



**CITY OF NORTH CANTON
STARK COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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KEITH FABER



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City Council
City of North Canton
145 North Main Street
North Canton, Ohio 44720

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of North Canton 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

July 20, 2022

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**CITY OF NORTH CANTON
STARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	3
Schedule of Expenditures of Federal Awards.....	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Audit Findings	8

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Certified Public Accountants, A.C.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

City of North Canton
Stark County
145 North Main Street
North Canton, Ohio 44720

To the City Council:

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion 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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Report on Compliance and Other Matters

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 30, 2022



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

City of North Canton
Stark County
145 North Main Street
North Canton, Ohio 44720

To the City Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the **City of North Canton's** (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on City of North Canton's major federal program for the year ended December 31, 2021. City of North Canton's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

In our opinion, City of North Canton complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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City of North Canton
Stark County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance

Responsibilities of Management for Compliance

The City's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

City of North Canton
Stark County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of North Canton (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 30, 2022. 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 30, 2022

CITY OF NORTH CANTON
STARK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning & Construction	20.205		
Portage Street Resurfacing		99892	\$ 14,996
East Maple Street Enhancements		104863	861,687
N Main Street Resurfacing		111049	514,632
Total Highway Planning and Construction Cluster			<u>1,391,315</u>
Total U.S. Department of Transportation			<u>1,391,315</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Stark County</i>			
COVID-19 - Coronavirus Relief Fund	21.019	N/A	<u>899,602</u>
Total U.S. Department of Treasury			<u>899,602</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 2,290,917</u>

The accompanying notes are an integral part of this schedule.

**CITY OF NORTH CANTON
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of City of North Canton, Stark County (the City) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - MATCHING REQUIREMENTS

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

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weakness in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR §200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	AL #20.205 Highway Planning & Construction Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



City of North Canton, Ohio



Possibility Playground at Dogwood Park

Annual Comprehensive Financial Report For the Year Ended December 31, 2021

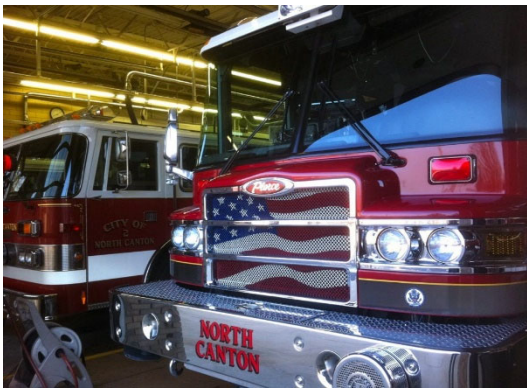
CITY OF NORTH CANTON, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021



JINA E. ALABACK
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT

Introductory Section



CITY OF NORTH CANTON, OHIO

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page	
Table of Contents	i-iv
Letter of Transmittal.....	v-x
Certificate of Achievement for Excellence in Financial Reporting.....	xi
Organizational Chart	xii
List of Principal Officials.....	xiii
Department of Finance Organizational Chart.....	xiv

II. FINANCIAL SECTION

Independent Auditor's Report	1-3
Management's Discussion and Analysis	5-20
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22-23
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund.....	28
Emergency Medical Services Levy Fund.....	31
Statement of Net Position - Proprietary Funds.....	30
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	31
Statement of Cash Flows - Proprietary Funds	32-33
Statement of Fiduciary Net Position - Custodial Funds	34
Statement of Changes in Fiduciary Net Position – Custodial Funds.....	35
Notes to the Basic Financial Statements.....	37-95

II. FINANCIAL SECTION - (CONTINUED)

Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability/Net Pension Asset:	
Ohio Public Employees Retirement System (OPERS)	98-99
Ohio Police and Fire (OP&F) Pension Fund	100-101
Schedule of City Pension Contributions:	
Ohio Public Employees Retirement System (OPERS)	102-103
Ohio Police and Fire (OP&F) Pension Fund	104-105
Schedule of the City's Proportionate Share of the Net OPEB Liability/Asset:	
Ohio Public Employees Retirement System (OPERS)	106
Ohio Police and Fire (OP&F) Pension Fund	107
Schedule of City OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS)	108-109
Ohio Police and Fire (OP&F) Pension Fund	110-111
Notes to Required Supplementary Information	112-113

Combining Statements and Individual Fund Schedules:

Major Funds:

Fund Descriptions - Major Funds	116
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Major Funds:	
General Fund	117-120
Emergency Medical Services Levy Fund	121
Capital Improvement Fund	122
Individual Fund Schedules of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Funds:	
Water Fund	123
Sewer Fund	124
Garbage Fund	125

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions - Nonmajor Governmental Funds	127-128
Combining Balance Sheet - Nonmajor Governmental Funds	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	131
Special Revenue Funds:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	132-134
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	136-138
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds:	
Fire Operating Levy Fund	139
Computer Fund	140
Enforcement and Education Fund	141
Street Construction, Maintenance and Repair Fund	142
Storm Sewer Levy Fund	143
Street Levy Fund	144
Municipal Road Fund	145

II. FINANCIAL SECTION - (CONTINUED)

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds:

General Trust Fund.....	146
Law Enforcement Trust Fund.....	147
Continuing Professional Education Fund.....	148
Community Disaster Relief Fund.....	149
Required Deposits Fund.....	150
COVID-19 Relief Fund.....	151
Income Tax Fund.....	152
Compensated Absences Fund.....	153
Unclaimed Monies Fund.....	154

Capital Projects Funds:

Combining Balance Sheet - Nonmajor Capital Projects Funds.....	156-157
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	158-159

Individual Fund Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Projects Funds:

Indoor Firearms Training Range Improvement Fund.....	160
Park Development Fund.....	161
Issue II Fund.....	162
Dogwood Pool Fund.....	163

Proprietary Funds:

Fund Descriptions.....	164
Internal Service Fund:	
Schedule of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis) - Insurance Fund.....	165

Custodial Funds:

Fund Descriptions.....	166
Combining Statement of Fiduciary Net Position - Custodial Funds.....	167
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds.....	168

III. STATISTICAL SECTION

Table of Contents.....	169
Net Position by Component - Last Ten Years.....	170-171
Changes in Net Position - Last Ten Years.....	172-177
Fund Balances, Governmental Funds - Last Ten Years.....	178-179
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	180-181
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years.....	182-183
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years.....	184-185
Property Tax Levies and Collections - Last Ten Years.....	186-187
Principal Taxpayers - Real Estate Tax - Current Year and Nine Years Ago.....	188
Income Tax Revenue Base and Collections (Cash Basis) - Last Ten Years.....	189

III. STATISTICAL SECTION - (CONTINUED)

Legal Debt Margin - Last Ten Years.....	190-191
Ratios of Outstanding Debt by Type - Last Ten Years	192
Direct and Overlapping Governmental Activities Debt - as of December 31, 2021	193
Water Debt Loan Pledged Revenue Coverage Water Fund - Last Ten Years	194
Sewer Debt Loan Pledged Revenue Coverage Sewer Fund – Last Ten Years.....	195
Demographic and Economic Statistics - Last Ten Years	196-197
Principal Employers by Total Income Tax Withholding - Current Year and Nine Years Ago ...	198
Principal Employers by Number of Employees - Current and Nine Years Ago	199
Full-Time-Equivalent City Governmental Employees by Function/Program - Last Ten Years	200
Capital Asset Statistics by Function/Program - Last Ten Years.....	202-203
Operating Indicators by Function/Program - Last Ten Years.....	204-205



CITY OF NORTH CANTON

145 North Main Street
North Canton, OH 44720

June 30, 2022

Honorable Citizens of North Canton
And Members of City Council
North Canton, Ohio

Transmittal Letter

The Annual Comprehensive Financial Report (ACFR) of the City of North Canton, Ohio (the “City”) is hereby presented. This Annual Report represents the official report of the City of North Canton's operations and financial position for the year ended December 31, 2021, and has been developed to accurately detail the status of City finances to North Canton residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Because the cost of internal control should not exceed 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 audit by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The firm of Perry & Associates, CPA's A.C. has performed the City audit as of December 31, 2021 and they have issued an unmodified (“clean”) opinion. The Independent Auditor's Report on the basic financial statements and the combining and individual fund statements and schedules are included financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

As part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2021 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with GASB Statement No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus*". In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of North Canton (the primary government) and its potential component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of North Canton, this includes the departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair and general administrative services. The City has one component unit: The North Canton Community Improvement Corporation that is shown as a separate discrete component unit. This component unit is included as part of the reporting entity because the primary government appoints all members of their board of trustees and is able to impose its will on the organization.

Profile of the Government

The City acquired its first existence as a recognized political entity when the Village plat was recorded on February 19, 1831 as New Berlin. As a result of sentiment against Germany during World War I, the name of the Village was changed to North Canton on January 31, 1918. The City gained formal status as a City effective January 1, 1962. The City is located in the northern half of Stark County and is approximately 7.15 square miles in size. The City's population, according to the 2020 census, was 17,842.

