$0	\$148,957
2021	22,554	12,732	45,000	10,013	148,958
2022	23,420	11,948	45,000	7,988	138,527
2023	24,288	11,136	50,000	5,851	109,293
2024	25,156	10,296	50,000	3,601	94,277
2025-2029	140,522	37,746	55,000	1,233	329,989
2030-2034	130,980	11,556	0	0	313,410
2035-2039	0	0	0	0	110,421
2040-2041	0	0	0	0	5,810
Total	\$429,473	\$120,806	\$245,000	\$28,686	\$1,399,642

Note 16 – Capital Leases

During 2015, the City entered into a capital lease with Huntington Public Capital Corporation for a dump truck. The lease will end in 2020. During 2018, the City entered into a capital lease with Huntington Public Capital Corporation for a fire truck, dump truck, and ambulance. The lease will end in 2022. The lease obligations meet the criteria of capital leases and have been recorded on the government-wide statements. The capital assets were capitalized at the present value of the minimum lease payments at the time the leases were entered into.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Vehicles	\$713,158
Less: Accumulated depreciation	(109,194)
Total	\$603,964

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

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

	Governmental Activities
2020	\$157,002
2021	128,082
2022	128,083
Total Minimum Lease Payment	413,167
Less: Amount Representing Interest	(24,183)
Present Value of Minimum Lease Payments	\$388,984

Note 17 – Capital Assets

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

	Balance 12/31/2018	Additions	Deductions	Balance 12/31/2019
Governmental Activities				
<i>Capital Assets, not being depreciated and amortized</i>				
Land	\$3,240,718	\$0	\$0	\$3,240,718
Construction in Progress	32,783	705,983	(32,783)	705,983
Total Capital Assets, not being depreciated and amortized	3,273,501	705,983	(32,783)	3,946,701
<i>Capital Assets, being depreciated and amortized:</i>				
Buildings and Improvements	5,509,752	0	0	5,509,752
Equipment and Machinery	1,055,267	71,064	0	1,126,331
Vehicles	1,773,286	383,997	0	2,157,283
Infrastructure:				
Roads	6,505,335	203,187	0	6,708,522
Total Capital Assets, being depreciated and amortized	14,843,640	658,248	0	15,501,888
Less Accumulated Depreciation and Amortization:				
Buildings and Improvements	(2,637,924)	(106,981)	0	(2,744,905)
Equipment and Machinery	(669,300)	(107,315)	0	(776,615)
Vehicles	(1,204,371)	(93,781)	0	(1,298,152)
Infrastructure:				
Roads	(1,444,537)	(335,426)	0	(1,779,963)
Total Accumulated Depreciation and Amortization	(5,956,132)	(643,503) *	0	(6,599,635)
<i>Total Capital Assets being depreciated and amortized, Net</i>	8,887,508	14,745	0	8,902,253
Governmental Activities Capital Assets, Net	\$12,161,009	\$720,728	(\$32,783)	\$12,848,954

* Depreciation expense was charged to governmental activities as follows:

General Government	\$11,481
Security of Persons and Property	197,871
Transportation	402,221
Leisure Time Activities	31,930
Total Depreciation Expense	\$643,503

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

	Balance 12/31/2018	Additions	Deductions	Balance 12/31/2019
Business-Type Activities				
<i>Capital Assets, not being depreciated and amortized</i>				
Land	\$234,514	\$0	\$0	\$234,514
Construction in Progress	538,978	173,397	(475,396)	236,979
Total Capital Assets, not being depreciated and amortized	773,492	173,397	(475,396)	471,493
<i>Capital Assets, being depreciated and amortized:</i>				
Buildings and Improvements	5,530,574	90,043	0	5,620,617
Equipment and Machinery	256,256	0	0	256,256
Vehicles	209,081	34,388	0	243,469
Infrastructure:				
Water Lines	7,104,884	22,500	0	7,127,384
Sewer Lines	5,191,642	22,500	0	5,214,142
Storm Sewers	4,213,239	505,534	0	4,718,773
Total Capital Assets, being depreciated and amortized	22,505,676	674,965	0	23,180,641
Less Accumulated Depreciation and Amortization:				
Buildings and Improvements	(2,955,323)	(161,940)	0	(3,117,263)
Equipment and Machinery	(153,086)	(18,082)	0	(171,168)
Vehicles	(139,738)	(17,464)	0	(157,202)
Infrastructure:				
Water Lines	(3,629,954)	(118,575)	0	(3,748,529)
Sewer Lines	(2,863,454)	(65,387)	0	(2,928,841)
Storm Sewers	(2,265,489)	(50,064)	0	(2,315,553)
Total Accumulated Depreciation and Amortization	(12,007,044)	(431,512)	0	(12,438,556)
Total Capital Assets being depreciated and amortized, Net	10,498,632	243,453	0	10,742,085
Business-Type Activities Capital Assets, Net	\$11,272,124	\$416,850	(\$475,396)	\$11,213,578

Note 18 – Defined Benefit Pension Plans

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

Net Pension Liability (Asset)/Net OPEB Liability

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

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *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 19 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

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

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' financial report referenced previously for additional information, including requirements for reduced and unreduced benefits):

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

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

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

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

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

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 members' contributions plus or minus the investment gains or losses resulting from the members' 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 purchase of a monthly defined benefit annuity from OPERS (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.

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

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

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

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** These pension and employer 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.

For 2019, the City’s contractually required contribution was \$128,580 for the traditional plan, \$20,231 for the combined plan and \$1,812 for the member-directed plan. Of these amounts, \$3,341 is reported as an intergovernmental payable for the traditional plan, \$526 for the combined plan, and \$47 for the member-directed plan.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund, 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 (COLA), and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the 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.

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 members’ average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving 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.

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

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

	<u>Police</u>
2019 Statutory Maximum Contribution Rates	
Employer	19.50
Employee	12.25
 2019 Actual Contribution Rates	
Employer:	
Pension	19.00
Post-employment Health Care Benefits	0.50
Total Employer	19.50
 Employee	 12.25

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$116,363 for 2019. Of this amount, \$3,104 is reported as an intergovernmental payable.

Pension Assets, 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (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:

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

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.00697900%	0.03083000%	0.02501600%	
Prior Measurement Date	<u>0.00704100%</u>	<u>0.03035700%</u>	<u>0.02499900%</u>	
Change in Proportionate Share	<u>-0.00006200%</u>	<u>0.00047300%</u>	<u>0.00001700%</u>	
Proportionate Share of the:				
Net Pension Liability	\$1,911,407	\$0	\$2,041,966	\$3,953,373
Net Pension Asset	0	34,475	0	34,475
Pension Expense	410,814	9,305	259,890	680,009

2019 pension expense for the member-directed defined contribution plan was \$1,812. The aggregate pension expense for all pension plans was \$681,821 for 2019.

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

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$88	\$0	\$83,896	\$83,984
Changes of assumptions	166,392	7,700	54,135	228,227
Net difference between projected and actual earnings on pension plan investments	259,431	7,426	251,569	518,426
Changes in proportion and differences between City contributions and proportionate share of contributions	227	0	3,106	3,333
City contributions subsequent to the measurement date	<u>128,580</u>	<u>20,231</u>	<u>116,363</u>	<u>265,174</u>
Total Deferred Outflows of Resources	<u>\$554,718</u>	<u>\$35,357</u>	<u>\$509,069</u>	<u>\$1,099,144</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$25,097	\$14,080	\$1,906	\$41,083
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>16,909</u>	<u>1,114</u>	<u>54,841</u>	<u>72,864</u>
Total Deferred Inflows of Resources	<u>\$42,006</u>	<u>\$15,194</u>	<u>\$56,747</u>	<u>\$113,947</u>

\$265,174 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 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2020	\$159,075	\$1,016	\$104,227	\$264,318
2021	80,333	(467)	49,217	129,083
2022	24,069	(307)	66,746	90,508
2023	120,655	2,016	110,139	232,810
2024	0	(1,036)	5,630	4,594
Thereafter	0	(1,290)	0	(1,290)
Total	<u>\$384,132</u>	<u>(\$68)</u>	<u>\$335,959</u>	<u>\$720,023</u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented as follows:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table that follows displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

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

Discount Rate For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members; therefore, the long-term expected rate of return on pension plan investments 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:

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$2,823,703	\$1,911,407	\$1,153,280
OPERS Combined Plan	(11,407)	(34,475)	(51,178)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by 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 reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented as follows:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3.00 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
67 or less	77 %
68-77	105
78 and up	115

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.

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

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

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, 2018, are summarized as follows:

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

Note: Assumptions are geometric.

* levered 2x

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 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 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 Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Sensitivity of the City's Proportionate Share of the Net Pension Liability 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	\$2,684,024	\$2,041,966	\$1,505,435

Note 19 – Postemployment Benefits

See Note 18 for a description of the net OPEB liability.

Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' financial report referenced later for additional information.

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

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

Funding Policy – The ORC provides the statutory authority requiring 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.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, State and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2019 was 4.0 percent.

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

The City's contractually required contribution was \$518 for 2019. Of this amount, \$13 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, 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.

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.

The Ohio Revised Code (ORC) 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 ORC.

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.

Funding Policy – The ORC 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,

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The 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 \$3,062 for 2019. Of this amount, \$82 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportionate share of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.00755000%	0.02501600%	
Prior Measurement Date	0.00757000%	0.02499900%	
Change in Proportionate Share	-0.00002000%	0.00001700%	
			Total
Proportionate Share of the Net OPEB Liability	\$984,341	\$227,811	\$1,212,152
OPEB Expense	\$86,368	(\$1,124,408)	(\$1,038,040)

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$334	\$0	\$334
Changes of assumptions	31,737	118,085	149,822
Net difference between projected and actual earnings on pension plan investments	45,126	7,712	52,838
Changes in proportion and differences between City contributions and proportionate share of contributions	0	1,021	1,021
City contributions subsequent to the measurement date	518	3,062	3,580
	<u>518</u>	<u>3,062</u>	<u>3,580</u>
Total Deferred Outflows of Resources	<u>\$77,715</u>	<u>\$129,880</u>	<u>\$207,595</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$2,671	\$6,104	\$8,775
Changes of assumptions	0	63,068	63,068
Changes in proportion and differences between City contributions and proportionate share of contributions	4,667	19,039	23,706
	<u>4,667</u>	<u>19,039</u>	<u>23,706</u>
Total Deferred Inflows of Resources	<u>\$7,338</u>	<u>\$88,211</u>	<u>\$95,549</u>

\$3,580 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2020	\$31,623	\$7,021	\$38,644
2021	8,089	7,021	15,110
2022	7,412	7,021	14,433
2023	22,735	9,354	32,089
2024	0	5,677	5,677
Thereafter	0	2,513	2,513
	<u>0</u>	<u>2,513</u>	<u>2,513</u>
Total	<u>\$69,859</u>	<u>\$38,607</u>	<u>\$108,466</u>

Actuarial Assumptions – OPERS

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

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be

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

received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

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

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$1,259,340	\$984,341	\$765,646

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary’s project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$946,166	\$984,341	\$1,028,310

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by 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 Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

<u>Age</u>	<u>Police</u>
67 or less	77 %
68-77	105
78 and up	115

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.

<u>Age</u>	<u>Police</u>
59 or less	35 %
60-69	60
70-79	75
80 and up	100

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 18.

Discount Rate For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2017, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected 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

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

4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$277,534	\$227,811	\$186,070

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

Note 20 – 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 were as follows:

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General	\$58,326	Water	\$115,231
Police	76,849	Sewer	104,522
Fire/EMS	38,152	Storm Sewer	2,498
Capital Projects Reserve	39,485		
Other Governmental Funds	108,657	Total	\$222,251
Total	\$321,469		

Note 21 – 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:

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

Fund Balances	General	Police	Fire/ EMS	Capital Projects Reserve	Other Governmental Funds	Total
<u>Nonspendable:</u>						
Materials and Supplies Inventory	\$0	\$0	\$0	\$0	\$32,535	\$32,535
Deposits Held	3,591	0	0	0	0	3,591
Unclaimed Monies	1,956	0	0	0	0	1,956
<i>Total Nonspendable</i>	<u>5,547</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,535</u>	<u>38,082</u>
<u>Restricted to:</u>						
Capital Projects	0	0	0	0	319,545	319,545
Debt Service	0	0	0	0	38,193	38,193
Street Repair and Maintenance	0	0	0	0	368,697	368,697
Police Protection	0	309,612	0	0	47,369	356,981
St. Helena II	0	0	0	0	14,325	14,325
<i>Total Restricted</i>	<u>0</u>	<u>309,612</u>	<u>0</u>	<u>0</u>	<u>788,129</u>	<u>1,097,741</u>
<u>Committed to:</u>						
Capital Projects	0	0	0	193,586	5,420	199,006
Police Protection	0	0	247,795	0	0	247,795
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>247,795</u>	<u>193,586</u>	<u>5,420</u>	<u>446,801</u>
<u>Assigned to:</u>						
Purchases on Order	37,449	0	0	0	0	37,449
Unassigned	1,013,272	0	0	0	0	1,013,272
<i>Total Fund Balances</i>	<u>\$1,056,268</u>	<u>\$309,612</u>	<u>\$247,795</u>	<u>\$193,586</u>	<u>\$826,084</u>	<u>\$2,633,345</u>

In addition to the above fund balance constraints, the City has a general fund budget stabilization 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 budget stabilization by resolution to provide options to respond to unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. City Council authorized the funding of this arrangement as resources become available in the general fund. The fund balance should not exceed 30 percent of the general fund average revenues. The balance in the reserve at December 31, 2019, was \$250,000.

Note 22 – Subsequent Events

On March 23, 2020, the City finalized the issuance of various purpose improvement bonds in the amount of \$800,000 for the purpose of refunding 2018 various purpose improvement bonds. This bond matures December 1, 2033, with an interest rate of 2.24 percent.