The City is a home-rule municipal corporation operating under the laws of the State of Ohio. The City's current charter, its municipal constitution, has been amended seven times since its original adoption on November 8, 1960. The laws of the State of Ohio prevail when conflicts exist between the charter and the State constitution and in matters where the charter is silent. The Charter provides for a "Mayor-Administrator-Council" form of government. The City's charter can only be amended by a majority vote of the City's registered voters.

Legislative authority is vested in a seven-member Council, four of which are elected from wards and three are elected at-large. Council members are elected for two year terms in the odd numbered years through a nonpartisan election process. Their term of office begins December 1. The Council holds an organizational meeting within the first three days of December each year. The Mayor presides over the meeting until President of Council is elected by the members of Council.

The Director of Law, Director of Finance and Clerk of Council are appointed by, and serve at, the pleasure of the Council. Council also appoints the three members of the City's Civil Service Commission. The Council fixes compensation of City officials and employees, and enacts legislation in the form of ordinances and resolutions relative to City services, tax levies, appropriating and borrowing monies, and other municipal purposes.

The Mayor is elected for a two year term to begin on the first day of December following the election. According to the Charter, the Mayor is the executive of the City and is responsible to the electors for enforcement of all laws and ordinances, and for control and proper operation of all administrative departments and divisions. The Mayor appoints a Director of Administration subject to confirmation by a majority vote of Council. The Director of Administration is responsible to the Mayor for the general administration of the affairs of the City.

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

- The Department of Service includes the divisions of Streets, Sewer, Water, Engineering, and Parks.
- The Department of Safety includes the divisions of Police, Fire, Health and Sanitation, Emergency Medical Services, and Inspection and Licensing.
- The City also operates three enterprise activities: a water system, a sewer system, and garbage service. The water service is metropolitan in nature and reaches far beyond the City's incorporated boundaries.

The Council is required to adopt a permanent appropriation measure within ninety days of the beginning of the year covered by such ordinance. The annual budget serves as the foundation for the City of North Canton's financial planning and control. The budget is prepared by fund and department. Transfers between funds need special approval from Council.

North Canton Local Economy

Background

The City of North Canton is located in Northeast Ohio along the Interstate 77 corridor with convenient access to markets in Cleveland, Akron and Canton. The Akron Canton Regional Airport is located within a five-minute drive from the City's corporate limits and provides nationwide passenger and commercial airfreight services to the region. Major Airlines, such as American Airlines, Delta Airlines, Spirit Airlines, and United Airlines, provide passenger service at the facility and the passenger traffic at the airport represents approximately twenty percent of all air travel growth in Ohio. The airport continues to have approximately two million customers annually.

North Canton's location allows business and industry to take advantage of a regional academic cluster that contains six universities/colleges that offer high tech programs in biosciences, bioinformatics, fuel cells and information technology. These colleges and universities include Walsh University, Stark State College, Kent State University, University of Akron, Malone University, and University of Mount Union.

Recent Economic History

The City of North Canton was the home for the Hoover Company for over 100 years and the company employed over 4,000 persons locally at its peak. In 2007, the Hoover Manufacturing Company's parent company, the Maytag Corporation, was purchased by the Whirlpool Corporation as part of a larger acquisition package and then subsequently sold to Techtronic Industries Company Ltd. (TTI) for approximately \$107 million. TTI decided they would close the North Canton Hoover Manufacturing Plant at the end of the third quarter of 2007. At the time of TTI's announcement, the employment levels at the North Canton Hoover facility were about 800 hourly workers. The plant was officially closed on September 27, 2007.

After the closure, California based Industrial Realty Group (IRG) and Industrial Commerce Realty (ICR), national and regional real estate development companies that specialize in redevelopment of older industrial buildings, purchased the former Hoover site on January 28, 2008. The official ownership of the site is Maple Street Commerce, LLC. The City and Developer have renamed the site as the "Hoover District" to connect the past community history with the new marketing efforts to redevelop the site. City officials continue to work with IRG as each phase of the Hoover District project progresses.

Current Local Economy

Since 2008, the partnership between the City of North Canton and Hoover District Developer have continued to bring new employees and increased income tax revenues to the City. Currently, thirteen companies call the Hoover District their home, representing eight percent of the City's annual withholding tax revenue for the 2021 calendar year.

The Hoover District continues to play a big role helping drive the City's economy. The City and the Developer continue to work together to redevelop the Hoover District site for warehousing, manufacturing, office, limited retail, and residential house units that offers a true "live work" community. In addition, the community has several other business clusters including healthcare, insurance services, and education.

Further, employment in education accounts for nearly 2,000 jobs at both Walsh University and the North Canton City School District.

Long-Term Financial Planning

The City's income tax ordinance provided for 0.30 percent of the first 1 percent tax rate (after paying all costs associated with the collection of the income tax) be used for capital improvements and 0.70 percent of the first 1 percent be used for general operations of the City. The remaining 0.5 percent tax rate was to be used for either general operations of the City or capital improvements. As the cost of general operations increased at a greater pace than income tax collections, the amount directed to capital improvements had been reduced to the minimum amount allowed. This minimum amount was about 20 percent of the full 1.5 percent tax. As there were fewer funds for capital projects, the City looked at other means to finance equipment purchases and road, curb and gutter improvements. These financing options included capital leasing, grants and zero interest loans. Although the City will continue to explore all financing options, the income tax ordinance was revised in 2017. This allocation is reviewed each year as the budget is prepared for the following year and can be adjusted to meet the priorities of each year's budget. For 2017 through 2020, 30 percent of the full 1.5 percent income tax rate (after paying all costs associated with the collection of the income tax) was used for capital improvements and the remaining 70 percent was used for general operations of the City. Due to grant awards for capital projects planned for 2021, the City is expecting to invest 20 percent of income tax in capital improvements.

Relevant Financial Policies

The City maintains several reserve funds to accumulate resources for future needs. One such fund is for the payout of earned vacation and eligible sick leave to employees who terminate employment with the City. No contributions to this fund has been necessary since 2016, as the amount in the fund is sufficient to cover anticipated termination payments. In addition, the City is accumulating a reserve for improvements to the police department firing range and Dogwood Pool.

Major Initiatives

The City of North Canton will continue its major initiatives/focus areas it has adopted over the past few years that concentrates its efforts on financial stability and growth. The City has prospered since the end of the “Great Recession” that officially occurred in the period of 2008 through 2009. Job losses, plant closures, and significant cuts in State promised funding substantially effected the City’s finances and ability to deliver services to its residential and commercial customers. As a result, the City has adopted several major management issues to assure long-term financial stability, growth, and delivery of superior customer service. These include the following:

1. Lean staffing controls;
2. Controlling expenditures;
3. Improvement of operating efficiencies;
4. Maintenance of a strong general fund and capital improvement fund balances;
5. Development of a capital improvement plans to repair and replace capital assets;
6. Strong investment policies;
7. Aggressive grant seeking for economic development and capital improvement projects;
8. Major focus on economic development and job retention and expansion and,
9. Superior service delivery to residents and business customers.

These measures have been effective in reducing costs and improving efficiencies throughout the City since 2012. Several examples include strong managed operating revenues and expenses with very strong revenue to expense ratios, very strong and improving trends in the general fund, strong job growth during this period evidenced by positive trends and continual increases in income tax revenue during the period, and a defined five-year capital improvement plan. Further, aggressive grant seeking has allowed the replacement and installation of new infrastructure at a fraction of the cost to the City’s capital improvement funds.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Annual Comprehensive Financial Report for the year ended December 31, 2020. This was the 16th consecutive year that the government has achieved this prestigious national award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it the GFOA to determine its eligibility for another certificate.

I would like to thank the Mayor and Members of Council for their support for continued excellence in financial reporting and disclosure. The City would like to express its appreciation to Julian & Grube, Inc. for their assistance with the preparation of this ACFR.

This annual comprehensive financial report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. I express my appreciation to each of them and to many of the City's other employees contributing to this effort.