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plans in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplementary Information

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

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.00697900%	0.00704100%	0.00723300%	0.00716800%
City's Proportionate Share of the Net Pension Liability	\$1,911,407	\$1,104,597	\$1,642,490	\$1,241,590
City's Covered Payroll	\$943,886	\$929,262	\$935,058	\$892,150
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.50%	118.87%	175.66%	139.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%

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

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

See accompanying notes to the required supplementary information.

2015	2014
0.00733100%	0.00733100%
\$884,200	\$864,229
\$898,775	\$864,297
98.38%	99.99%
86.45%	86.36%

City of Canal Fulton, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
*Last Two Years (1) **

	2019	2018
City's Proportion of the Net Pension Asset	0.03083000%	0.03035700%
City's Proportionate Share of the Net Pension Asset	\$34,475	\$41,325
City's Covered Payroll	\$131,857	\$124,331
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-26.15%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

* 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.

City of Canal Fulton, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System - OPEB Plan
*Last Three Years (1)**

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.00755000%	0.00757000%	0.00766000%
City's Proportionate Share of the Net OPEB Liability	\$984,341	\$822,045	\$773,685
City's Covered Payroll	\$1,096,343	\$1,070,768	\$1,058,950
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.78%	76.77%	73.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information

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

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.02501600%	0.02499900%	0.02550200%	0.02608600%
City's Proportionate Share of the Net Pension Liability	\$2,041,966	\$1,534,302	\$1,615,271	\$1,678,131
City's Covered Payroll	\$670,011	\$609,637	\$607,695	\$589,974
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	304.77%	251.67%	265.80%	284.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%

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

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

See accompanying notes to the required supplementary information.

2015	2014
0.02718150%	0.02718150%
\$1,408,114	\$1,323,824
\$598,700	\$612,772
235.20%	216.04%
71.71%	73.00%

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.02501600%	0.02499900%	0.02550200%
City's Proportionate Share of the Net OPEB Liability	\$227,811	\$1,416,407	\$1,210,523
City's Covered Payroll	\$670,011	\$609,637	\$607,695
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	34.00%	232.34%	199.20%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information.

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

	2019	2018	2017	2016
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$128,580	\$132,144	\$120,804	\$112,207
Contributions in Relation to the Contractually Required Contribution	<u>(128,580)</u>	<u>(132,144)</u>	<u>(120,804)</u>	<u>(112,207)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$918,429	\$943,886	\$929,262	\$935,058
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net Pension Liability - Combined Plan (3)				
Contractually Required Contribution	\$20,231	\$18,460	\$16,163	\$13,358
Contributions in Relation to the Contractually Required Contribution	<u>(20,231)</u>	<u>(18,460)</u>	<u>(16,163)</u>	<u>(13,358)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$144,507	\$131,857	\$124,331	\$111,317
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net OPEB Liability - OPEB Plan (3)				
Contractually Required Contribution	\$518	\$824	\$11,223	\$21,431
Contributions in Relation to the Contractually Required Contribution	<u>(518)</u>	<u>(824)</u>	<u>(11,223)</u>	<u>(21,431)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$1,075,886	\$1,096,343	\$1,070,768	\$1,058,950
Contributions as a Percentage of Covered Payroll	<u>0.05%</u>	<u>0.08%</u>	<u>1.05%</u>	<u>2.02%</u>

(1) Although this schedule is intended to reflect 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, the combined 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 2014 is not available.

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$107,058	\$107,853	\$112,359
<u>(107,058)</u>	<u>(107,853)</u>	<u>(112,359)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$892,150	\$898,775	\$864,297
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$14,366	\$19,179	
<u>(14,366)</u>	<u>(19,179)</u>	
<u>\$0</u>	<u>\$0</u>	
\$119,717	\$159,825	
<u>12.00%</u>	<u>12.00%</u>	
\$20,517	\$21,172	
<u>(20,517)</u>	<u>(21,172)</u>	
<u>\$0</u>	<u>\$0</u>	
\$1,018,089	\$1,058,600	
<u>2.02%</u>	<u>2.00%</u>	

City of Canal Fulton, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Seven Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Pension Liability				
Contractually Required Contribution	\$116,363	\$127,302	\$115,831	\$115,462
Contributions in Relation to the Contractually Required Contribution	<u>(116,363)</u>	<u>(127,302)</u>	<u>(115,831)</u>	<u>(115,462)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$612,437	\$670,011	\$609,637	\$607,695
Pension Contributions as a Percentage of Covered Payroll	<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$3,062	\$3,350	\$3,048	\$3,038
Contributions in Relation to the Contractually Required Contribution	<u>(3,062)</u>	<u>(3,350)</u>	<u>(3,048)</u>	<u>(3,038)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>

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

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

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$112,095	\$113,753	\$97,329
<u>(112,095)</u>	<u>(113,753)</u>	<u>(97,329)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$589,974	\$598,700	\$612,772
<u>19.00%</u>	<u>19.00%</u>	<u>15.88%</u>
\$2,950	\$2,994	\$22,162
<u>(2,950)</u>	<u>(2,994)</u>	<u>(22,162)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>
<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>

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

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and in 2016 and prior are presented as follows:

	2019	2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

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

Changes in Assumptions – OP&F Pension

Amounts reported for 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented as follows:

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

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

Amounts reported for 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 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 for 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 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.

Changes in Assumptions – OPERS OPEB

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

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

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

Changes in Assumptions – OP&F OPEB

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

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F 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 or committed to expenditures for specified purposes other than debt service or capital projects.

Street Maintenance – To account for and report State gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the City.

State Highway Fund – To account for and report State gasoline tax and motor vehicle registration fees restricted for maintenance of State highways within the City.

Motor Vehicle License Fund – To account for and report the motor vehicle license tax that is restricted for street maintenance.

Enforcement and Education Fund – To account for the collection of fines that are restricted to educating the public about the dangers of and enforcing the laws against operating a motor vehicle while under the influence of alcohol and to reinforce the “Say No to Drugs” message.

Law Enforcement Trust Fund – To account for and report restricted monies received from drug fines and forfeited bonds restricted for security of persons and property.

Canal Boat Fund – To account for and report charges for services that are restricted for canal boat maintenance and costs of events held on the canal.

Fire Demolition Fund – To account for and report insurance settlement monies held by the City until such time that the properties have been suitably demolished.

Nonmajor Debt Service Fund

Debt service funds are used to account for and report financial resources that restricted, committed, or assigned to expenditures for principal and interest.

General Obligation Debt Retirement Fund – To account for and report property taxes, other revenues, and transfers from the general fund restricted for debt payments.

Nonmajor Capital Projects Funds

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

Locust Street Project Fund – To account for transfers assigned to the engineering and planning phase of a proposed Locust Street project.

Parks and Recreation Capital Projects Fund – To account for and report fines, licenses and permits and contributions and donations receipts committed for the purpose of improving existing park and recreation facilities.

Downtown Capital Improvement Fund – To account for and report initial debt proceeds restricted for related capital outlays according to the debt covenants.

(continued)

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Capital Projects Funds (continued)

Capital Improvements Fund – To account for and report grant monies restricted for the purchase of capital assets.

Road Improvement Projects Fund – To account for and report proceeds of debt and intergovernmental receipts restricted for road capital projects in the City.

Fire Equipment Fund – To account for and report property tax monies restricted for the purchase of Fire- and EMS-related capital assets.

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$369,220	\$38,193	\$455,914	\$863,327
Intergovernmental Receivable	280,712	7,032	1,437	289,181
Property Taxes Receivable	0	113,207	97,829	211,036
Materials and Supplies Inventory	32,535	0	0	32,535
<i>Total Assets</i>	<u>\$682,467</u>	<u>\$158,432</u>	<u>\$555,180</u>	<u>\$1,396,079</u>
Liabilities				
Accounts Payable	\$15,425	\$0	\$5,742	\$21,167
Accrued Wages	3,340	0	0	3,340
Contracts Payable	0		125,207	125,207
Intergovernmental Payable	1,262	0	0	1,262
Deposits Held Payable	24,900		0	24,900
<i>Total Liabilities</i>	<u>44,927</u>	<u>0</u>	<u>130,949</u>	<u>175,876</u>
Deferred Inflows of Resources				
Property Taxes	0	109,997	95,481	205,478
Unavailable Revenue	174,614	10,242	3,785	188,641
<i>Total Deferred Inflows of Resources</i>	<u>174,614</u>	<u>120,239</u>	<u>99,266</u>	<u>394,119</u>
Fund Balances				
Nonspendable	32,535	0	0	32,535
Restricted	430,391	38,193	319,545	788,129
Committed	0	0	5,420	5,420
<i>Total Fund Balances</i>	<u>462,926</u>	<u>38,193</u>	<u>324,965</u>	<u>826,084</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$682,467</u>	<u>\$158,432</u>	<u>\$555,180</u>	<u>\$1,396,079</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$107,404	\$85,982	\$193,386
Charges for Services	31,387	0	0	31,387
Fines, Licenses and Permits	2,369	0	0	2,369
Intergovernmental	447,690	14,064	52,352	514,106
Interest	5,315	0	0	5,315
Contributions and Donations	2,944	0	0	2,944
Other	23,863	0	260	24,123
<i>Total Revenues</i>	<u>513,568</u>	<u>121,468</u>	<u>138,594</u>	<u>773,630</u>
Expenditures				
Current:				
General Government	0	1,722	0	1,722
Security of Persons and Property	2,150	0	1,275	3,425
Transportation	370,381	0	0	370,381
Leisure Time Activities	47,642	0	0	47,642
Capital Outlay	0	0	765,806	765,806
Debt Service:				
Principal Retirement	0	142,043	90,319	232,362
Interest and Fiscal Charges	0	61,232	0	61,232
<i>Total Expenditures</i>	<u>420,173</u>	<u>204,997</u>	<u>857,400</u>	<u>1,482,570</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>93,395</u>	<u>(83,529)</u>	<u>(718,806)</u>	<u>(708,940)</u>
Other Financing Sources (Uses)				
Transfers In	20,000	100,000	299,025	419,025
Transfers Out	0		(9,025)	(9,025)
<i>Total Other Financing Sources (Uses)</i>	<u>20,000</u>	<u>100,000</u>	<u>290,000</u>	<u>410,000</u>
<i>Net Change in Fund Balances</i>	113,395	16,471	(428,806)	(298,940)
<i>Fund Balances Beginning of Year</i>	<u>349,531</u>	<u>21,722</u>	<u>753,771</u>	<u>1,125,024</u>
<i>Fund Balances End of Year</i>	<u>\$462,926</u>	<u>\$38,193</u>	<u>\$324,965</u>	<u>\$826,084</u>

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

	Street Maintenance	State Highway	Motor Vehicle License	Enforcement and Education
Assets				
Equity in Pooled Cash and Cash Equivalents	\$223,655	\$23,978	\$47,369	\$16,890
Intergovernmental Receivable	206,712	16,760	42,985	0
Materials and Supplies Inventory	32,535	0	0	0
<i>Total Assets</i>	<u>\$462,902</u>	<u>\$40,738</u>	<u>\$90,354</u>	<u>\$16,890</u>
Liabilities				
Accounts Payable	\$5,176	\$1,844	\$6,950	\$0
Accrued Wages	3,215	0	0	0
Intergovernmental Payable	963	0	0	0
Deposits Held Payable	0	0	0	0
<i>Total Liabilities</i>	<u>9,354</u>	<u>1,844</u>	<u>6,950</u>	<u>0</u>
Deferred Inflows of Resources				
Unavailable Revenue	136,035	11,029	27,550	0
Fund Balances				
Nonspendable	32,535	0	0	0
Restricted	284,978	27,865	55,854	16,890
<i>Total Fund Balances</i>	<u>317,513</u>	<u>27,865</u>	<u>55,854</u>	<u>16,890</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$462,902</u>	<u>\$40,738</u>	<u>\$90,354</u>	<u>\$16,890</u>

Law Enforcement Trust	Canal Boat	Fire Demolition	Total Nonmajor Special Revenue Funds
\$16,224	\$16,204	\$24,900	\$369,220
14,255	0	0	280,712
0	0	0	32,535
<u>\$30,479</u>	<u>\$16,204</u>	<u>\$24,900</u>	<u>\$682,467</u>
\$0	\$1,455	\$0	\$15,425
0	125	0	3,340
0	299	0	1,262
0	0	24,900	24,900
0	1,879	24,900	44,927
0	0	0	174,614
0	0	0	32,535
30,479	14,325	0	430,391
30,479	14,325	0	462,926
<u>\$30,479</u>	<u>\$16,204</u>	<u>\$24,900</u>	<u>\$682,467</u>

City of Canal Fulton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Street Maintenance	State Highway	Motor Vehicle License	Enforcement and Education
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0	1,032
Intergovernmental	329,420	26,709	77,393	0
Interest	3,909	454	952	0
Contributions and Donations	0	0	0	0
Other	7,106	0	16,487	0
<i>Total Revenues</i>	<u>340,435</u>	<u>27,163</u>	<u>94,832</u>	<u>1,032</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	0	150
Transportation	254,611	21,223	94,547	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>254,611</u>	<u>21,223</u>	<u>94,547</u>	<u>150</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	85,824	5,940	285	882
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	85,824	5,940	285	882
<i>Fund Balances Beginning of Year</i>	<u>231,689</u>	<u>21,925</u>	<u>55,569</u>	<u>16,008</u>
<i>Fund Balances End of Year</i>	<u>\$317,513</u>	<u>\$27,865</u>	<u>\$55,854</u>	<u>\$16,890</u>