Respectfully Submitted,



Jina E. Alaback
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Canton
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

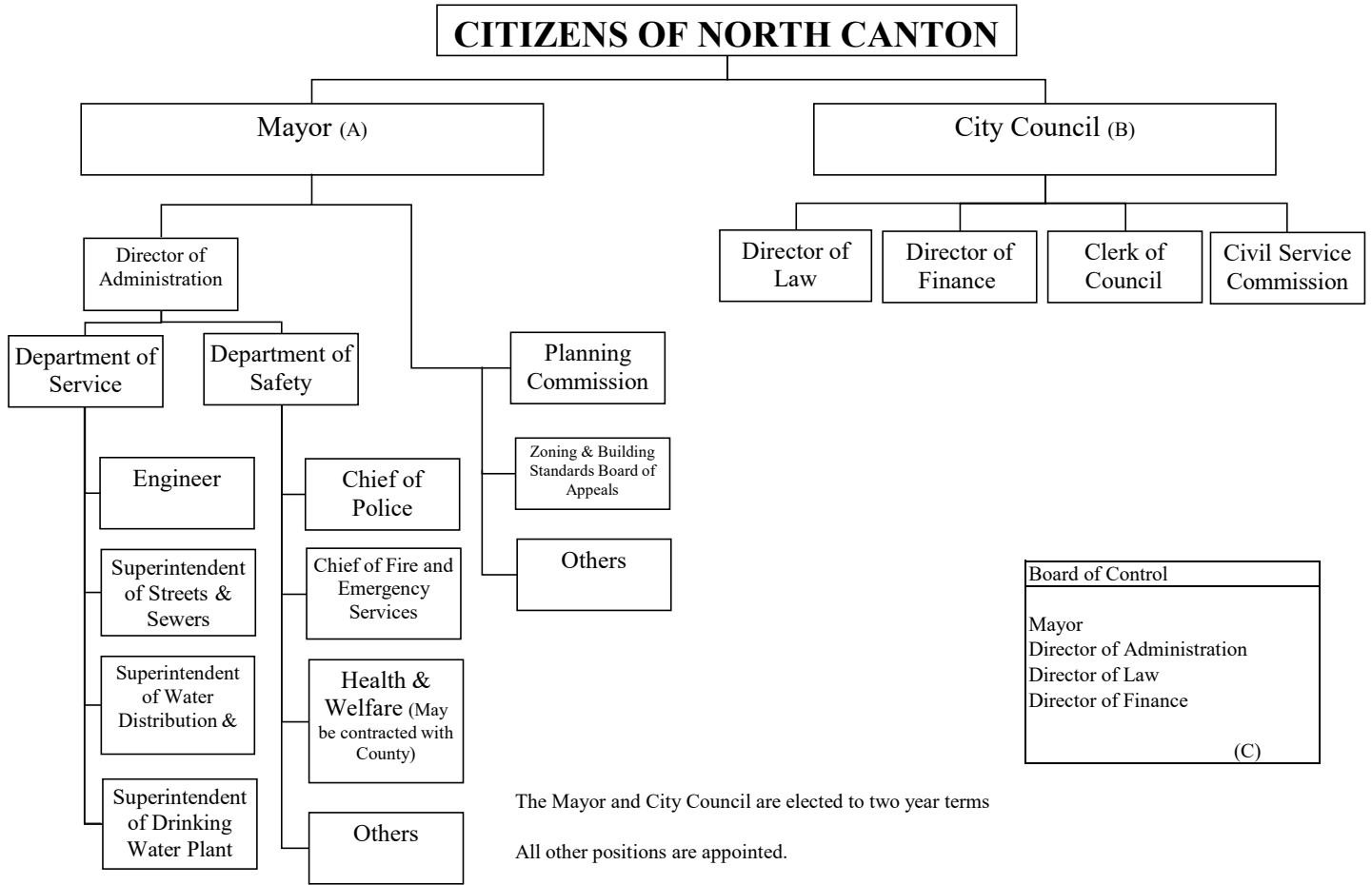
December 31, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF NORTH CANTON, OHIO

**CHARTER GOVERNMENT
ORGANIZATIONAL CHART**



The Mayor and City Council are elected to two year terms

All other positions are appointed.

(A) Chief executive with judicial powers and veto power over ordinances

(B) Elects Council President and Vice President

(C) Awards contracts over Ohio Revised Code bidding limit

CITY OF NORTH CANTON, OHIO

LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2021

ELECTED CITY OFFICIALS

MAYOR

HONORABLE STEPHAN B. WILDER

CITY COUNCIL

MATTHEW STROIA, PRESIDENT, AT-LARGE
STEPHANIE S. WERREN, VICE PRESIDENT, WARD 3
JAMIE MCCLEASTER, WARD 1
DAVID METHENEY, WARD 2
JOHN ORR, WARD 4
DARYL REVOLDT, AT-LARGE
CHRISTINA WEYRICK, AT-LARGE

APPOINTED CITY OFFICIALS

DIRECTOR OF ADMINISTRATION

PATRICK A. DE ORIO

DIRECTOR OF FINANCE

JINA E. ALABACK

DIRECTOR OF LAW

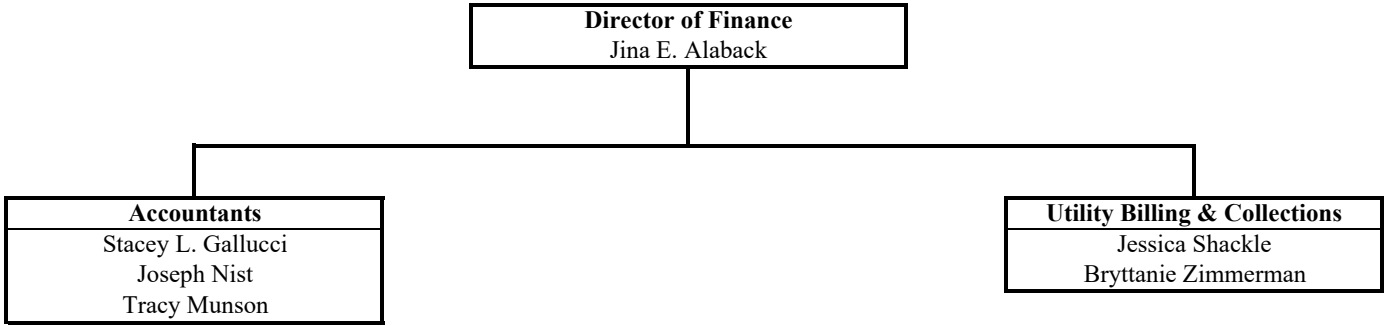
Wayne A. Boyer, Attorney at Krugliak, Wilkins, Griffiths & Dougherty Co, LPA

CLERK OF COUNCIL

BENJAMIN YOUNG

CITY OF NORTH CANTON, OHIO

DEPARTMENT OF FINANCE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2021



Financial Section



New Council Chambers and Civic Center Sign

INDEPENDENT AUDITOR'S REPORT

City of North Canton
Stark County
145 North Main Street
North Canton, Ohio 44720

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Emergency Medical Services Levy funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 30, 2022

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CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

The Management's Discussion and Analysis for the City of North Canton's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis 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 transmittal letter, the notes to the basic financial statements and the basic financial statements.

Financial Highlights

Key financial highlights for 2021 are as follows:

- The total net position of the City increased \$2,781,600. Net position of governmental activities decreased \$86,097 or 0.17% from 2020's net position and business-type activities increased \$2,867,697 or 6.83% over 2020's net position.
- General revenues accounted for \$11,070,360 or 71.80% of total governmental activities revenue. Program specific revenues accounted for \$4,347,140 or 28.20% of total governmental activities revenue.
- The City had \$15,503,597 in expenses related to governmental activities; \$4,347,140 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$11,156,457 were not offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$11,070,360.
- The general fund had revenues and other financing sources of \$13,200,721 in 2021. The expenditures and other financing uses of the general fund totaled \$15,948,154 in 2021. The net decrease in the fund balance for the general fund was \$2,747,433 or 22.77%, from \$12,068,603 to \$9,321,170.
- The emergency medical services levy fund had revenues and other financing sources of \$2,234,080 in 2021. The emergency medical services levy fund had expenditures of \$2,098,510. The fund balance of the emergency medical services levy fund increased \$135,570 from \$365,674 to \$501,244.
- The capital improvement major fund had revenues and other financing sources of \$2,617,881 and expenditures of \$3,869,916 in 2021. The fund balance for the capital improvement fund decreased \$1,252,035 or 18.84%, from \$6,647,187 to \$5,395,152.
- Net position for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$2,867,697 from a net position of \$41,983,386 to \$44,851,083 in 2021.
- The water fund had \$6,824,784 in operating revenues and \$4,853,911 in operating expenses in 2021. The water fund also had nonoperating expenses of \$155,350. The net position of the water fund increased \$1,884,270 or 5.80%.
- The sewer fund had \$3,548,569 in operating revenues and \$2,503,271 in operating expenses in 2021. The sewer fund also had non-operating expenses of \$123,444. The net position of the sewer fund increased \$921,854 or 10.54%.
- The garbage fund had \$1,163,989 in operating revenues and \$1,120,819 in operating expenses in 2021. The garbage fund also had non-operating revenues of \$34,730. The net position of the garbage fund increased \$77,900 or 20.81%.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

Using this Annual Comprehensive Financial Report (ACFR)

The City's annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of North Canton as a total financial and operating entity. The individual statements provide a detailed look at specific financial activities.

The City's basic financial statements are comprised of three components: 1) City-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell the reader how services were financed in the short-term, as well as the amount of funds remaining for future spending. The fund financial statements also look at the City's major funds with all other non-major funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and Statement of Activities

The analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2021?" The Statement of Net Position and the Statement of Activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in the net position. The change in net position is important because it allows the reader to judge in many respects as to whether or not the City's financial position has improved or diminished over the past year. The causes of any change in financial position for the City may be related to, or the result of, many factors, some of which may be directly financial, and others which may be only indirectly related to the City's finances. Indirect financial factors include changes in the City's tax or revenue base, changes in general tax law in Ohio or the City, variations in economic conditions, the condition of the City's capital assets and other related factors which may impact revenues or expenses.

In the Statement of Net Position and the Statement of Activities, the City operation is divided into two distinct types of activities as follows:

- **Governmental Activities** - Most of the City's programs and services are considered to be governmental activities, including general government, security of persons and property, public health and welfare, transportation, community environment, leisure time activities and basic utility services. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided.

The City-wide financial statements can be found on pages 21-23 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like the State and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds, not on the City as a whole. The City's major governmental funds are the general fund, the emergency medical services levy fund and the capital improvement fund and issue II fund. The City's major proprietary funds are the water fund, the sewer fund and the garbage fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the year. This information is useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the City's governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 24-39 of this report.

The City adopts an annual appropriation budget for its general fund and other funds. Budgetary statements and schedules have been provided for all annually budgeted funds to demonstrate compliance.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water system, sewer and garbage. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-insurance programs for medical-related employee benefits. The basic proprietary fund statements can be found on pages 30-33 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. Custodial funds are the City's only fiduciary fund type. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the Basic Financial Statements

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 37-95 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and net OPEB liability/asset. The required supplementary information can be found on pages 98-113 of this report.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the City as a whole.

The table below provides a summary of the City's net position at December 31, 2021 compared to December 31, 2020.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$ 28,410,847	\$ 30,198,887	\$ 11,459,602	\$ 10,384,110	\$ 39,870,449	\$ 40,582,997
Capital assets, net	44,863,394	43,542,643	44,112,665	45,112,647	88,976,059	88,655,290
Total assets	<u>73,274,241</u>	<u>73,741,530</u>	<u>55,572,267</u>	<u>55,496,757</u>	<u>128,846,508</u>	<u>129,238,287</u>
Deferred outflows of resources						
Unamortized deferred charges	46,498	51,712	99,971	111,183	146,469	162,895
Pension	2,275,030	2,408,118	519,689	414,971	2,794,719	2,823,089
OPEB	1,464,039	1,498,571	256,098	249,409	1,720,137	1,747,980
Total deferred outflows of resources	<u>3,785,567</u>	<u>3,958,401</u>	<u>875,758</u>	<u>775,563</u>	<u>4,661,325</u>	<u>4,733,964</u>
Liabilities						
Current liabilities	2,102,375	1,193,154	588,950	647,400	2,691,325	1,840,554
Long-term liabilities:						
Due within one year	361,086	341,711	1,188,126	1,154,951	1,549,212	1,496,662
Net pension liability	9,373,499	9,662,814	1,820,266	2,078,511	11,193,765	11,741,325
Net OPEB liability	1,101,851	2,868,820	-	1,522,625	1,101,851	4,391,445
Other amounts	8,590,312	8,853,698	6,316,390	7,718,577	14,906,702	16,572,275
Total liabilities	<u>21,529,123</u>	<u>22,920,197</u>	<u>9,913,732</u>	<u>13,122,064</u>	<u>31,442,855</u>	<u>36,042,261</u>
Deferred inflows of resources						
Property taxes	2,759,504	2,599,887	-	-	2,759,504	2,599,887
Pension	1,892,675	1,736,582	923,870	781,150	2,816,545	2,517,732
OPEB	1,322,786	801,448	759,340	385,720	2,082,126	1,187,168
Total deferred inflows of resources	<u>5,974,965</u>	<u>5,137,917</u>	<u>1,683,210</u>	<u>1,166,870</u>	<u>7,658,175</u>	<u>6,304,787</u>
Net Position						
Net investment in capital assets	36,942,454	35,218,442	36,927,021	36,569,863	73,869,475	71,788,305
Restricted	3,820,299	2,669,100	-	-	3,820,299	2,669,100
Unrestricted	8,792,967	11,754,275	7,924,062	5,413,523	16,717,029	17,167,798
Total net position	<u>\$ 49,555,720</u>	<u>\$ 49,641,817</u>	<u>\$ 44,851,083</u>	<u>\$ 41,983,386</u>	<u>\$ 94,406,803</u>	<u>\$ 91,625,203</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability/asset* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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 above, 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.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2021, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$94,406,802. At year-end, net position was \$49,555,720 and \$44,851,083 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2021, capital assets represented 69.09% of total assets. Capital assets include land, easements and rights of way, construction in progress (CIP), land improvements, buildings, equipment, software, sewer rights and infrastructure. Net investment in capital assets at December 31, 2021, was \$36,942,454 and \$36,927,021 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Assets of governmental activities decreased \$467,289 or 6.34%. This decrease can mainly be attributed to a decrease equity in pooled cash, municipal income taxes receivable, and prepayments. The increase in capital assets was the result of new construction in progress and street programs that were purchased during the year. Liabilities of the governmental activities decreased by \$1,391,074 or 6.10% which is due primarily to changes made by the Ohio Public Employees Retirement System (OPERS).

Assets of business-type activities increased \$75,510 or 0.14%. This increase was the result of an increase in materials and supplies inventory and a decrease in capital assets. Liabilities of the business-type activities decreased by \$3,208,332 or 24.45%. This decrease was due to primarily to due primarily to changes made by the Ohio Public Employees Retirement System (OPERS).

On January 15, 2020, OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes along with changes in assumptions related to an increase in discount rate from 3.16% to 6.00% significantly decreased the total OPEB liability for the measurement date December 31, 2020.

As of December 31, 2021, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net position, \$3,820,299, represents resources that are subject to external restriction on how they may be used. This is an increase of \$1,151,199 from 2020. In the governmental activities, the remaining balance of unrestricted net position of \$8,792,967 may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

The table below shows the changes in net position for years 2021 and 2020.

	Change in Net Position					
	Governmental	Governmental	Business-Type	Business-Type	2021	2020
	Activities	Activities	Activities	Activities	Total	Total
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,442,945	\$ 1,195,964	\$ 11,507,849	\$ 11,244,856	\$ 12,950,794	\$ 12,440,820
Operating grants and contributions	1,318,776	2,631,758	34,730	48,638	1,353,506	2,680,396
Capital grants and contributions	<u>1,585,419</u>	<u>3,294,696</u>	<u>68,747</u>	<u>188,608</u>	<u>1,654,166</u>	<u>3,483,304</u>
Total program revenues	<u>4,347,140</u>	<u>7,122,418</u>	<u>11,611,326</u>	<u>11,482,102</u>	<u>15,958,466</u>	<u>18,604,520</u>
General revenues:						
Taxes	10,611,494	12,100,486	-	-	10,611,494	12,100,486
Grants and entitlements	802,466	709,899	-	-	802,466	709,899
Investment earnings	(393,036)	586,196	-	-	(393,036)	586,196
Miscellaneous	<u>49,436</u>	<u>262,245</u>	<u>29,493</u>	<u>174,088</u>	<u>78,929</u>	<u>436,333</u>
Total general revenues	<u>11,070,360</u>	<u>13,658,826</u>	<u>29,493</u>	<u>174,088</u>	<u>11,090,415</u>	<u>13,832,914</u>
Total revenues	<u>15,417,500</u>	<u>20,781,244</u>	<u>11,640,819</u>	<u>11,656,190</u>	<u>27,058,319</u>	<u>32,437,434</u>

--Continued

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	Change in Net Position - (Continued)					
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	2021 Total	2020 Total
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>Total</u>	<u>Total</u>
Expenses:						
General government	1,852,191	2,375,057	-	-	1,852,192	2,375,057
Security of persons and property:			-	-		
Police	4,187,909	4,566,197	-	-	4,187,909	4,566,197
Fire	883,297	716,482	-	-	883,297	716,482
Public health and welfare	2,056,123	2,373,811	-	-	2,056,123	2,373,811
Transportation	3,752,186	3,108,705	-	-	3,752,186	3,108,705
Community environment	1,391,347	583,626	-	-	1,391,347	583,626
Leisure time activities	863,713	860,473	-	-	863,713	860,473
Basic utility services	363,001	506,068	-	-	363,001	506,068
Economic development	9,270	12,933	-	-	9,270	12,933
Interest and fiscal charges	144,560	207,598	-	-	144,560	207,598
Water	-	-	5,021,009	5,054,397	5,021,009	5,054,397
Sewer	-	-	2,630,900	3,161,180	2,630,900	3,161,180
Garbage	-	-	1,121,213	1,105,483	1,121,213	1,105,483
Total expenses	<u>15,503,597</u>	<u>15,310,950</u>	<u>8,773,122</u>	<u>9,321,060</u>	<u>24,276,720</u>	<u>24,632,010</u>
Change in net position	(86,097)	5,470,304	2,867,697	2,335,130	2,781,599	7,805,434
Net position at beginning of year	<u>49,641,817</u>	<u>44,171,513</u>	<u>41,983,386</u>	<u>39,648,256</u>	<u>91,625,203</u>	<u>83,819,769</u>
Net position at end of year	<u>\$ 49,555,719</u>	<u>\$ 49,641,817</u>	<u>\$ 44,851,083</u>	<u>\$ 41,983,386</u>	<u>\$ 94,406,802</u>	<u>\$ 91,625,203</u>

Governmental Activities

Governmental activities net position decreased \$86,097 in 2021.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$5,071,206 of the total expenses of the City. This is a significant increase from the prior year due to an increase in OPEB expense. The Ohio Police & Fire (OP&F) Pension Fund changed from a claims based model to a stipend based model which significant decreased the OPEB expenses in the prior year. These expenses were partially funded by \$182,326 in direct charges to users of the services. General government expenses totaled \$1,852,191. General government expenses were partially funded by \$647 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$1,318,776 in operating grants and contributions. The decrease in operating grants and contributions was due to the City receiving no money from the Coronavirus Aid, Relief and Economic Stimulus (CARES) Act in the current year. Capital grants and contributions decreased due to less funding from the Ohio Public Works Commission (OPWC) and the Ohio Department of Transportation (ODOT) during the year.