Law Enforcement Trust	Canal Boat	Total Nonmajor Special Revenue Funds
\$0	\$31,387	\$31,387
1,337	0	2,369
14,168	0	447,690
0	0	5,315
0	2,944	2,944
0	270	23,863
<u>15,505</u>	<u>34,601</u>	<u>513,568</u>
2,000	0	2,150
0	0	370,381
0	47,642	47,642
<u>2,000</u>	<u>47,642</u>	<u>420,173</u>
13,505	(13,041)	93,395
0	20,000	20,000
13,505	6,959	113,395
16,974	7,366	349,531
<u>\$30,479</u>	<u>\$14,325</u>	<u>\$462,926</u>

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

	Parks/ Recreation Capital Projects	Downtown Capital Improvement	Capital Improvements	Fire Equipment	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$5,420	\$12,730	\$356,491	\$81,273	\$455,914
Intergovernmental Receivable	0	0	0	1,437	1,437
Property Taxes Receivable	0	0	0	97,829	97,829
<i>Total Assets</i>	<u>\$5,420</u>	<u>\$12,730</u>	<u>\$356,491</u>	<u>\$180,539</u>	<u>\$555,180</u>
Liabilities					
Accounts Payable	\$0	\$0	\$5,742	\$0	\$5,742
Contracts Payable	0	0	117,007	8,200	125,207
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>122,749</u>	<u>8,200</u>	<u>130,949</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	95,481	95,481
Unavailable Revenue	0	0	0	3,785	3,785
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>99,266</u>	<u>99,266</u>
Fund Balances					
Restricted	0	12,730	233,742	73,073	319,545
Committed	5,420	0	0	0	5,420
<i>Total Fund Balances</i>	<u>5,420</u>	<u>12,730</u>	<u>233,742</u>	<u>73,073</u>	<u>324,965</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,420</u>	<u>\$12,730</u>	<u>\$356,491</u>	<u>\$180,539</u>	<u>\$555,180</u>

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City of Canal Fulton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019

	Locust Street Project	Parks/ Recreation Capital Projects	Downtown Capital Improvement	Capital Improvements
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	49,479
Other	0	0	0	260
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,739</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	0	0
Capital Outlay	0	2,654	30,170	407,916
Debt Service:				
Principal Retirement	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>2,654</u>	<u>30,170</u>	<u>407,916</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(2,654)</u>	<u>(30,170)</u>	<u>(358,177)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	299,025
Transfers Out	(1,644)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,644)</u>	<u>0</u>	<u>0</u>	<u>299,025</u>
<i>Net Change in Fund Balances</i>	(1,644)	(2,654)	(30,170)	(59,152)
<i>Fund Balances Beginning of Year</i>	<u>1,644</u>	<u>8,074</u>	<u>42,900</u>	<u>292,894</u>
<i>Fund Balances End of Year</i>	<u>\$0</u>	<u>\$5,420</u>	<u>\$12,730</u>	<u>\$233,742</u>

Road Improvement Projects	Fire Equipment	Total Nonmajor Capital Projects Funds
\$0	\$85,982	\$85,982
0	2,873	52,352
0	0	260
0	88,855	138,594
0	1,275	1,275
0	325,066	765,806
0	90,319	90,319
0	416,660	857,400
0	(327,805)	(718,806)
0	0	299,025
(7,381)	0	(9,025)
(7,381)	0	290,000
(7,381)	(327,805)	(428,806)
7,381	400,878	753,771
\$0	\$73,073	\$324,965

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$244,418	\$244,418	\$243,663	(\$755)
Income Taxes	2,257,053	2,257,052	2,271,435	14,383
Charges for Services	6,500	6,500	7,945	1,445
Fines, Licenses and Permits	31,155	31,155	19,923	(11,232)
Intergovernmental	105,573	105,573	118,073	12,500
Special Assessments	2,000	2,000	2,700	700
Interest	50,000	50,000	99,156	49,156
Rentals	2,500	2,500	3,110	610
Contributions and Donations	500	500	3,351	2,851
Other	7,049	7,049	22,716	15,667
<i>Total Revenues</i>	<u>2,706,748</u>	<u>2,706,747</u>	<u>2,792,072</u>	<u>85,325</u>
Expenditures				
Current:				
General Government				
City Council				
Personal Services	21,690	21,690	21,347	343
Contractual Services	600	600	0	600
Other	700	700	18	682
City Council Total	<u>22,990</u>	<u>22,990</u>	<u>21,365</u>	<u>1,625</u>
Mayor's Office				
Personal Services	107,746	107,746	103,627	4,119
Contractual Services	89,674	89,674	84,716	4,958
Materials and Supplies	10,231	10,231	9,793	438
Capital Outlay	500	500	239	261
Other	200	200	0	200
Mayor's Office Total	<u>208,351</u>	<u>208,351</u>	<u>198,375</u>	<u>9,976</u>
Finance Department				
Personal Services	70,096	70,096	69,960	136
Contractual Services	35,523	35,523	30,791	4,732
Materials and Supplies	5,096	5,096	2,124	2,972
Capital Outlay	154	154	154	0
Finance Department Total	<u>110,869</u>	<u>110,869</u>	<u>103,029</u>	<u>7,840</u>
Legal Department				
Personal Services	17,872	17,872	17,709	163
Contractual Services	63,987	63,987	58,163	5,824
Legal Department Total	<u>\$81,859</u>	<u>\$81,859</u>	<u>\$75,872</u>	<u>\$5,987</u>

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Engineering Department				
Contractual Services	\$46,295	\$46,295	\$45,823	\$472
Materials and Supplies	1,654	1,654	0	1,654
Engineering Department Total	47,949	47,949	45,823	2,126
Land/Buildings				
Personal Services	56,573	56,573	47,887	8,686
Contractual Services	58,008	58,008	57,563	445
Materials and Supplies	5,358	5,358	4,805	553
Capital Outlay	4,557	4,557	4,549	8
Land/Buildings Total	124,496	124,496	114,804	9,692
Community Service				
Personal Services	17,546	17,546	16,789	\$757
Contractual Services	1,363	1,363	563	800
Materials and Supplies	2,300	2,300	1,482	818
Capital Outlay	500	500	0	500
Community Service Total	21,709	21,709	18,834	2,875
Income Tax				
Personal Services	71,447	71,447	70,205	1,242
Contractual Services	48,334	48,334	35,669	12,665
Materials and Supplies	2,800	2,800	1,806	994
Capital Outlay	1,900	1,900	1,401	499
Other	56,858	56,858	48,357	8,501
Income Tax Total	181,339	181,339	157,438	23,901
General Government Total	799,562	799,562	735,540	64,022
Transportation				
Contractual Services	23,500	23,500	23,500	0
Leisure Time Activities				
Personal Services	37,257	37,257	17,879	19,378
Contractual Services	30,543	30,543	29,482	1,061
Materials and Supplies	5,356	5,356	5,308	48
Capital Outlay	17	17	0	17
Leisure Time Activities Total	73,173	73,173	52,669	20,504
<i>Total Expenditures</i>	896,235	896,235	811,709	84,526
<i>Excess of Revenues Over Expenditures</i>	\$1,810,513	\$1,810,512	\$1,980,363	\$169,851

(continued)

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Uses				
Transfers Out	<u>(1,900,000)</u>	<u>(1,975,000)</u>	<u>(1,975,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(89,487)	(164,488)	5,363	169,851
<i>Fund Balance Beginning of Year</i>	509,243	509,243	509,243	0
Prior Year Encumbrances Appropriated	<u>51,669</u>	<u>51,669</u>	<u>51,669</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$471,425</u>	<u>\$396,424</u>	<u>\$566,275</u>	<u>\$169,851</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$162,050	\$162,050	\$163,135	\$1,085
Fines, Licenses and Permits	750	750	618	(132)
Intergovernmental	136,700	136,700	134,541	(2,159)
Contributions and Donations	5,000	5,000	880	(4,120)
Other	5,500	5,500	8,158	2,658
<i>Total Revenues</i>	<u>310,000</u>	<u>310,000</u>	<u>307,332</u>	<u>(2,668)</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	1,196,244	1,196,244	1,137,203	59,041
Contractual Services	169,714	169,714	167,427	2,287
Materials and Supplies	36,069	36,069	32,568	3,501
Capital Outlay	8,695	8,695	8,666	29
<i>Total Expenditures</i>	<u>1,410,722</u>	<u>1,410,722</u>	<u>1,345,864</u>	<u>64,858</u>
<i>Excess of Revenues Under Expenditures</i>	(1,100,722)	(1,100,722)	(1,038,532)	62,190
Other Financing Sources				
Transfers In	1,065,000	1,065,000	1,065,000	0
<i>Net Change in Fund Balance</i>	(35,722)	(35,722)	26,468	62,190
<i>Fund Balance Beginning of Year</i>	210,407	210,407	210,407	0
Prior Year Encumbrances Appropriated	30,843	30,843	30,843	0
<i>Fund Balance End of Year</i>	<u>\$205,528</u>	<u>\$205,528</u>	<u>\$267,718</u>	<u>\$62,190</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$135,000	\$135,000	\$140,841	\$5,841
Intergovernmental	99,500	99,500	61,996	(37,504)
Other	1,000	1,000	8,260	7,260
<i>Total Revenues</i>	<u>235,500</u>	<u>235,500</u>	<u>211,097</u>	<u>(24,403)</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	419,377	419,377	409,068	10,309
Contractual Services	149,104	149,104	142,279	6,825
Materials and Supplies	32,469	32,469	31,411	1,058
Capital Outlay	89,046	89,046	82,021	7,025
Other	648	648	648	0
<i>Total Expenditures</i>	<u>690,644</u>	<u>690,644</u>	<u>665,427</u>	<u>25,217</u>
<i>Excess of Revenues Under Expenditures</i>	(455,144)	(455,144)	(454,330)	814
Other Financing Sources				
Transfers In	425,000	425,000	425,000	0
<i>Net Change in Fund Balance</i>	(30,144)	(30,144)	(29,330)	814
<i>Fund Balance Beginning of Year</i>	229,132	229,132	229,132	0
Prior Year Encumbrances Appropriated	30,360	30,360	30,360	0
<i>Fund Balance End of Year</i>	<u>\$229,348</u>	<u>\$229,348</u>	<u>\$230,162</u>	<u>\$814</u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Projects Reserve Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$425,000	\$681,802	\$681,802	\$0
Expenditures				
Current:				
Transportation:				
Capital Outlay				
Street Construction				
Capital Outlay	33,550	786,958	745,469	41,489
<i>Excess of Revenues Over (Under) Expenditures</i>	391,450	(105,156)	(63,667)	0
Other Financing Sources				
Transfers In	0	0	75,000	75,000
Advances Out	0	(220,000)	(220,000)	0
<i>Total Other Financing Sources</i>	0	(220,000)	(145,000)	75,000
<i>Net Change in Fund Balance</i>	391,450	(325,156)	(208,667)	75,000
<i>Fund Balance Beginning of Year</i>	366,600	366,600	366,600	0
<i>Fund Balance End of Year</i>	<u>\$758,050</u>	<u>\$41,444</u>	<u>\$157,933</u>	<u>\$75,000</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$963,000	\$963,000	\$998,049	\$35,049
Other	2,510	2,510	16,883	14,373
<i>Total Revenues</i>	965,510	965,510	1,014,932	49,422
Expenses				
Personal Services	404,207	476,851	448,867	27,984
Contractual Services	405,159	469,678	450,311	19,367
Materials and Supplies	51,222	59,052	57,697	1,355
Capital Outlay	122,817	153,186	152,719	467
Other	253	1,675	1,675	0
Debt Service:				
Principal Retirement	120,303	141,924	139,966	1,958
Interest and Fiscal Charges	20,838	24,583	21,289	3,294
<i>Total Expenses</i>	1,124,799	1,326,949	1,272,524	54,425
<i>Net Change in Fund Equity</i>	(159,289)	(361,439)	(257,592)	103,847
<i>Fund Equity Beginning of Year</i>	1,244,234	1,244,234	1,244,234	0
Prior Year Encumbrances Appropriated	31,203	31,203	31,203	0
<i>Fund Equity End of Year</i>	\$1,116,148	\$913,998	\$1,017,845	\$103,847

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$942,460	\$942,460	\$919,787	(\$22,673)
Other	0	0	26,718	26,718
<i>Total Revenues</i>	942,460	942,460	946,505	4,045
Expenses				
Personal Services	465,756	475,382	448,873	26,509
Contractual Services	346,109	353,440	330,948	22,492
Materials and Supplies	59,756	60,991	57,135	3,856
Capital Outlay	145,598	148,430	136,345	12,085
Other	979	999	1,630	(631)
Debt Service:				
Principal Retirement	62,874	64,174	62,057	2,117
Interest and Fiscal Charges	7,559	7,715	7,715	0
<i>Total Expenses</i>	1,088,631	1,111,131	1,044,703	66,428
<i>Net Change in Fund Equity</i>	(146,171)	(168,671)	(98,198)	70,473
<i>Fund Equity Beginning of Year</i>	843,695	843,695	843,695	0
Prior Year Encumbrances Appropriated	90,321	90,321	90,321	0
<i>Fund Equity End of Year</i>	\$787,845	\$765,345	\$835,818	\$70,473

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Storm Sewer Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$50,000	\$50,000	\$59,362	\$9,362
Intergovernmental	0	0	16,640	16,640
Other	30	30	99	69
<i>Total Revenues</i>	50,030	50,030	76,101	26,071
Expenses				
Contractual Services	22,975	22,975	7,271	15,704
Capital Outlay	30,138	30,138	30,138	0
Other	0	0	0	0
Debt Service:				
Principal Retirement	6,887	6,887	6,887	0
<i>Total Expenses</i>	60,000	60,000	44,296	15,704
<i>Net Change in Fund Equity</i>	(9,970)	(9,970)	31,805	41,775
<i>Fund Deficit Beginning of Year</i>	20,417	20,417	20,417	0
<i>Fund Equity End of Year</i>	\$10,447	\$10,447	\$52,222	\$41,775

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$259,080	\$259,080	\$302,629	\$43,549
Interest	2,920	2,920	3,909	989
Other	3,000	3,000	7,106	4,106
<i>Total Revenues</i>	<u>265,000</u>	<u>265,000</u>	<u>313,644</u>	<u>48,644</u>
Expenditures				
Current:				
Transportation				
Personal Services	189,517	189,517	181,230	8,287
Contractual Services	65,392	65,392	63,282	2,110
Materials and Supplies	32,688	32,688	31,853	835
<i>Total Expenditures</i>	<u>287,597</u>	<u>287,597</u>	<u>276,365</u>	<u>11,232</u>
<i>Net Change in Fund Balance</i>	(22,597)	(22,597)	37,279	59,876
<i>Fund Balance Beginning of Year</i>	151,349	151,349	151,349	0
Prior Year Encumbrances Appropriated	<u>9,817</u>	<u>9,817</u>	<u>9,817</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$138,569</u></u>	<u><u>\$138,569</u></u>	<u><u>\$198,445</u></u>	<u><u>\$59,876</u></u>

City of Canal Fulton, 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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$21,000	\$21,000	\$24,537	\$3,537
Interest	0	0	454	454
<i>Total Revenues</i>	<u>21,000</u>	<u>21,000</u>	<u>24,991</u>	<u>3,991</u>
Expenditures				
Current:				
Transportation				
Contractual Services	21,119	21,119	21,118	1
Materials and Supplies	381	381	85	296
<i>Total Expenditures</i>	<u>21,500</u>	<u>21,500</u>	<u>21,203</u>	<u>297</u>
<i>Net Change in Fund Balance</i>	(500)	(500)	3,788	4,288
<i>Fund Balance Beginning of Year</i>	<u>20,190</u>	<u>20,190</u>	<u>20,190</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$19,690</u></u>	<u><u>\$19,690</u></u>	<u><u>\$23,978</u></u>	<u><u>\$4,288</u></u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$77,000	\$77,000	\$76,380	(\$620)
Interest	0	0	952	952
Other	0	0	16,487	16,487
<i>Total Revenues</i>	77,000	77,000	93,819	16,819
Expenditures				
Current:				
Transportation				
Contractual Services	34,561	44,766	35,102	9,664
Materials and Supplies	50,102	64,897	64,444	453
<i>Total Expenditures</i>	84,663	109,663	99,546	10,117
<i>Net Change in Fund Balance</i>	(7,663)	(32,663)	(5,727)	26,936
<i>Fund Balance Beginning of Year</i>	34,260	34,260	34,260	0
Prior Year Encumbrances Appropriated	7,663	7,663	7,663	0
<i>Fund Balance End of Year</i>	\$34,260	\$9,260	\$36,196	\$26,936

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses, and Permits	\$1,500	\$1,500	\$1,032	(\$468)
Expenditures				
Current:				
Security of Persons and Property				
Materials and Supplies	1,350	1,350	0	1,350
Capital Outlay	150	150	150	0
<i>Total Expenditures</i>	1,500	1,500	150	1,350
<i>Net Change in Fund Balance</i>	0	0	882	882
<i>Fund Balance Beginning of Year</i>	16,008	16,008	16,008	0
<i>Fund Balance End of Year</i>	\$16,008	\$16,008	\$16,890	\$882

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$2,000	\$2,000	\$1,337	(\$663)
Expenditures				
Current:				
Security of Persons and Property				
Capital Outlay	2,000	2,000	2,000	0
<i>Net Change in Fund Balance</i>	0	0	(663)	(663)
<i>Fund Balance Beginning of Year</i>	16,887	16,887	16,887	0
<i>Fund Balance End of Year</i>	<u>\$16,887</u>	<u>\$16,887</u>	<u>\$16,224</u>	<u>(\$663)</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Canal Boat Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$50,000	\$40,000	\$31,387	(\$8,613)
Contributions and Donations	4,500	4,500	2,944	(1,556)
Other	0	0	270	270
<i>Total Revenues</i>	<u>54,500</u>	<u>44,500</u>	<u>34,601</u>	<u>(9,899)</u>
Expenditures				
Current:				
Leisure Time Activities				
Personal Services	35,205	35,205	26,848	8,357
Contractual Services	26,943	26,943	16,961	9,982
Materials and Supplies	3,507	3,507	3,058	449
Capital Outlay	2,000	2,000	0	2,000
Other	200	200	0	200
<i>Total Expenditures</i>	<u>67,855</u>	<u>67,855</u>	<u>46,867</u>	<u>20,988</u>
<i>Excess of Revenues Under Expenditures</i>	(13,355)	(23,355)	(12,266)	11,089
Other Financing Sources				
Transfers In	0	20,000	20,000	0
<i>Net Change in Fund Balance</i>	(13,355)	(3,355)	7,734	11,089
<i>Fund Balance Beginning of Year</i>	7,657	7,657	7,657	0
Prior Year Encumbrances Appropriated	300	300	300	0
<i>Fund Balance End of Year</i>	<u>(\$5,398)</u>	<u>\$4,602</u>	<u>\$15,691</u>	<u>\$11,089</u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Fire Demolition Fund
 For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	24,900	24,900	24,900	0
<i>Fund Balance End of Year</i>	<u>\$24,900</u>	<u>\$24,900</u>	<u>\$24,900</u>	<u>\$0</u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Unclaimed Monies Fund
 For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	1,956	1,956	1,956	0
<i>Fund Balance End of Year</i>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$0</u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Trust Fund
 For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	3,591	3,591	3,591	0
<i>Fund Balance End of Year</i>	<u>\$3,591</u>	<u>\$3,591</u>	<u>\$3,591</u>	<u>\$0</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Deposits Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$0	\$0	\$1,075	\$1,075
Expenditures				
Current:				
Leisure Time Activities				
Other	0	0	700	(700)
<i>Net Change in Fund Balance</i>	0	0	375	375
<i>Fund Balance Beginning of Year</i>	749	749	749	0
<i>Fund Balance End of Year</i>	<u>\$749</u>	<u>\$749</u>	<u>\$1,124</u>	<u>\$375</u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Budget Stabilization Fund
 For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Sources				
Advances In	220,000	220,000	220,000	0
<i>Net Change in Fund Balance</i>	220,000	220,000	220,000	0
<i>Fund Balance Beginning of Year</i>	30,000	30,000	30,000	0
<i>Fund Balance End of Year</i>	\$250,000	\$250,000	\$250,000	\$0

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$106,902	\$106,902	\$107,404	\$502
Intergovernmental	6,348	6,348	14,064	7,716
Other	13,500	13,500	0	(13,500)
<i>Total Revenues</i>	<u>126,750</u>	<u>126,750</u>	<u>121,468</u>	<u>(5,282)</u>
Expenditures				
Current:				
General Government				
Contractual Services	3,500	3,500	1,722	1,778
Debt Service:				
Principal Retirement	147,453	147,453	142,043	5,410
Interest and Fiscal Charges	62,474	62,474	61,232	1,242
<i>Total Debt Service</i>	<u>209,927</u>	<u>209,927</u>	<u>203,275</u>	<u>6,652</u>
<i>Total Expenditures</i>	<u>213,427</u>	<u>213,427</u>	<u>204,997</u>	<u>8,430</u>
<i>Excess of Revenues Under Expenditures</i>	(86,677)	(86,677)	(83,529)	3,148
Other Financing Sources				
Transfers In	100,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	13,323	13,323	16,471	3,148
<i>Fund Balance Beginning of Year</i>	<u>21,722</u>	<u>21,722</u>	<u>21,722</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$35,045</u>	<u>\$35,045</u>	<u>\$38,193</u>	<u>\$3,148</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Locust Street Project Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Sources Uses				
Transfers Out	(1,644)	(1,644)	(1,644)	0
<i>Net Change in Fund Balance</i>	(1,644)	(1,644)	(1,644)	0
<i>Fund Balance Beginning of Year</i>	1,644	1,644	1,644	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Parks and Recreation Capital Projects Fund
 For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	3,000	3,000	2,654	346
<i>Net Change in Fund Balance</i>	(3,000)	(3,000)	(2,654)	346
<i>Fund Balance Beginning of Year</i>	8,073	8,073	8,073	0
<i>Fund Balance End of Year</i>	<u>\$5,073</u>	<u>\$5,073</u>	<u>\$5,419</u>	<u>\$346</u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Downtown Capital Improvement Fund
 For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	10,000	30,700	30,170	530
<i>Net Change in Fund Balance</i>	(10,000)	(30,700)	(30,170)	530
<i>Fund Balance Beginning of Year</i>	42,900	42,900	42,900	0
<i>Fund Balance End of Year</i>	<u>\$32,900</u>	<u>\$12,200</u>	<u>\$12,730</u>	<u>\$530</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$0	\$115,353	\$115,353
Other	0	0	260	260
<i>Total Revenues</i>	0	0	115,613	115,613
Expenditures				
Current:				
General Government				
Capital Outlay	14,667	15,000	14,339	661
Security of Persons and Property				
Capital Outlay	116,928	119,581	111,620	7,961
Transportation				
Capital Outlay	220,986	226,000	225,970	30
<i>Total Expenditures</i>	352,581	360,581	351,929	8,652
<i>Excess of Revenues Under Expenditures</i>	(352,581)	(360,581)	(236,316)	124,265
Other Financing Sources				
Transfers In	300,000	300,000	299,025	(975)
<i>Net Change in Fund Balance</i>	(52,581)	(60,581)	62,709	123,290
<i>Fund Balance Beginning of Year</i>	200,340	200,340	200,340	0
Prior Year Encumbrances Appropriated	29,881	29,881	29,881	0
<i>Fund Balance End of Year</i>	\$177,640	\$169,640	\$292,930	\$123,290

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Road Improvement Projects Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	<u>(7,381)</u>	<u>(7,381)</u>	<u>(7,381)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,381)	(7,381)	(7,381)	0
<i>Fund Balance Beginning of Year</i>	<u>7,381</u>	<u>7,381</u>	<u>7,381</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Equipment Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$90,000	\$90,000	\$85,982	(\$4,018)
Intergovernmental	5,973	5,973	2,873	(3,100)
<i>Total Revenues</i>	<u>95,973</u>	<u>95,973</u>	<u>88,855</u>	<u>(7,118)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Contractual Services	1,300	1,300	1,275	25
Capital Outlay	325,532	325,532	325,066	466
Total Security of Persons and Property	<u>326,832</u>	<u>326,832</u>	<u>326,341</u>	<u>491</u>
Debt Service:				
Principal Retirement	90,324	90,324	90,319	5
<i>Total Expenditures</i>	<u>417,156</u>	<u>417,156</u>	<u>416,660</u>	<u>491</u>
<i>Net Change in Fund Balance</i>	(321,183)	(321,183)	(327,805)	(6,627)
<i>Fund Deficit Beginning of Year</i>	83,548	83,548	83,548	0
Prior Year Encumbrances Appropriated	<u>317,330</u>	<u>317,330</u>	<u>317,330</u>	<u>0</u>
<i>Fund Deficit End of Year</i>	<u>\$79,695</u>	<u>\$79,695</u>	<u>\$73,073</u>	<u>(\$6,627)</u>

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Statistical Section

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S11
Revenue Capacity 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.	S12-S19
Debt Capacity 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.	S20-S28
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S29-S31
Operating Information 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.	S32-S39

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

City of Canal Fulton, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2019	2018 (1)	2017 (2)	2016 (3)
Governmental Activities				
Net Investment in Capital Assets	\$11,479,443	\$10,876,002	\$9,814,140	\$9,442,004
Restricted:				
Capital Projects	323,330	432,538	1,128,667	1,334,524
Debt Service	39,289	20,276	0	12,121
Street Repair and Maintenance	568,174	425,479	440,477	447,347
Police Protection	346,339	214,246	288,092	230,585
Other Purposes	17,916	7,366	17,777	13,501
Unclaimed Monies	1,956	1,956	1,956	1,956
Unrestricted (Deficit)	<u>(672,286)</u>	<u>(1,549,033)</u>	<u>(1,808,732)</u>	<u>(268,626)</u>
<i>Total Governmental Activities Net Position</i>	<u>12,104,161</u>	<u>10,428,830</u>	<u>9,882,377</u>	<u>11,213,412</u>
Business-Type Activities				
Net Investment in Capital Assets	9,139,463	8,987,568	8,641,577	8,544,408
Unrestricted	<u>835,623</u>	<u>1,256,400</u>	<u>1,421,426</u>	<u>1,569,975</u>
<i>Total Business-Type Activities Net Position</i>	<u>9,975,086</u>	<u>10,243,968</u>	<u>10,063,003</u>	<u>10,114,383</u>
Primary Government				
Net Investment in Capital Assets	20,618,906	19,863,570	18,455,717	17,986,412
Restricted	1,297,004	1,101,861	1,876,969	2,040,034
Unrestricted	<u>163,337</u>	<u>(292,633)</u>	<u>(387,306)</u>	<u>1,301,349</u>
<i>Total Primary Government Net Position</i>	<u>\$22,079,247</u>	<u>\$20,672,798</u>	<u>\$19,945,380</u>	<u>\$21,327,795</u>

- (1) The City reported the impact of GASB Statement No. 84 on net position beginning in 2018.
- (2) The City reported the impact of GASB Statement No. 75 on net position beginning in 2017.
- (3) Beginning in 2016, storm sewer capital assets and related debt were restated from governmental activities to business-type activities.
- (4) The City reported the impact of GASB Statement No. 68 on net position beginning in 2014.