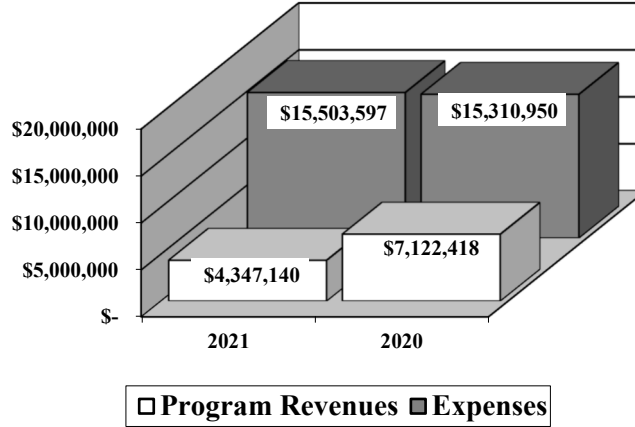
General revenues totaled \$11,070,360 and amounted to 71.80% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$10,611,494. This increase was the result of an increase in income taxes which decreased approximately \$1,488,992 from the prior year.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Governmental Activities - Program Revenues vs. Total Expenses



Governmental Activities

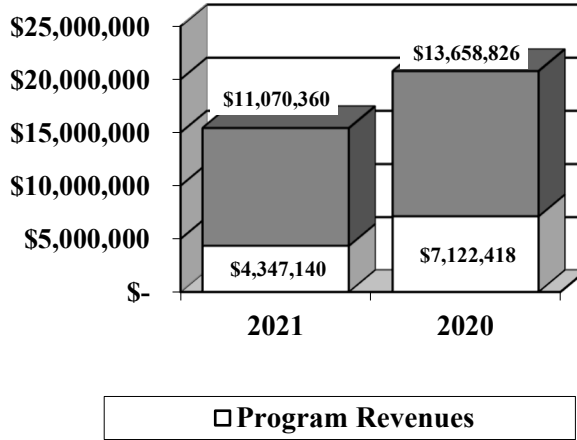
	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
<u>Program expenses:</u>				
General government	\$ 1,852,191	\$ 1,851,544	\$ 2,375,057	\$ 1,917,485
Security of persons and property:				
Police	4,187,909	4,001,563	4,566,197	3,917,119
Fire	883,297	728,559	716,472	311,911
Public health and welfare	2,056,123	1,381,880	2,373,811	1,448,321
Transportation	3,752,186	1,558,385	3,108,705	(855,433)
Community environment	1,391,347	1,031,629	583,626	253,661
Leisure time activities	863,713	602,908	860,473	468,859
Economic development	9,270	(507,572)	12,933	12,933
Basic utility services	363,001	363,001	506,068	506,068
Interest and fiscal charges	144,560	144,560	207,598	207,598
Total Expenses	\$ 15,503,597	\$ 11,156,457	\$ 15,310,940	\$ 8,188,522

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

The dependence upon general revenues for governmental activities is apparent, with 71.41% of expenses supported through taxes and other general revenues in 2021.

Governmental Activities – General and Program Revenues

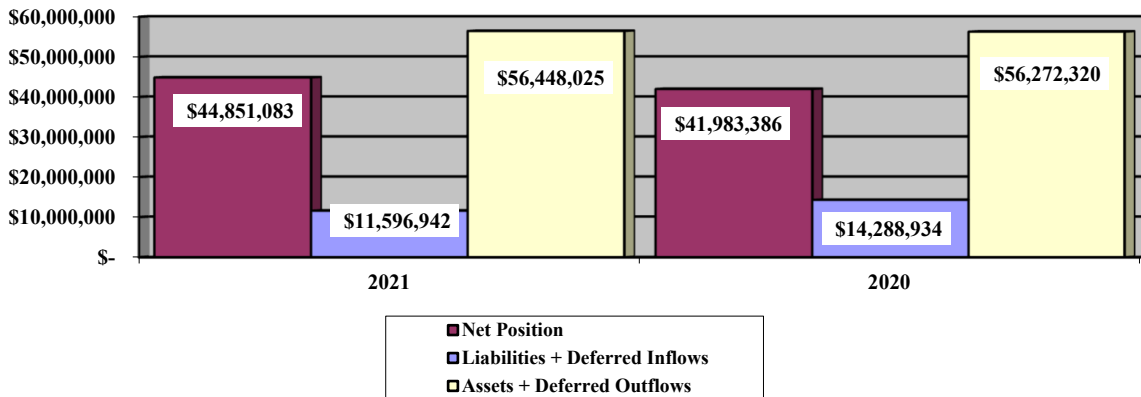


Business-Type Activities

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$11,620,764, expenses of \$8,773,122 and general revenues of \$20,055 for 2021. Additional discussion on the enterprise funds can be found on the subsequent pages.

The graph below shows the business-type activities assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2021 and 2020.

Net Position in Business - Type Activities



CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds reported a combined fund balance of \$19,375,906 which is \$2,877,368 lower than last year's total of \$22,253,274. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2021 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/21</u>	Fund Balances <u>12/31/20</u>	<u>Change</u>
Major Funds:			
General	\$ 9,321,170	\$ 12,068,603	\$ (2,747,433)
Emergency Medical Services Levy	501,244	365,674	135,570
Capital Improvement	5,395,152	6,647,187	(1,252,035)
Other Nonmajor Governmental Funds	<u>4,158,340</u>	<u>3,171,810</u>	<u>986,530</u>
Total	<u>\$ 19,375,906</u>	<u>\$ 22,253,274</u>	<u>\$ (2,877,368)</u>

General Fund

The City's general fund balance decreased \$2,747,433. The table that follows assists in illustrating the revenues of the general fund.

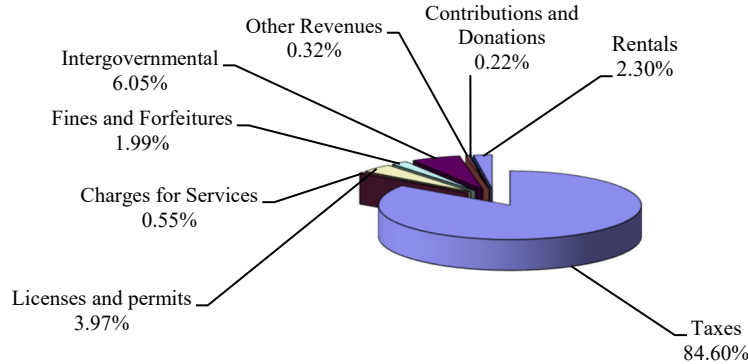
	2021 <u>Amount</u>	2020 <u>Amount</u>	<u>Change</u>	<u>Percentage Change</u>
Revenues				
Taxes	\$ 7,670,268	\$ 7,249,623	\$ 420,645	5.80 %
Charges for services	50,053	495	49,558	10,011.72 %
Licenses and permits	359,718	316,466	43,252	13.67 %
Fines and forfeitures	180,601	189,765	(9,164)	(4.83) %
Intergovernmental	548,631	511,481	37,150	7.26 %
Interest	(396,331)	596,009	(992,340)	(166.50) %
Rentals	208,195	48,626	159,569	328.16 %
Contributions and donations	20,000	-	20,000	100.00 %
Other	<u>29,436</u>	<u>262,245</u>	<u>(232,809)</u>	<u>(88.78) %</u>
Total	<u>\$ 8,670,571</u>	<u>\$ 9,174,710</u>	<u>\$ (504,139)</u>	<u>(5.49) %</u>

CITY OF NORTH CANTON, OHIO

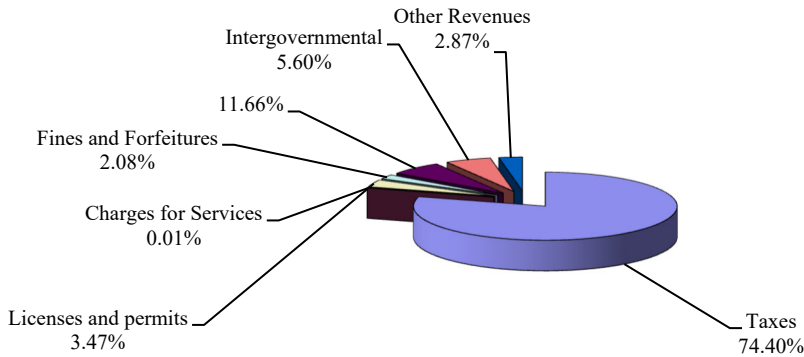
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

Revenues of the general fund decreased \$504,139 or 5.49%. The largest revenue source, tax revenues, increased by \$420,645. This increase was the result of better income tax collections compared to the prior year. Interest decreased \$992,340 or 166.50%. This decrease was due to a decrease in interest rates earned on investments. Fines and forfeitures decreased due to the lower police fines.