2015	2014 (4)	2013	2012	2011	2010
\$9,570,228	\$9,686,893	\$9,286,839	\$8,417,409	\$8,522,496	\$7,596,631
425,433	229,167	141,739	203,907	277,209	454,281
17,928	0	0	0	0	24,664
396,260	476,418	445,553	448,063	390,788	311,691
259,268	193,117	194,407	204,411	27,444	52,068
9,843	10,104	14,168	11,386	21,524	172,576
1,956	2,825	2,825	2,825	2,731	0
258,710	264,745	1,994,711	1,876,011	1,403,426	632,023
10,939,626	10,863,269	12,080,242	11,164,012	10,645,618	9,243,934
6,621,541	6,542,902	6,523,767	6,484,989	6,527,679	6,588,454
1,238,405	1,125,947	1,220,427	1,022,573	754,749	766,240
7,859,946	7,668,849	7,744,194	7,507,562	7,282,428	7,354,694
16,191,769	16,229,795	15,810,606	14,902,398	15,050,175	14,185,085
1,110,688	911,631	798,692	870,592	719,696	1,015,280
1,497,115	1,390,692	3,215,138	2,898,584	2,158,175	1,398,263
\$18,799,572	\$18,532,118	\$19,824,436	\$18,671,574	\$17,928,046	\$16,598,628

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

	2019	2018 (1)	2017	2016
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$30,084	\$41,894	\$38,739	\$43,865
Security of Persons and Property	148,765	146,856	136,847	118,968
Transportation	0	1,311	1,284	1,794
Leisure Time Activities	34,497	41,238	51,440	57,297
Community Environment	0	0	0	0
Subtotal - Charges for Services	<u>213,346</u>	<u>231,299</u>	<u>228,310</u>	<u>221,924</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	149,696	439,612	41,002	4,065
Transportation	484,481	361,949	334,599	350,761
Leisure Time Activities	2,944	4,188	4,079	168
Subtotal - Operating Grants and Contributions	<u>637,121</u>	<u>805,749</u>	<u>379,680</u>	<u>354,994</u>
Capital Grants and Contributions:				
General Government	0	69,742	0	0
Security of Persons and Property	49,479	102,509	0	0
Transportation	0	92,414	196,221	2,416,960
Leisure Time Activities	681,802	7,485	2,326	2,751
Subtotal - Capital Grants and Contributions	<u>731,281</u>	<u>272,150</u>	<u>198,547</u>	<u>2,419,711</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,581,748</u>	<u>1,309,198</u>	<u>806,537</u>	<u>2,996,629</u>
Business-type Activities:				
Charges for Services:				
Water	984,545	948,232	931,320	922,925
Sewer	911,741	906,509	901,630	969,515
Storm Sewer	58,808	58,023	52,372	0
Operating Grants and Contributions				
Storm Sewer	16,640	0	0	0
Capital Grants and Contributions				
Water	0	38,099	0	0
Sewer	0	45,040	0	0
Storm Sewer	0	112,314	352,701	0
<i>Total Business-type Activities Program Revenues</i>	<u>1,971,734</u>	<u>2,108,217</u>	<u>2,238,023</u>	<u>1,892,440</u>
<i>Total Primary Government Program Revenues</i>	<u>3,553,482</u>	<u>3,417,415</u>	<u>3,044,560</u>	<u>4,889,069</u>
Expenses				
Governmental Activities:				
General Government	797,909	749,583	968,111	1,055,431
Security of Persons and Property	1,181,505	2,181,540	1,894,929	2,027,991
Transportation	854,859	813,188	557,060	205,825
Leisure Time Activities	196,714	143,612	112,419	120,034
Community Environment	0	0	0	0
Interest and Fiscal Charges	57,345	92,628	67,326	57,890
<i>Total Governmental Activities Expenses</i>	<u>3,088,332</u>	<u>3,980,551</u>	<u>3,599,845</u>	<u>3,467,171</u>
Business-Type Activities				
Water	1,129,232	916,730	873,302	762,036
Sewer	1,096,143	1,024,207	1,002,379	870,450
Storm Sewer	55,941	70,993	79,452	0
<i>Total Business-Type Activities Expenses</i>	<u>2,281,316</u>	<u>2,011,930</u>	<u>1,955,133</u>	<u>1,632,486</u>
<i>Total Primary Government Expenses</i>	<u>5,369,648</u>	<u>5,992,481</u>	<u>5,554,978</u>	<u>5,099,657</u>
Net (Expense)/Revenue				
Governmental Activities	(1,506,584)	(2,671,353)	(2,793,308)	(470,542)
Business-Type Activities	(309,582)	96,287	282,890	259,954
<i>Total Primary Government Net Expense</i>	<u>(1,816,166)</u>	<u>(2,575,066)</u>	<u>(2,510,418)</u>	<u>(210,588)</u>

2015 (2)	2014	2013	2012	2011	2010
\$16,811	\$23,265	\$12,625	\$65,015	\$39,013	\$26,864
131,280	126,494	124,829	132,350	106,513	148,066
306	451	274	1,461	2,711	563
43,181	43,346	40,977	43,426	41,009	38,695
0	0	0	0	0	3,300
191,578	193,556	178,705	242,252	189,246	217,488
9,285	17,832	1,323	2,172	825	770
8,622	46,069	5,293	7,717	32,812	13,472
330,533	351,170	322,892	314,221	315,034	312,045
41	63	439	243	21	0
348,481	415,134	329,947	324,353	348,692	326,287
0	0	0	0	0	0
0	0	0	0	0	0
20	375,769	765,074	0	459,472	358,120
5,180	11,989	250	75	0	14,500
5,200	387,758	765,324	75	459,472	372,620
545,259	996,448	1,273,976	566,680	997,410	916,395
886,090	855,225	834,882	791,011	655,213	670,823
979,301	860,934	838,437	747,401	736,079	730,132
0	0	0	0	0	0
0	0	0	0	0	0
0	82	0	0	0	0
0	10,204	0	0	32,654	188,705
0	0	0	0	0	0
1,865,391	1,726,445	1,673,319	1,538,412	1,423,946	1,589,660
2,410,650	2,722,893	2,947,295	2,105,092	2,421,356	2,506,055
1,016,114	897,594	763,165	690,025	699,287	653,963
1,811,002	1,743,433	1,592,712	1,401,939	1,544,127	1,407,459
507,694	562,997	481,443	439,701	391,491	510,360
123,410	136,787	124,813	140,071	123,679	105,905
0	0	0	0	0	5,293
56,621	51,445	54,716	57,128	58,840	36,376
3,514,841	3,392,256	3,016,849	2,728,864	2,817,424	2,719,356
680,771	680,780	648,508	608,981	700,984	655,865
935,430	786,729	861,574	767,769	856,600	842,909
0	0	0	0	0	0
1,616,201	1,467,509	1,510,082	1,376,750	1,557,584	1,498,774
5,131,042	4,859,765	4,526,931	4,105,614	4,375,008	4,218,130
(2,969,582)	(2,395,808)	(1,742,873)	(2,162,184)	(1,820,014)	(1,802,961)
249,190	258,936	163,237	161,662	(133,638)	90,886
(2,720,392)	(2,136,872)	(1,579,636)	(2,000,522)	(1,953,652)	(1,712,075)

(continued)

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

	2019	2018 (1)	2017	2016
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$242,040	\$215,404	\$207,001	\$209,304
Law Enforcement	0	0	0	0
Fire Protection	0	0	0	0
Debt Service	106,101	103,926	85,639	91,915
Capital Projects	84,597	85,410	89,069	0
Income Taxes levied for:				
General Purposes	2,276,114	2,162,932	2,305,909	2,037,563
Other Purposes	163,476	155,323	165,590	146,321
Law Enforcement	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	135,532	122,413	88,763	123,128
Gain on Sale of Capital Assets	0	168,058	0	0
Unrestricted Contributions	4,451	0	0	0
Interest	104,471	97,077	27,022	2,897
Other	65,133	103,672	66,737	51,879
<i>Total Governmental Activities</i>	<u>3,181,915</u>	<u>3,214,215</u>	<u>3,035,730</u>	<u>2,663,007</u>
Business-Type Activities				
Other	40,700	84,678	62,210	75,804
<i>Total Primary Government</i>	<u>3,222,615</u>	<u>3,298,893</u>	<u>3,097,940</u>	<u>2,738,811</u>
Transfers				
Governmental Activities	0	0	0	0
Business-Type Activities	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position				
Governmental Activities	1,675,331	542,862	242,422	2,192,465
Business-type Activities	(268,882)	180,965	345,100	335,758
	<u>\$1,406,449</u>	<u>\$723,827</u>	<u>\$587,522</u>	<u>\$2,528,223</u>

- (1) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.
(2) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2015 (2)	2014	2013	2012	2011	2010
\$188,988	\$184,963	\$184,194	\$232,614	\$194,529	\$209,245
0	0	0	0	0	0
0	0	0	0	0	0
97,869	118,647	95,904	0	0	0
0	0	0	111,663	93,374	100,437
2,327,106	2,139,654	2,099,510	2,051,620	1,999,600	1,716,864
167,111	153,652	150,770	147,229	0	0
0	0	0	0	136,525	155,569
119,315	113,121	145,860	133,897	307,238	374,840
15,000	0	0	0	0	0
0	0	0	0	0	0
4,875	2,178	1,232	80	102	1,653
61,075	64,497	41,633	63,475	75,290	24,713
2,981,339	2,776,712	2,719,103	2,740,578	2,806,658	2,583,321
6,507	34,289	13,395	3,472	1,372	4,377
2,987,846	2,811,001	2,732,498	2,744,050	2,808,030	2,587,698
64,600	(55,000)	(60,000)	(60,000)	(60,000)	(115,000)
(64,600)	55,000	60,000	60,000	60,000	115,000
0	0	0	0	0	0
76,357	325,904	916,230	518,394	926,644	665,360
191,097	348,225	236,632	225,134	(72,266)	210,263
\$267,454	\$674,129	\$1,152,862	\$743,528	\$854,378	\$875,623

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

	2019	2018	2017	2016
General Fund				
Nonspendable	\$5,547	\$5,547	\$1,956	\$1,956
Assigned	37,449	84,712	36,113	64,161
Unassigned	1,013,272	919,076	984,782	890,246
Reserved	N/A	N/A	N/A	N/A
Unreserved (Deficit)	N/A	N/A	N/A	N/A
Total General Fund	1,056,268	1,009,335	1,022,851	956,363
All Other Governmental Funds				
Nonspendable	32,535	32,212	27,024	26,722
Restricted	1,097,741	1,297,131	1,506,928	1,803,102
Committed	446,801	409,891	305,908	246,618
Assigned	0	1,644	1,644	1,644
Unassigned (Deficit)	0	0	(996,274)	0
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds (Deficit)	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	1,577,077	1,740,878	845,230	2,078,086
Total Governmental Funds	\$2,633,345	\$2,750,213	\$1,868,081	\$3,034,449

Note: During 2018, the City implemented GASB Statement No. 84. During 2010, the City implemented GASB Statement No. 54.

2015	2014	2013	2012	2011	2010
\$1,956	\$2,825	\$2,825	\$2,825	\$2,731	N/A
154,679	93,874	3,436	2,509	1,943	N/A
931,960	1,167,137	1,360,605	1,206,894	722,384	N/A
N/A	N/A	N/A	N/A	N/A	\$34,758
N/A	N/A	N/A	N/A	N/A	287,679
1,088,595	1,263,836	1,366,866	1,212,228	727,058	322,437
25,867	25,386	17,868	25,942	20,566	N/A
1,441,228	741,365	687,320	747,026	593,271	N/A
250,382	170,026	210,813	249,540	240,565	N/A
1,855	33,596	16,071	21,041	40,050	N/A
0	(87,303)	0	0	0	N/A
N/A	N/A	N/A	N/A	N/A	64,583
N/A	N/A	N/A	N/A	N/A	387,719
N/A	N/A	N/A	N/A	N/A	39,642
N/A	N/A	N/A	N/A	N/A	422,097
1,719,332	883,070	932,072	1,043,549	894,452	914,041
\$2,807,927	\$2,146,906	\$2,298,938	\$2,255,777	\$1,621,510	\$1,236,478

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

	2019	2018	2017	2016
Revenues				
Property Taxes	\$437,049	\$399,281	\$383,734	\$299,717
Income Taxes	2,430,744	2,320,096	2,350,351	2,440,861
Charges for Services	183,907	187,995	190,094	171,885
Fines, Licenses and Permits	23,629	43,304	38,216	50,039
Intergovernmental	1,503,716	752,953	717,700	2,890,064
Special Assessments	2,700	0	0	0
Interest	104,471	97,077	27,022	3,185
Rent	3,110	0	0	0
Contributions and Donations	8,275	17,499	10,255	3,684
Other	65,133	103,672	66,737	51,879
<i>Total Revenues</i>	<u>4,762,734</u>	<u>3,921,877</u>	<u>3,784,109</u>	<u>5,911,314</u>
Expenditures				
Current:				
General Government	691,029	691,533	897,086	1,026,444
Security of Persons and Property:	1,924,474	1,947,734	1,756,630	1,827,881
Transportation	391,499	415,029	586,499	496,842
Community Environment	0	0	0	0
Leisure Time Activities	98,600	109,666	106,870	96,704
Capital Outlay	1,480,406	803,384	409,955	2,031,999
Debt Service:				
Principal Retirement	232,362	220,849	1,105,799	1,123,953
Interest and Fiscal Charges	61,232	89,990	87,638	60,371
Issuance Costs	0	0	0	6,400
<i>Total Expenditures</i>	<u>4,879,602</u>	<u>4,278,185</u>	<u>4,950,477</u>	<u>6,670,594</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(116,868)</u>	<u>(356,308)</u>	<u>(1,166,368)</u>	<u>(759,280)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	415,577	0	0
OPWC Loan Issued	0	0	0	0
Sale of Capital Assets	0	173,058	0	0
Inception of Capital Lease	0	580,340	0	0
Notes Issued	0	0	0	1,000,000
Premium on Note Issuance	0	0	0	6,400
Transfers In	1,984,025	2,999,248	1,791,200	1,776,600
Transfers Out	(1,984,025)	(2,999,248)	(1,791,200)	(1,776,600)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>1,168,975</u>	<u>0</u>	<u>1,006,400</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$116,868)</u></u>	<u><u>\$812,667</u></u>	<u><u>(\$1,166,368)</u></u>	<u><u>\$247,120</u></u>
Debt Service as a Percentage of Noncapital Expenditures (1)	8.3%	9.1%	28.5%	29.4%

(1) The large increases in 2016 and 2008 were due to the retirement of long-term notes with short-term note proceeds

2015	2014	2013	2012	2011	2010
\$286,690	\$303,213	\$281,651	\$340,925	\$305,926	\$308,099
2,432,858	2,266,371	2,240,289	2,209,364	2,033,742	1,913,171
177,251	171,066	176,795	170,362	166,131	148,915
14,327	22,490	11,531	70,872	38,422	56,108
518,265	853,520	1,228,594	479,962	1,088,614	1,037,209
0	0	0	0	0	0
4,875	2,178	1,232	80	102	1,653
0	0	0	0	0	0
3,579	4,572	6,624	4,698	3,118	770
61,075	64,497	41,633	63,475	75,290	24,713
<u>3,498,920</u>	<u>3,687,907</u>	<u>3,988,349</u>	<u>3,339,738</u>	<u>3,711,345</u>	<u>3,490,638</u>
970,280	806,201	697,133	619,642	623,832	599,550
1,706,800	1,627,886	1,497,832	1,303,885	1,390,094	1,298,905
554,821	335,527	341,090	292,365	304,019	706,411
0	0	0	0	0	5,293
98,481	110,282	99,009	115,295	83,551	92,181
577,517	901,987	1,116,792	281,740	678,578	384,551
95,818	88,241	77,576	68,546	125,882	124,812
48,700	52,542	55,756	57,045	60,357	37,542
7,460	0	0	0	0	0
<u>4,059,877</u>	<u>3,922,666</u>	<u>3,885,188</u>	<u>2,738,518</u>	<u>3,266,313</u>	<u>3,249,245</u>
<u>(560,957)</u>	<u>(234,759)</u>	<u>103,161</u>	<u>601,220</u>	<u>445,032</u>	<u>241,393</u>
0	0	0	0	0	0
0	137,727	0	0	0	0
15,000	0	0	0	0	0
134,918	0	0	93,047	0	0
1,000,000	0	0	0	0	0
7,460	0	0	0	0	0
1,828,940	1,627,000	1,463,000	1,290,000	1,328,376	1,436,536
<u>(1,764,340)</u>	<u>(1,682,000)</u>	<u>(1,523,000)</u>	<u>(1,350,000)</u>	<u>(1,388,376)</u>	<u>(1,551,536)</u>
<u>1,221,978</u>	<u>82,727</u>	<u>(60,000)</u>	<u>33,047</u>	<u>(60,000)</u>	<u>(115,000)</u>
<u>\$661,021</u>	<u>(\$152,032)</u>	<u>\$43,161</u>	<u>\$634,267</u>	<u>\$385,032</u>	<u>\$126,393</u>
4.5%	4.5%	4.8%	5.1%	7.2%	5.7%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2019	\$80,144,960	\$27,888,470	\$308,666,943	\$2,009,780	\$8,039,120
2018	71,388,160	23,213,080	270,289,257	1,936,070	7,744,280
2017	70,381,950	22,898,350	266,515,143	1,805,160	7,220,640
2016	69,985,570	22,700,260	264,816,657	1,656,380	6,625,520
2015	62,658,180	21,382,750	240,116,943	1,560,960	6,243,840
2014	61,875,110	21,604,180	238,512,257	1,432,390	5,729,560
2013	61,758,210	21,178,040	236,960,714	1,308,760	5,235,040
2012	71,120,910	23,447,950	270,196,744	1,193,020	4,772,080
2011	70,632,540	23,481,600	268,897,543	1,139,010	4,556,040
2010	70,219,520	23,924,300	268,982,343	1,096,830	4,387,320

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

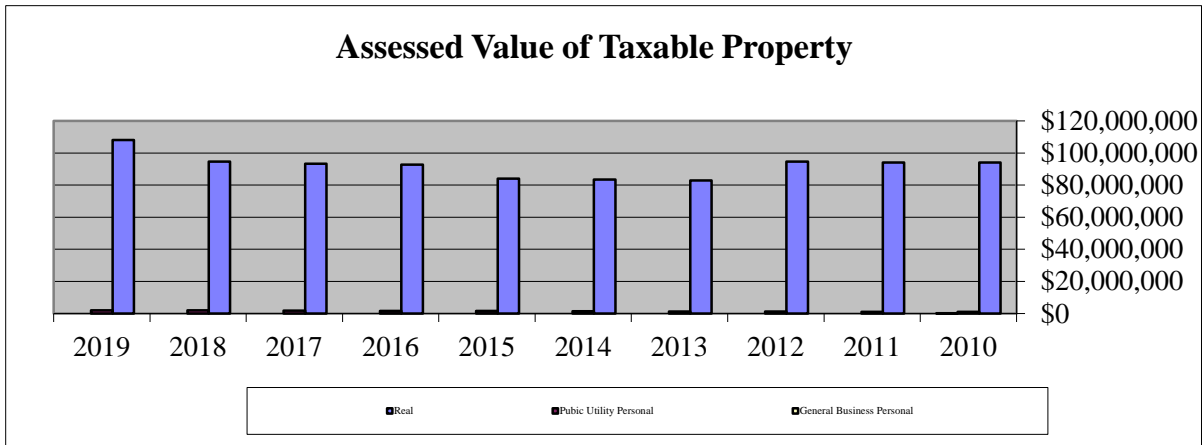
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

The tangible personal property values associated with each year are the values 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 a 2 1/2 percent rollback and homestead exemptions before being billed.

Source: Stark County Auditor

Tangible Personal Property

General Business		Total			Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$110,043,210	\$316,706,063	34.75%	\$4.60
0	0	96,537,310	278,033,537	34.72	4.60
0	0	95,085,460	273,735,783	34.74	4.70
0	0	94,342,210	271,442,177	34.76	4.60
0	0	85,601,890	246,360,783	34.75	3.80
0	0	84,911,680	244,241,817	34.77	4.10
0	0	84,245,010	242,195,754	34.78	3.80
0	0	95,761,880	274,968,823	34.83	3.70
0	0	95,253,150	273,453,583	34.83	3.70
51,550	206,200	95,292,200	273,575,863	34.83	3.70



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

	2019	2018	2017	2016	2015
Unvoted Millage					
Operating	\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000
Debt	1.1000	1.1000	1.2000	2.1000	1.3000
Capital Projects	1.0000	1.0000	1.0000	0.0000	0.0000
Total Unvoted Millage	\$4.6000	\$4.6000	\$4.7000	\$4.6000	\$3.8000
Overlapping Rates by Taxing District					
Northwest Local School District					
Residential/Agricultural Real	\$30.5000	\$31.6000	\$32.6561	\$33.2000	\$35.8668
Commercial/Industrial and Public Utility Real	30.7693	31.7305	35.0735	35.0700	36.6052
General Business and Public Utility Personal	53.3000	54.4000	55.0000	55.1000	56.0000
Stark County JVSD					
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000	2.0000
Commercial/Industrial and Public Utility Real	2.0000	2.0000	2.0000	2.0000	2.0000
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000	2.0000
Stark County					
Residential/Agricultural Real	8.0589	8.0803	8.6770	8.7200	9.2924
Commercial/Industrial and Public Utility Real	8.8684	8.7898	9.6374	9.6100	10.0762
General Business and Public Utility Personal	11.5000	11.5000	11.5000	11.5000	11.5000
Canal Fulton Library					
Residential/Agricultural Real	0.7969	0.8004	0.8846	0.9100	1.9977
Commercial/Industrial and Public Utility Real	0.8448	0.8366	0.9737	0.9700	2.0000
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	2.0000
Stark County Parks					
Residential/Agricultural Real	0.8237	0.8267	0.9106	0.9200	0.9971
Commercial/Industrial and Public Utility Real	0.8467	0.8367	0.9443	0.9400	1.0000
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000

Source: Ohio Department of Taxation

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.

Voted 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.

2014	2013	2012	2011	2010
\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000
1.6000	1.3000	1.2000	1.2000	1.2000
0.0000	0.0000	0.0000	0.0000	0.0000
\$4.1000	\$3.8000	\$3.7000	\$3.7000	\$3.7000

\$35.8785	\$36.0069	\$32.4480	\$32.2261	\$32.7000
36.5338	36.5711	32.5809	32.4888	32.7000
56.0000	56.1000	55.0000	55.0000	55.5000

2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000

9.3007	9.3131	8.9180	8.9134	8.9129
10.0757	10.0727	9.5921	9.5212	9.4556
11.5000	11.5000	11.5000	11.5000	11.5000

1.9971	0.9955	0.9668	0.9542	0.9527
1.9986	1.0000	0.8522	0.8452	0.8332
2.0000	1.0000	1.0000	1.0000	1.0000

0.9986	1.0000	0.5000	0.5000	0.5000
1.0000	1.0000	0.5000	0.5000	0.5000
1.0000	1.0000	0.5000	0.5000	0.5000

City of Canal Fulton, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2019	\$493,267	\$476,071	96.51 %	\$10,453	\$486,524
2018	453,161	436,658	96.36	9,419	\$446,077
2017	437,470	422,071	96.48	7,262	\$429,333
2016	339,632	335,105	98.67	6,460	\$341,565
2015	325,287	320,379	98.49	7,339	327,718
2014	348,138	341,300	98.04	7,846	349,146
2013	320,428	315,135	98.35	7,804	322,939
2012	354,319	348,580	98.38	36,380	384,960
2011	352,391	337,894	95.89	12,027	349,921
2010	361,136	342,177	94.75	7,865	350,042

Source: Stark County Fiscal Officer

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

Note: The County's current reporting system does not track delinquency 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.

<u>Percentage of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
98.63 %	\$12,241	2.48 %
98.44	16,653	3.67
98.14	14,731	3.37
100.57	12,554	3.70
100.75	10,843	3.33
100.29	10,675	3.07
100.78	10,278	3.21
108.65	11,080	3.13
99.30	8,469	2.40
96.93	0	0.00

City of Canal Fulton, Ohio
Principal Real Property Taxpayers
 2019 and 2010

<u>2019</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Total Real Property Assessed Valuation</u>
Schalmo Properties, Incorporated	\$5,387,660	4.99 %
Campbell Oil Company	2,202,400	2.04
United Church Homes, Incorporated	2,094,150	1.94
G & B Properties, Incorporated	1,435,820	1.33
Centennial Apartments, LTD	1,400,040	1.29
Avalon Food Service, Incorporated	1,179,930	1.09
Vandenberg E.K.	736,740	0.68
Madison Home Associates	658,210	0.61
KHELP Properties, LTD	617,440	0.57
Willison Realty, LLC	558,230	0.52
Total	<u>\$16,270,620</u>	<u>15.06 %</u>
Total Real Property Assessed Valuation	<u>\$108,033,430</u>	

<u>2010</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Total Real Real Assessed Valuation</u>
Schalmo Properties, Incorporated	\$5,408,950	5.74 %
NLP Acquisition, LP	1,461,900	1.55
Avalon Food Service, Incorporated	1,079,760	1.15
KHELP Properties, LTD	727,500	0.77
Vandenberg E.K.	680,200	0.72
G & B Properties, Incorporated	608,160	0.65
Schalmo Builders, Incorporated	550,920	0.59
Oakes Galen SR Trustee	533,000	0.57
Spirit SPE Portfolio, LLC	498,620	0.53
IB Property Holdings, LLC	455,000	0.48
Total	<u>\$12,004,010</u>	<u>12.75 %</u>
Total Real Property Assessed Valuation	<u>\$94,143,820</u>	

Source: Stark County Auditor

(1) The amounts presented represent the assessed values upon which 2018 and 2010 collections were based.

City of Canal Fulton, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

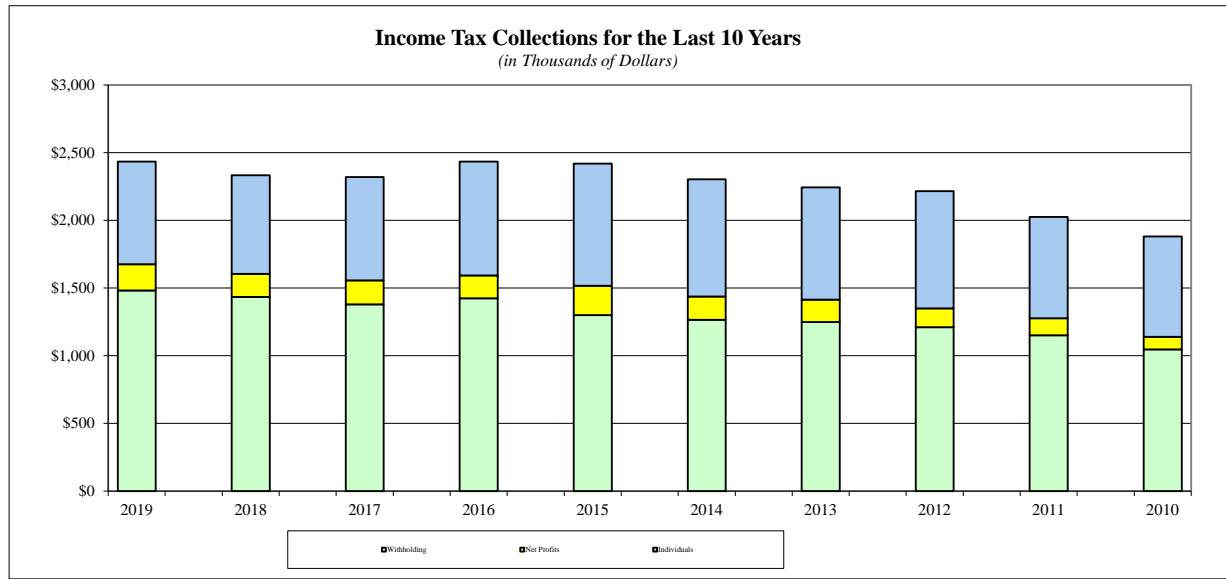
Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2019	1.50%	\$2,434,570	\$1,481,923	60.87%	\$194,279	7.98%	\$758,368	31.15%
2018	1.50	2,333,274	1,434,264	61.47	170,562	7.31	728,448	31.22
2017	1.50	2,320,166	1,380,269	59.49	176,184	7.59	763,713	32.92
2016	1.50	2,434,787	1,424,034	58.49	168,704	6.93	842,049	34.58
2015	1.50	2,418,629	1,300,300	53.76	216,211	8.94	902,118	37.30
2014	1.50	2,303,383	1,265,245	54.93	171,789	7.46	866,349	37.61
2013	1.50	2,243,532	1,248,925	55.67	166,361	7.42	828,246	36.92
2012	1.50	2,215,042	1,211,004	54.67	138,164	6.24	865,874	39.09
2011	1.50	2,025,752	1,151,156	56.83	125,807	6.21	748,789	36.96
2010	1.50	1,881,233	1,046,661	55.64	93,444	4.97	741,128	39.40

Source: City Income Tax Department

(1) The City's basic income tax rate may only be increased by a majority vote of the City's residents.