Revenues – 2021



Revenues – 2020



The table that follows assists in illustrating the expenditures of the general fund.

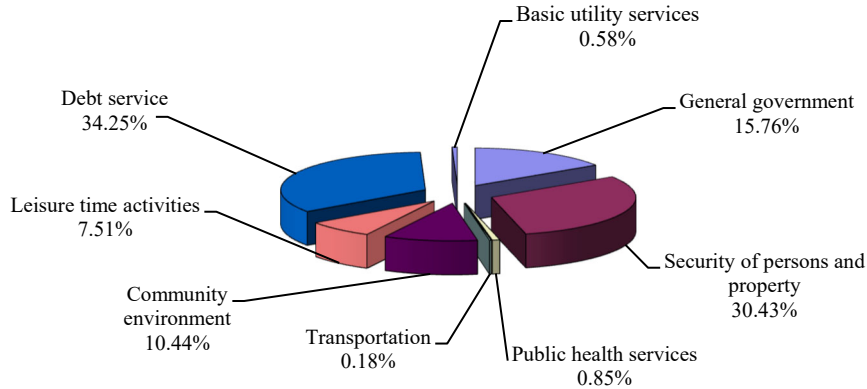
	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 2,185,909	\$ 2,099,210	\$ 86,699	4.13 %
Security of persons and property:				
Police	4,220,564	3,373,085	847,479	25.12 %
Public health and welfare	117,782	96,408	21,374	22.17 %
Transportation	24,372	-	24,372	100.00 %
Community environment	1,447,866	584,534	863,332	147.70 %
Leisure time activities	1,041,817	974,026	67,791	6.96 %
Basic utility services	80,107	25,895	54,212	209.35 %
Debt service	4,750,816	89,675	4,661,141	5,197.82 %
Total	<u>\$ 13,869,233</u>	<u>\$ 7,242,833</u>	<u>\$ 6,626,400</u>	91.49 %

CITY OF NORTH CANTON, OHIO

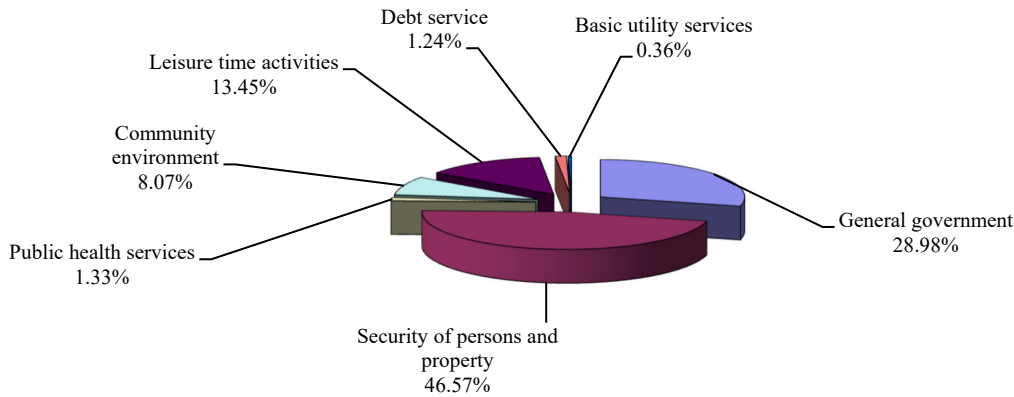
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

Expenditures of the general fund increased \$6,626,400 or 91.49%. The largest increase was in the areas of community environment and debt service activities which increased \$863,332 and \$4,661,141, respectively. The increase in general government was the result of increased spending by the Mayor, Director of Administration, Director of Finance and Engineer. The increase in leisure time activities is due primarily to an increase in costs associated with the golf course. The increase in community environment is due primarily to an increase in funding to the North Canton Community Improvement Corporation and an increase in spending in other areas of economic development. The increase in debt service was due to the City retiring the series 2020A and 2020B notes during the year.

Expenditures – 2021



Expenditures – 2020



Emergency Medical Services Levy

The emergency medical services levy fund had revenues and other financing sources of \$2,234,080. The emergency medical services levy fund had expenditures of \$2,098,510. The fund balance of the emergency medical services levy fund increased \$135,570 during 2021 from \$365,674 to \$501,244. The fund balance increased due to a transfer in from the general fund that was required to supplement the fund due to additional personal service costs.

Capital Improvement Fund

The capital improvement major fund had \$2,167,881 in revenues and other financing sources and \$3,869,916 in expenditures in 2021. The fund balance for the capital improvement fund decreased \$1,252,035, from \$6,647,187 to \$5,395,152 in 2021. The decrease in fund balance was the result of the City not having assets held for resale in the fund.

CITY OF NORTH CANTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Budgeting Highlights – General Fund

The City’s budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City’s appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City’s plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$13,835,032 were lower than the final budget amount by \$34,543. This decrease is due to the note issuance being less than it was budgeted for.

Actual expenditures and other financing uses of \$16,344,177 were lower than the final budget amount by \$198,020. This decrease was primarily due to conservative spending in the police department, community environment and general government. Final appropriations were \$240,449 lower than original appropriations. The City was able to reallocate costs between departments and lower other amounts in order to stay on budget as well as decrease the City’s transfers out.

Proprietary Funds

The City’s proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds. The only interfund activities reported in the government-wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

The City’s business-type funds reported a combined net position of \$44,851,083, which is \$2,867,697 higher than last year’s total of \$41,983,386.

The schedule below indicates the net position and the total change in net position as of December 31, 2021 and December 31, 2020 for all major business-type funds.

	<u>Net Position</u> <u>12/31/21</u>	<u>Net Position</u> <u>12/31/20</u>	<u>Change</u>
Major Funds:			
Water	\$ 34,422,327	\$ 32,538,057	\$ 1,884,270
Sewer	9,664,042	8,742,188	921,854
Garbage	<u>452,252</u>	<u>374,352</u>	<u>77,900</u>
Total	<u>\$ 44,538,621</u>	<u>\$ 41,654,597</u>	<u>\$ 2,884,024</u>

Water Fund

The water fund had \$6,824,784 in operating revenues and \$4,853,911 in operating expenses during 2021. The water fund also had \$155,350 in nonoperating expenses. The net position of the water fund increased \$1,884,270 from \$32,538,057 to \$34,422,327. This increase was the result of water rates being sufficient to cover the costs needing to operate the water department.

Sewer Fund

The sewer fund had \$3,548,569 in operating revenues and \$2,503,271 in operating expenses during 2021. The sewer fund also had \$123,444 in nonoperating expenses. The net position of the sewer fund increased \$921,854 from \$8,742,188 to \$9,664,042. This increase is the result of operating revenues exceeding operating expenses. The sewer fund showed an decrease in personal service costs and decreased spending in the area of contract services.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Garbage Fund

The garbage fund had \$1,163,989 in operating revenues and \$1,120,819 in operating expenses in 2021. The garbage fund also had non-operating revenues of \$34,730. The net position of the garbage fund increased \$77,900 from \$374,352 to \$452,252. The fund balance increased due primarily to a charges for services increasing year over year.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2021, the City had \$88,976,059 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software, sewer rights and infrastructure. Of this total, \$44,863,394 was reported in governmental activities and \$44,112,665 was reported in business-type activities. See Note 11 in the basic financial statements for additional capital asset disclosure. The table on the following page shows December 31, 2021 balances compared to December 31, 2020.

**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 8,301,839	\$ 6,740,849	\$ 1,023,702	\$ 1,023,702	\$ 9,325,541	\$ 7,764,551
Easements and right of ways	658,336	658,336	-	-	658,336	658,336
Construction in progress	1,864,402	2,977,084	2,441,573	3,421,033	4,305,975	6,398,117
Land improvements	3,101,277	1,851,485	980,266	301,027	4,081,543	2,152,512
Buildings	4,039,526	3,905,561	7,439,546	7,839,729	11,479,072	11,745,290
Equipment	3,440,487	3,775,902	2,603,968	2,691,881	6,044,455	6,467,783
Software	12,098	17,698	7,272	13,861	19,370	31,559
Sewer rights	-	-	714,796	748,927	714,796	748,927
Infrastructure	<u>23,445,429</u>	<u>23,615,728</u>	<u>28,901,542</u>	<u>29,072,487</u>	<u>52,346,971</u>	<u>52,688,215</u>
Totals	<u>\$ 44,863,394</u>	<u>\$ 43,542,643</u>	<u>\$ 44,112,665</u>	<u>\$ 45,112,647</u>	<u>\$ 88,976,059</u>	<u>\$ 88,655,290</u>

CITY OF NORTH CANTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Debt

The City had the following long-term obligations outstanding at December 31, 2021 and 2020.