(2) Gross Collections - Cash Basis of Accounting

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



City of Canal Fulton, Ohio
Legal Debt Margin
Last Ten Years

	2019	2018	2017	2016	2015
Total Assessed Property Value	<u>\$110,043,210</u>	<u>\$96,537,310</u>	<u>\$95,085,460</u>	<u>\$94,342,210</u>	<u>\$85,601,890</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$11,554,537</u>	<u>\$10,136,418</u>	<u>\$9,983,973</u>	<u>\$9,905,932</u>	<u>\$8,988,198</u>
Debt Outstanding:					
Various Purpose General Obligation Bonds	1,370,000	1,490,000	745,000	815,000	885,000
Water Improvement Enterprise Bonds	285,000	325,000	365,000	400,000	435,000
Various Purpose Notes	0	0	1,730,000	1,000,000	1,000,000
OPWC Loans	<u>1,399,642</u>	<u>1,548,602</u>	<u>1,697,558</u>	<u>1,821,273</u>	<u>1,084,526</u>
Total Gross Indebtedness	3,054,642	3,363,602	4,537,558	4,036,273	3,404,526
Less:					
OPWC Loans	(1,399,642)	(1,548,602)	(1,697,558)	(1,821,273)	(1,084,526)
Various Purpose Notes	0	0	(1,730,000)	(1,000,000)	(1,000,000)
Amount Available in Debt Service	<u>(38,193)</u>	<u>(21,722)</u>	<u>(22,649)</u>	<u>(26,085)</u>	<u>(28,080)</u>
Total Net Debt Applicable to Debt Limit	<u>1,616,807</u>	<u>1,793,278</u>	<u>1,087,351</u>	<u>1,188,915</u>	<u>1,291,920</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$9,937,730</u>	<u>\$8,343,140</u>	<u>\$8,896,622</u>	<u>\$8,717,017</u>	<u>\$7,696,278</u>
Legal Debt Margin as a Percentage of the Debt Limit	86.01%	82.31%	89.11%	88.00%	85.63%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$6,052,377</u>	<u>\$5,309,552</u>	<u>\$5,229,700</u>	<u>\$5,188,822</u>	<u>\$4,708,104</u>
Total Gross Indebtedness	3,054,642	3,363,602	4,537,558	4,036,273	3,404,526
Less:					
Total Debt Outside Limitations	(1,399,642)	(1,548,602)	(1,697,558)	(1,821,273)	(1,084,526)
Amount Available in Debt Service	<u>(38,193)</u>	<u>(21,722)</u>	<u>(22,649)</u>	<u>(26,085)</u>	<u>(28,080)</u>
Net Debt Within 5 ½ % Limitations	<u>1,616,807</u>	<u>1,793,278</u>	<u>2,817,351</u>	<u>2,188,915</u>	<u>2,291,920</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$4,435,570</u>	<u>\$3,516,274</u>	<u>\$2,412,349</u>	<u>\$2,999,907</u>	<u>\$2,416,184</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	73.29%	66.23%	46.13%	57.81%	51.32%

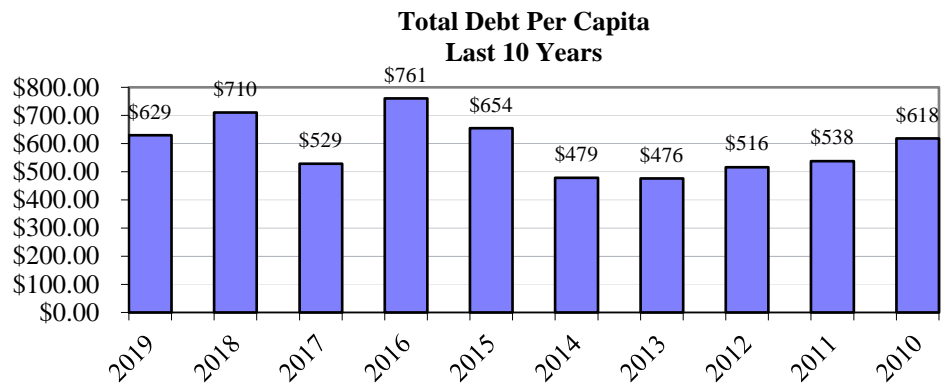
Source: City Financial Records

2014	2013	2012	2011	2010
<u>\$84,911,680</u>	<u>\$84,245,010</u>	<u>\$95,761,880</u>	<u>\$95,253,150</u>	<u>\$95,292,200</u>
<u>\$8,915,726</u>	<u>\$8,845,726</u>	<u>\$10,054,997</u>	<u>\$10,001,581</u>	<u>\$10,005,681</u>
955,000	1,025,000	1,085,000	1,145,000	1,244,917
470,000	505,000	535,000	565,000	735,083
0	0	0	0	0
<u>1,141,090</u>	<u>1,000,932</u>	<u>1,113,368</u>	<u>1,225,805</u>	<u>1,367,875</u>
2,566,090	2,530,932	2,733,368	2,935,805	3,347,875
(1,141,090)	(1,000,932)	(1,113,368)	(1,225,805)	(1,367,875)
0	0	0	0	0
<u>(33,598)</u>	<u>(16,072)</u>	<u>(21,041)</u>	<u>(40,050)</u>	<u>(31,712)</u>
<u>1,391,402</u>	<u>1,513,928</u>	<u>1,598,959</u>	<u>1,669,950</u>	<u>1,948,288</u>
<u>\$7,524,324</u>	<u>\$7,331,798</u>	<u>\$8,456,038</u>	<u>\$8,331,631</u>	<u>\$8,057,393</u>
84.39%	82.89%	84.10%	83.30%	80.53%
<u>\$4,670,142</u>	<u>\$4,633,476</u>	<u>\$5,266,903</u>	<u>\$5,238,923</u>	<u>\$5,241,071</u>
2,566,090	2,530,932	2,733,368	2,935,805	3,347,875
(1,141,090)	(1,000,932)	(1,113,368)	(1,225,805)	(1,367,875)
<u>(33,598)</u>	<u>(16,072)</u>	<u>(21,041)</u>	<u>(40,050)</u>	<u>(31,712)</u>
<u>1,391,402</u>	<u>1,513,928</u>	<u>1,598,959</u>	<u>1,669,950</u>	<u>1,948,288</u>
<u>\$3,278,740</u>	<u>\$3,119,548</u>	<u>\$3,667,944</u>	<u>\$3,568,973</u>	<u>\$3,292,783</u>
70.21%	67.33%	69.64%	68.12%	62.83%

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

Governmental Activities				
Year	General Obligation Bonds	Bond Anticipation Notes	OPWC Loans	Capital Leases
2019	\$984,348	\$0	\$0	\$388,984
2018	1,085,035	0	0	521,296
2017	750,095	0	0	81,805
2016	820,731	1,006,400	123,954	117,604
2015	891,368	1,007,460	130,841	164,670
2014	962,005	0	137,727	48,684
2013	1,032,642	0	0	66,925
2012	1,093,279	0	0	84,501
2011	1,153,916	0	0	0
2010	1,254,470	0	0	25,965

Note: Population and Personal Income data are presented on page S30.



Business-Type Activities

Water Utility Bonds	General Obligation Bonds	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
\$286,276	\$389,473	\$1,399,642	\$3,448,723	2.87 %	\$629.44
326,531	409,423	1,548,602	3,890,887	3.24	710.15
366,787	0	1,697,558	2,896,245	2.41	528.61
402,043	0	1,697,319	4,168,051	3.47	760.73
437,298	0	953,685	3,585,322	2.98	654.38
472,554	0	1,003,363	2,624,333	2.18	478.98
507,809	0	1,000,932	2,608,308	2.17	476.06
538,064	0	1,113,368	2,829,212	2.35	516.37
568,320	0	1,225,805	2,948,041	2.45	538.06
738,658	0	1,367,875	3,386,968	2.82	618.17

City of Canal Fulton, 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 Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2019	5,479	\$316,706,063	\$1,660,097	0.52 %	\$303
2018	5,479	278,033,537	1,820,989	0.65	332
2017	5,479	273,735,783	1,116,882	0.41	204
2016	5,479	271,442,177	1,222,774	0.45	223
2015	5,479	246,360,783	1,328,666	0.54	243
2014	5,479	244,241,817	1,434,559	0.59	262
2013	5,479	242,195,754	1,540,451	0.64	281
2012	5,479	274,968,823	1,631,343	0.59	298
2011	5,479	273,453,583	1,722,236	0.63	314
2010	5,479	273,575,863	1,993,128	0.73	364

(1) U. S. Bureau of Census, Census of Population.
 2009 from 2000 Federal Census; 2010-2018 from 2010 Federal Census

(2) Stark County Auditor

(3) Includes all general obligation bonded debt.

Note: Although the general obligation debt 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 Canal Fulton, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2019

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Canal Fulton			
General Obligation Bonds	\$984,348	100 %	\$984,348
Capital Leases	388,984	100	388,984
<i>Total Direct Debt</i>	<u>1,373,332</u>		<u>1,373,332</u>
Overlapping			
Northwest Local School District			
General Obligation Bonds	1,240,000	35.30	437,720
Stark County			
General Obligation Bonds	2,057,899	1.31	26,958
Wayne Public Library District			
General Obligation Bonds	<u>2,430,000</u>	3.08	<u>74,844</u>
<i>Total Overlapping Debt</i>	<u>5,727,899</u>		<u>539,522</u>
Total	<u><u>\$7,101,231</u></u>		<u><u>\$1,912,854</u></u>

Source: Stark County Auditor

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

City of Canal Fulton, Ohio
Pledged Revenue Coverage
Water
Last Ten Years

Year	Water Operating Revenues (1)	Water Operating Expenses (2)	Net Available Revenues	<u>Debt Service (3)</u>	
				Principal	Coverage
2019	\$998,428	\$927,100	\$71,328	\$89,991	0.79
2018	989,301	711,472	277,829	89,991	3.09
2017	971,931	688,252	283,679	89,991	3.15
2016	957,241	618,596	338,645	46,612	7.27
2015	886,553	535,285	351,268	57,750	6.08
2014	886,075	536,165	349,910	68,892	5.08
2013	840,874	506,507	334,367	68,893	4.85
2012	792,812	449,424	343,388	68,893	4.98
2011	656,285	500,083	156,202	103,339	1.51
2010	674,350	492,320	182,030	68,893	2.64

(1) Includes other non-operating revenues, except federal and state subsidies.

(2) Direct operating expenses do not include depreciation expense.

(3) Revenue debt includes OPWC loans payable solely from net revenues in the water enterprise fund.

Source: City financial records

City of Canal Fulton, Ohio
Pledged Revenue Coverage
Sewer
Last Ten Years

Year	Sewer Operating Revenues (1)	Sewer Operating Expenses (2)	Net Available Revenues	Debt Service (3)	
				Principal	Coverage
2019	\$938,459	\$890,431	\$48,028	\$52,082	0.92
2018	950,118	822,236	127,882	52,080	2.46
2017	923,229	807,406	115,823	52,081	2.22
2016	1,011,003	686,562	324,441	52,080	6.23
2015	985,345	767,950	217,395	47,812	4.55
2014	864,373	634,295	230,078	43,543	5.28
2013	845,840	711,765	134,075	43,543	3.08
2012	749,072	616,552	132,520	43,544	3.04
2011	736,379	626,129	110,250	61,436	1.79
2010	919,687	692,288	227,399	39,665	5.73

(1) Includes other non-operating revenues, except federal and state subsidies

(2) Direct operating expenses do not include depreciation expense.

(3) Revenue debt includes OPWC loans payable solely from net revenues in the sewer enterprise fund.

Source: City financial records

City of Canal Fulton, Ohio
Pledged Revenue Coverage
Storm Sewer
Last Ten Years

Year	Storm Sewer Operating Revenues (1)	Storm Sewer Operating Expenses (2)	Net Available Revenues	<u>Debt Service (3)</u>	
				Principal	Coverage
2019	\$58,907	\$5,877	\$53,030	\$6,887	7.70
2018	58,023	27,669	30,354	6,885	4.41
2017	52,372	26,291	26,081	6,887	3.79
2016	0	0	0	0	0.00
2015	0	0	0	0	0.00
2014	0	0	0	0	0.00
2013	0	0	0	0	0.00
2012	0	0	0	0	0.00
2011	0	0	0	0	0.00
2010	0	0	0	0	0.00

(1) Includes other non-operating revenues, except federal and state subsidies

(2) Direct operating expenses do not include depreciation expense.