	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
General obligation bonds	\$ 3,385,988	\$ 3,651,808
Various purpose notes	<u>4,500,000</u>	<u>4,400,000</u>
Total governmental activities long-term obligations	<u>\$ 7,885,988</u>	<u>\$ 8,051,808</u>
	Business-type Activities <u>2021</u>	Business-type Activities <u>2020</u>
OWDA loans	\$ 2,715,897	\$ 3,422,768
Intergovernmental loans	1,406,649	1,481,422
OPWC loans	1,079,451	1,311,251
General obligation bonds	<u>2,094,012</u>	<u>2,426,192</u>
Total business-type activities long-term obligations	<u>\$ 7,296,009</u>	<u>\$ 8,641,633</u>

See Note 15 in the basic financial statements for additional disclosures and detail regarding the City’s debt activity.

Economic Factors and Next Year’s Budget

About ten years after the great recession and the closure of the Hoover Company, the City of North Canton has rebounded and the local and regional economy has continued to grow in several key sectors. The educational sector is led by Walsh University and North Canton City School District. Walsh University is the City’s largest employer by number of employees, and second largest employer by income tax withholding. The University continues to increase enrollment, with almost 3,000 students studying at the North Canton main campus or the satellite campus in Rome, Italy. The University opened a new 44,000 square foot signature building on its main campus known as the “Marlene and Joe Toot Global Learning Center”. The University invested approximately \$20,000,000 to construct classroom and office space with a heavy emphasis on digital and high technology. It is anticipated that this facility will draw more technology companies to the region and provide potential employees to local software development companies such as Prime Pro Data and Squirrels Inc.

North Canton City School District is the City’s largest employer by income tax withholding, second largest employer by number of employees, and has been recognized for numerous awards in the past year, including an Overall A Award on the State report card for Northwood Elementary School, a Momentum Award for Orchard Hill Intermediate School, and a Momentum Award for the School District as a whole. The School District was one of only 51 school districts in the Ohio to receive this recognition. In addition to their academic success, the School District also partnered with the City to increase school safety by implementing a School Resource Officer program staffed by two City police officers. The City and the School District share the costs of these officers, increasing safety in the school buildings and the community. In late 2021, the School District broke ground on two new school buildings; the new districtwide Pre-kindergarten - 2nd Grade building on Charlotte Street NW and the districtwide 3rd – 5th grade building on East Maple Street. Both buildings are scheduled to open in August 2023.

The City is experiencing continued growth in the medical sector. In 2018, Akron Children’s Hospital broke ground on a \$13,800,000 project to expand pediatric services in North Canton. The Hospital and the City signed a 10-year Industrial and Commercial Job Creation Incentive Grant Agreement for this project. The City returns a portion of new income tax generated by the facility to the Hospital to provide for further capital investments in equipment for the facility, and the Hospital has donated funds to construct a new children’s performing arts pavilion at Dogwood Park.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

The City is experiencing expanded growth in the industrial sector. Diebold Nixdorf built off its millions in initial investment in North Canton for a manufacturing/assembly plant with announced plans to expand their footprint with a \$16,000,000 building addition and up to 500 new jobs. Construction continues with expected completion date in early 2023. To accommodate the Diebold Nixdorf expansion as well as the School District's new PK – 2nd Grade building, the City initiated work on a \$3 million improvement to the Charlotte Street corridor which will include the construction of various turn lanes and a modern roundabout at the 5-way Charlotte/Portage/Willaman intersection at the west terminus of the project.

The City continued on a land bank initiative, beginning in 2020, by acquiring more than a dozen commercial properties for the purposes of controlled redevelopment that included 27 acres around the bankrupt Kmart property. 2022 portends to see the disposition of some of these properties and continued jobs development.

The City's income tax revenue continues to climb as the general economy continues to improve. Income tax revenues (net of the cost of tax collection) are to be split 70 percent to the general fund and 30 percent to the capital improvement fund. Dedicating 30 percent of the City's largest revenue source to capital improvements demonstrates the City's commitment to keeping infrastructure well-maintained.

Other infrastructure projects were ongoing during 2021 such as street improvements on North Main Street and two phases of waterline replacements along Pittsburg Avenue, various parks improvements and interior remodel of City Hall to accommodate the Finance and Utilities Department. Although the capital improvement fund is primarily used for governmental capital assets such as these, the City is committed to the repair and maintenance of business type capital assets as well. Water rates increased each year since June 2013 and had a final planned increase in June of 2017. The City completed a study of water and sewer rates in 2020, which required annual increases to the rates beginning January 1, 2021.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for City officials, members of the public and others who may have an interest in the City's financial standing. It also is designed to demonstrate the City's accountability for the money it receives from all sources, particularly the taxpayers of North Canton. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Jina E. Alaback, Director of Finance, City of North Canton, 145 North Main Street, North Canton, Ohio 44720.

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
Assets:				
Equity in pooled cash and investments	\$ 17,321,545	\$ 9,464,440	\$ 26,785,985	\$ -
Cash and cash equivalents				
In segregated accounts	137,070	-	137,070	-
With fiscal agents	-	-	-	137,564
Receivables:				
Property taxes	2,834,142	-	2,834,142	-
Municipal income taxes	2,763,674	-	2,763,674	-
Accounts	131,803	1,038,855	1,170,658	-
Intergovernmental	1,046,889	-	1,046,889	-
Special assessments	-	22,947	22,947	-
Accrued interest	34,022	-	34,022	-
Notes	-	-	-	163,757
Materials and supplies inventory	340,697	316,347	657,044	-
Prepayments	41,121	4,699	45,820	-
Net pension asset	92,246	73,516	165,762	-
Net OPEB asset	283,999	226,336	510,335	-
Assets held for resale	3,696,101	-	3,696,101	-
Internal balance	(312,462)	312,462	-	-
Capital assets:				
Non-depreciable capital assets	10,824,577	3,465,275	14,289,852	1,585,608
Depreciable capital assets, net	34,038,817	40,647,390	74,686,207	851,307
Total capital assets, net	44,863,394	44,112,665	88,976,059	2,436,915
Total assets	73,274,241	55,572,267	128,846,508	2,738,236
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	46,498	99,971	146,469	-
Pension	2,275,030	519,689	2,794,719	-
OPEB	1,464,039	256,098	1,720,137	-
Total deferred outflows of resources	3,785,567	875,758	4,661,325	-
Liabilities:				
Accounts payable	173,600	260,591	434,191	197
Contracts payable	5,073	-	5,073	-
Mortgage payable	-	-	-	29,685
Accrued wages and benefits payable	436,722	91,431	528,153	-
Intergovernmental payable	279,026	181,858	460,884	-
Accrued interest payable	38,623	55,070	93,693	-
Claims payable	159,242	-	159,242	-
Unearned revenue	1,010,089	-	1,010,089	-
Long-term liabilities:				
Due within one year	361,086	1,188,126	1,549,212	-
Due in more than one year:				
Net pension liability	9,373,499	1,820,266	11,193,765	-
Net OPEB liability	1,101,851	-	1,101,851	-
Other amounts	8,590,312	6,316,390	14,906,702	508,714
Total liabilities	21,529,123	9,913,732	31,442,855	538,596
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,759,504	-	2,759,504	-
Pension	1,892,675	923,870	2,816,545	-
OPEB	1,322,786	759,340	2,082,126	-
Total deferred inflows of resources	5,974,965	1,683,210	7,658,175	-
Net position:				
Net investment in capital assets	36,942,454	36,927,021	73,869,475	1,898,516
Restricted for:				
Capital projects	357,389	-	357,389	-
Computer systems	19,539	-	19,539	-
Security of persons and property - police	106,956	-	106,956	-
Public health and welfare	1,375	-	1,375	-
Transportation	2,519,642	-	2,519,642	-
Basic utilities	744,883	-	744,883	-
General trust	70,515	-	70,515	-
Unrestricted	8,792,967	7,924,062	16,717,029	301,124
Total net position	\$ 49,555,720	\$ 44,851,083	\$ 94,406,803	\$ 2,199,640