(3) Revenue debt includes OPWC loans payable solely from net revenues in the storm sewer enterprise fund.

Source: City financial records

City of Canal Fulton, Ohio
Principal Employers
 2019 and 2010

2019	
Employer	Employees
Northwest Local School District	394
United Church Homes, Incorporated	266
Echoing Hills Village, Incorporated	174
Skipco Financial Adjusters, Incorporated	118
City of Canal Fulton	100
Communication Exhibits, Incorporated	93
Avalon Foodservice, Incorporated	89
BJAAM Environmental, Incorporated	51
Avalon Transportation	49
ZVN Properties, Incorporated	42
Total	<u>1,376</u>
Total Employment within the City	<u>N/A</u>

2010	
Employer	Employees
Northwest Local School District	458
United Church Homes, Incorporated	271
Echoing Hills Village, Incorporated	210
Hydrochem Industrial Services, Incorporated	125
City of Canal Fulton	108
Avalon Foodservice, Incorporated	81
R&B Management, LLC	72
Communication Exhibits, Incorporated	67
BJAAM Environmental, Incorporated	58
Avalon Transportation	46
Total	<u>1,496</u>
Total Employment within the City	<u>N/A</u>

Source: City Records
 N/A - Information not available

City of Canal Fulton, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2019	5,479	\$120,214,739	\$21,941	\$50,332	40.3
2018	5,479	120,214,739	21,941	50,332	40.3
2017	5,479	120,214,739	21,941	50,332	40.3
2016	5,479	120,214,739	21,941	50,332	40.3
2015	5,479	120,214,739	21,941	50,332	40.3
2014	5,479	120,214,739	21,941	50,332	40.3
2013	5,479	120,214,739	21,941	50,332	40.3
2012	5,479	120,214,739	21,941	50,332	40.3
2011	5,479	120,214,739	21,941	50,332	40.3
2010	5,479	120,214,739	21,941	50,332	40.3

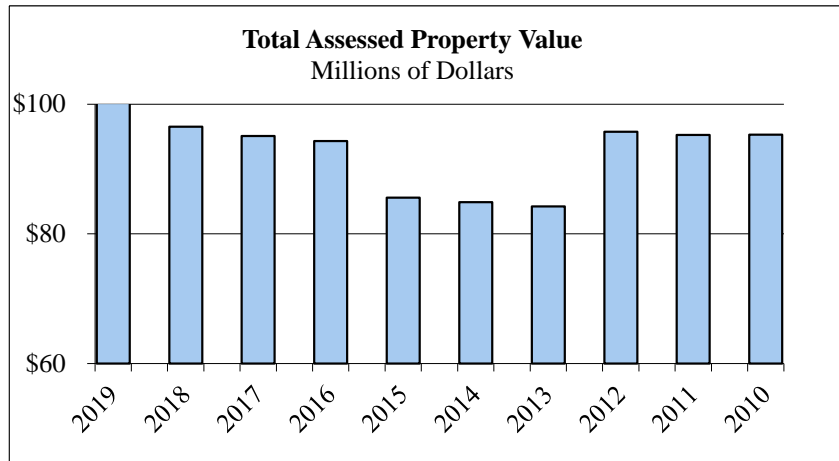
(1) Source: U. S. Census - 2008-2009 from 2000 Federal Census;
2010-2017 from 2010 Federal Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

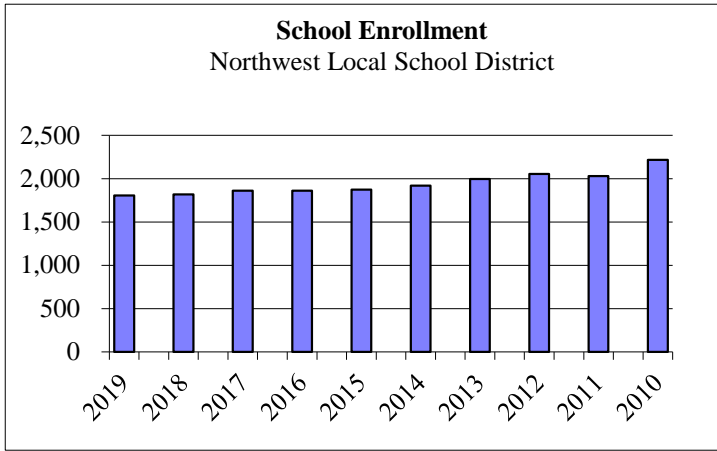
(3) Source: Ohio Department of Job and Family Services & Stark County CAFR

(4) Source: Stark County Auditor's Office

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



Educational Attainment: Bachelor's Degree or Higher (1)	Public School Enrollment (2)	Stark County Unemployment Rate (3)	Total Assessed Property Value (4)
20.5 %	1,805	4.4 %	\$110,043,210
20.5	1,817	5.2	96,537,310
20.5	1,862	5.0	95,085,460
20.5	1,860	5.2	94,342,210
20.5	1,872	5.3	85,601,890
20.5	1,919	4.8	84,911,680
20.5	1,996	6.8	84,245,010
20.5	2,053	7.3	95,761,880
20.5	2,028	9.2	95,253,150
20.5	2,215	11.3	95,292,200



City of Canal Fulton, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2019	2018	2017	2016	2015
General Government					
Council	3.00	3.00	3.00	3.00	3.00
Administration	3.00	3.00	3.00	3.00	3.00
Finance	3.50	3.50	3.50	3.50	3.50
Law	0.50	0.50	0.50	0.50	0.50
Community Service	0.50	0.50	0.50	0.50	0.50
Other	1.20	2.70	0.90	1.50	1.80
Security of Persons and Property					
Police	14.00	13.00	12.00	12.50	12.50
Fire	27.50	27.00	23.50	23.00	21.00
Leisure Time Activities					
Recreation and Parks	1.10	1.10	1.30	1.40	1.40
Canal Boat	3.00	3.00	3.30	2.70	3.30
Transportation					
Streets	4.00	4.00	4.00	4.00	4.00
Utilities					
Water	3.50	3.50	3.50	3.75	3.75
Sewer	3.50	3.50	3.50	3.75	3.75
Totals:	<u>68.30</u>	<u>68.30</u>	<u>62.50</u>	<u>63.10</u>	<u>62.00</u>

Source: City Payroll Department W2 Listing

Method: Using 1.0 for each full-time employee, 0.50 for each part-time employee, and 0.30 for seasonal employees.

2014	2013	2012	2011	2010
3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00
3.50	4.00	3.50	3.00	3.00
0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50
1.80	1.80	0.00	3.60	3.90
12.50	13.50	13.50	11.50	10.50
20.50	21.00	14.50	17.50	17.50
1.40	1.40	2.30	2.00	2.30
3.60	3.30	2.40	2.10	2.10
4.00	4.00	5.50	6.50	5.10
3.75	3.50	3.50	3.50	3.50
3.75	3.50	3.50	3.50	3.50
<u>62.80</u>	<u>64.00</u>	<u>56.70</u>	<u>61.20</u>	<u>59.40</u>

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

Function/Program	2019	2018	2017
General Government			
<i>Council and Clerk</i>			
Number of ordinances proposed	43	53	39
Number of resolutions proposed	16	32	35
<i>Finance Department</i>			
Value of payments issued (1)	\$6,854,906	\$10,204,363	\$7,305,062
General fund interest earnings for fiscal year (cash basis)	\$99,156	\$92,764	\$25,727
Number of receipt transactions processed (1)	1,774	1,808	1,752
General fund receipts (cash basis in thousands)	\$2,792	\$2,676	\$2,565
General fund expenditures/net financing (cash basis in thousands)	\$2,787	\$2,972	\$2,578
Ending general fund balance (cash basis in thousands)	\$566	\$541	\$778
<i>Income Tax Department</i>			
Number of annual withholding forms processed	4,477	5,065	6,471
Number of business net profit forms processed	364	386	399
Number of individual returns processed	2,802	2,887	3,195
Amount of penalties and interest collected	\$59,415	\$67,675	\$62,649
Annual number of balance due/estimated payment forms processed	2,342	2,700	2,588
Annual number of reconciliations of withholdings processed	689	710	712
Security of Persons and Property			
<i>Police</i>			
Number of traffic stops	2,482	2,104	1,575
Number of arrests	127	133	140
DUI arrests	21	23	17
Motor vehicle accidents	100	114	116
<i>Fire</i>			
EMS calls for service	509	617	596
Fire calls for service	243	239	269
Fire safety inspections	183	120	165
Number of times mutual aid given	18	32	28
Number of times mutual aid received	11	63	58
Leisure Time Activities			
<i>Recreation</i>			
Canal boat visitors (1)	4,167	4,101	5,484
Canal boat receipts (1)	\$34,601	\$44,713	\$47,588
Transportation			
Street resurfacing (miles)	1.02	2.40	2.63
Tons of salt used	775	882	392

2016	2015	2014	2013	2012	2011	2010
36	35	31	32	44	42	16
29	41	32	33	31	34	39
\$9,069,803	\$5,785,401	\$5,562,203	\$5,489,015	\$4,082,749	\$4,839,123	\$4,945,444
\$4,640	\$4,302	\$1,022	\$764	\$72	\$94	\$1,637
1,727	1,695	1,647	1,533	1,552	1,250	1,074
\$2,649	\$2,591	\$2,498	\$2,439	\$2,552	\$2,460	\$2,277
\$2,647	\$2,382	\$2,571	\$2,729	\$2,007	\$2,180	\$2,195
\$770	\$768	\$559	\$632	\$923	\$377	\$97
5,756	4,230	3,807	3,767	3,342	3,142	3,006
438	494	442	441	427	430	419
3,041	3,353	3,384	3,213	3,123	3,177	3,138
\$56,291	\$63,374	\$54,432	\$62,453	\$48,691	\$43,918	\$52,515
2,385	1,726	1,861	1,956	1,919	1,922	2,099
676	699	652	639	597	591	543
1,041	1,237	1,596	1,636	1,417	1,003	1,072
106	119	133	159	208	215	269
19	29	22	34	42	40	32
115	120	97	113	108	117	124
602	859	795	804	713	656	570
270	379	402	358	315	284	309
206	154	147	155	130	128	146
16	29	27	20	16	24	24
18	54	60	31	18	23	33
5,551	5,214	5,086	N/A	N/A	N/A	N/A
\$49,601	\$42,179	\$42,084	\$40,791	\$36,312	\$40,033	\$36,446
2.56	3.81	3.00	3.63	3.76	0.00	1.52
384	877	563	392	636	441	775

(continued)

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

Function/Program	2019	2018	2017
Utilities			
<i>Water</i>			
Minimum water rate	\$20.41	\$19.97	\$19.66
Rate per thousand gallons used	\$2.43	\$2.38	\$2.34
Number of water accounts (1)	2,128	2,109	2,158
Total water collections (2)	\$963,333	\$948,741	\$929,492
<i>Sewer</i>			
Minimum sewer rate	\$19.92	\$19.49	\$19.18
Rate per thousand gallons used	\$2.95	\$2.89	\$2.84
Number of sewer accounts (1)	2,007	1,990	2,023
Total sewer collections (2)	\$826,518	\$814,079	\$797,063

Source: City Records (unless otherwise noted)

- (1) N/A indicates that the information is not available for the indicated year.
- (2) This represents only collections from City residents for utility service and does not include tap-in fees or revenue from Stark County.

2016	2015	2014	2013	2012	2011	2010
\$19.50	\$18.75	\$17.50	\$16.25	\$15.00	\$12.03	\$11.76
\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.27
2,075	2,122	2,105	2,040	2,188	2,058	2,064
\$916,961	\$879,656	\$856,655	\$807,497	\$781,055	\$650,179	\$651,059
\$19.03	\$18.03	\$16.53	\$15.33	\$13.83	\$13.43	\$13.13
\$2.82	\$2.82	\$2.82	\$2.82	\$2.82	\$2.74	\$2.68
1,957	1,963	2,019	1,912	2,052	2,182	2,165
\$790,189	\$758,970	\$739,134	\$692,142	\$665,795	\$631,222	\$637,454

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

Function/Program	2019	2018	2017	2016
General Government				
Buildings	3	3	4	4
Vehicles	2	2	2	2
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	15	14	12	11
Fire				
Stations	2	2	2	2
Vehicles	10	9	8	8
Leisure Time Activities				
Recreation				
Buildings	7	7	7	7
Vehicles	0	0	0	0
Transportation				
Service				
Buildings	3.3	3.3	3	3
Vehicles	10	9	8	7
Utilities				
Water				
Buildings	1.3	1.3	1	1
Vehicles	8.5	7.5	7	7
Sewer				
Buildings	10.3	10.3	10	10
Vehicles	8.5	7.5	7	7

Source: City Records

2015	2014	2013	2012	2011	2010
4 2	4 2	4 2	4 2	4 2	4 6
1 10	1 11	1 11	1 9	1 11	1 12
2 8	2 8	2 8	2 8	2 8	2 10
7 0	7 0	7 0	7 0	7 0	7 0
3 6	3 6	3 6	3 6	3 7	3 7
1 9	1 8	1 7	1 7	1 7	1 6
10 9	10 7	10 6	10 6	10 6	10 6

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**INDEPENDENT AUDITORS' 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***

City Council
City of Canal Fulton, Ohio
155 East Market Street
Canal Fulton, Ohio 44614

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, the business-type activities, each major fund, and the aggregate remaining fund information of City of Canal Fulton, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2020, wherein we noted the City implemented GASB Statement 84 and the potential impact of the COVID-19 pandemic on future periods.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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 are 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 30, 2020

OHIO AUDITOR OF STATE KEITH FABER



CITY OF CANAL FULTON

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/25/2020

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

This report is a matter of public record and is available online at
www.ohioauditor.gov