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government	\$ 1,852,191	\$ 647	\$ -	\$ -
Security of persons and property:				
Police	4,187,909	179,954	6,392	-
Fire	883,297	2,372	152,366	-
Public health and welfare	2,056,123	642,006	32,237	-
Transportation	3,752,186	-	1,113,938	1,079,863
Community environment	1,391,347	359,718	-	-
Leisure time activities	863,713	258,248	2,557	-
Economic development	9,270	-	11,286	505,556
Basic utility services	363,001	-	-	-
Interest and fiscal charges	144,560	-	-	-
Total governmental activities	<u>15,503,597</u>	<u>1,442,945</u>	<u>1,318,776</u>	<u>1,585,419</u>
Business-type activities:				
Water	5,021,009	6,795,291	-	68,747
Sewer	2,630,900	3,548,569	-	-
Garbage	1,121,213	1,163,989	34,730	-
Total business-type activities	<u>8,773,122</u>	<u>11,507,849</u>	<u>34,730</u>	<u>68,747</u>
Total primary government	<u>\$ 24,276,719</u>	<u>\$ 12,950,794</u>	<u>\$ 1,353,506</u>	<u>\$ 1,654,166</u>
Component Unit:				
North Canton Community Improvement Corporation	<u>\$ 140,258</u>	<u>\$ 24,430</u>	<u>\$ 525,000</u>	<u>\$ 450,000</u>

General revenues:

Property taxes levied for:
 General purposes
 Fire operating levy
 Emergency medical services levy
 Storm sewer levy
 Street levy
Income taxes levied for:
 General purposes
 Capital improvement
Grants and entitlements not restricted
 to specific programs
Investment earnings
Gain on disposal of assets
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position			Component Unit North Canton Community Improvement Corporation
Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (1,851,544)	\$ -	\$ (1,851,544)	\$ -
(4,001,563)	-	(4,001,563)	-
(728,559)	-	(728,559)	-
(1,381,880)	-	(1,381,880)	-
(1,558,385)	-	(1,558,385)	-
(1,031,629)	-	(1,031,629)	-
(602,908)	-	(602,908)	-
507,572	-	507,572	-
(363,001)	-	(363,001)	-
(144,560)	-	(144,560)	-
<u>(11,156,457)</u>	<u>-</u>	<u>(11,156,457)</u>	<u>-</u>
-	1,843,029	1,843,029	-
-	917,669	917,669	-
-	77,506	77,506	-
-	<u>2,838,204</u>	<u>2,838,204</u>	<u>-</u>
<u>(11,156,457)</u>	<u>2,838,204</u>	<u>(8,318,253)</u>	<u>-</u>
-	-	-	859,172
926,835	-	926,835	-
169,852	-	169,852	-
849,260	-	849,260	-
339,704	-	339,704	-
339,704	-	339,704	-
6,779,234	-	6,779,234	-
1,206,905	-	1,206,905	-
802,466	-	802,466	-
(393,036)	-	(393,036)	5,183
-	-	-	-
49,436	29,493	78,929	-
<u>11,070,360</u>	<u>29,493</u>	<u>11,099,853</u>	<u>5,183</u>
(86,097)	2,867,697	2,781,600	864,355
49,641,817	41,983,386	91,625,203	1,335,285
<u>\$ 49,555,720</u>	<u>\$ 44,851,083</u>	<u>\$ 94,406,803</u>	<u>\$ 2,199,640</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 8,547,206	\$ 555,836	\$ 1,565,189	\$ 5,365,859	\$ 16,034,090
Cash and cash equivalents:					
In segregated accounts	-	-	-	137,070	137,070
Receivables:					
Property taxes	1,078,852	877,645	-	877,645	2,834,142
Municipal income taxes	2,215,759	-	547,915	-	2,763,674
Accounts	4,332	127,471	-	-	131,803
Intergovernmental	290,538	55,916	-	700,435	1,046,889
Interfund loans	731,797	-	-	-	731,797
Accrued interest	34,022	-	-	-	34,022
Materials and supplies inventory	41,220	10,255	-	289,222	340,697
Prepayments	39,454	935	-	732	41,121
Assets held for resale	-	-	3,696,101	-	3,696,101
Total assets	<u>\$ 12,983,180</u>	<u>\$ 1,628,058</u>	<u>\$ 5,809,205</u>	<u>\$ 7,370,963</u>	<u>\$ 27,791,406</u>
Liabilities:					
Accounts payable	\$ 128,219	\$ 12,397	\$ -	\$ 32,984	\$ 173,600
Contracts payable	-	-	1,729	3,344	5,073
Accrued wages and benefits payable	299,519	84,890	-	52,313	436,722
Interfund loans payable	-	-	-	731,797	731,797
Intergovernmental payable	216,164	40,279	-	22,583	279,026
Unearned revenue	-	-	-	1,010,089	1,010,089
Total liabilities	<u>643,902</u>	<u>137,566</u>	<u>1,729</u>	<u>1,853,110</u>	<u>2,636,307</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	1,051,021	854,242	-	854,241	2,759,504
Delinquent property tax revenue not available	27,831	23,403	-	23,404	74,638
Accrued interest not available	28,642	-	-	-	28,642
Miscellaneous revenue not available	-	58,320	-	-	58,320
Income tax revenue not available	27,896	-	412,324	-	440,220
Intergovernmental revenues not available	1,882,718	53,283	-	481,868	2,417,869
Total deferred inflows of resources	<u>3,018,108</u>	<u>989,248</u>	<u>412,324</u>	<u>1,359,513</u>	<u>5,779,193</u>
Fund balances:					
Nonspendable	88,456	11,190	-	289,954	389,600
Restricted	-	490,054	-	3,591,919	4,081,973
Committed	5,925,809	-	5,395,152	276,467	11,597,428
Assigned	1,897,787	-	-	-	1,897,787
Unassigned	1,409,118	-	-	-	1,409,118
Total fund balances	<u>9,321,170</u>	<u>501,244</u>	<u>5,395,152</u>	<u>4,158,340</u>	<u>19,375,906</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,983,180</u>	<u>\$ 1,628,058</u>	<u>\$ 5,809,205</u>	<u>\$ 7,370,963</u>	<u>\$ 27,791,406</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

Total governmental fund balances		\$	19,375,906
<i>Amounts reported for governmental activities on 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.			44,863,394
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	74,638	
Municipal income taxes receivable		2,085,612	
Accounts receivable		58,320	
Intergovernmental receivable		772,477	
Accrued interest receivable		28,642	
Total			3,019,689
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Position.			1,128,213
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.			(312,462)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(38,623)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			46,498
Unamortized premiums on bond issuances are not recognized in the funds.			(81,450)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		92,246	
Deferred outflows of resources		2,275,030	
Deferred inflows of resources		(1,892,675)	
Net pension liability		(9,373,499)	
Total			(8,898,898)
The net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds.			
Net OPEB asset		283,999	
Deferred outflows of resources		1,464,039	
Deferred inflows of resources		(1,322,786)	
Net OPEB liability		(1,101,851)	
Total			(676,599)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(983,960)	
General obligation bonds payable		(3,385,988)	
Notes payable		(4,500,000)	
Total			(8,869,948)
Net position of governmental activities		\$	49,555,720

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 927,858	\$ 849,433	\$ -	\$ 849,433	\$ 2,626,724
Municipal income taxes	6,742,410	-	1,563,517	-	8,305,927
Charges for services	50,053	671,972	-	2,372	724,397
Licenses and permits	359,718	-	-	-	359,718
Fines and forfeitures	180,601	-	-	6,392	186,993
Intergovernmental	548,631	112,675	554,364	2,369,352	3,585,022
Interest	(396,331)	-	-	-	(396,331)
Rentals	208,195	-	-	-	208,195
Contributions and donations	20,000	-	-	59,405	79,405
Other	29,436	-	-	7,249	36,685
Total revenues	8,670,571	1,634,080	2,117,881	3,294,203	15,716,735
Expenditures:					
Current:					
General government	2,185,909	-	-	3,291	2,189,200
Security of persons and property:					
Police	4,220,564	-	-	13,850	4,234,414
Fire	-	-	-	832,931	832,931
Public health and welfare	117,782	2,098,510	-	24,315	2,240,607
Transportation	24,372	-	-	1,375,473	1,399,845
Community environment	1,447,866	-	-	-	1,447,866
Leisure time activities	1,041,817	-	-	2,100	1,043,917
Economic development	-	-	-	9,270	9,270
Basic utility services	80,107	-	-	140,246	220,353
Capital outlay	-	-	3,743,291	885,118	4,628,409
Debt service:					
Principal retirement	4,573,000	-	92,820	-	4,665,820
Interest and fiscal charges	152,191	-	33,805	-	185,996
Bond issuance costs	25,625	-	-	-	25,625
Total expenditures	13,869,233	2,098,510	3,869,916	3,286,594	23,124,253
Excess (deficiency) of revenues over (under) expenditures	<u>(5,198,662)</u>	<u>(464,430)</u>	<u>(1,752,035)</u>	<u>7,609</u>	<u>(7,407,518)</u>
Other financing sources (uses):					
Note issuance	4,500,000	-	-	-	4,500,000
Transfers in	-	600,000	500,000	978,921	2,078,921
Transfers out	(2,078,921)	-	-	-	(2,078,921)
Premium on note issuance	30,150	-	-	-	30,150
Total other financing sources (uses)	2,451,229	600,000	500,000	978,921	4,530,150
Net change in fund balances	(2,747,433)	135,570	(1,252,035)	986,530	(2,877,368)
Fund balance at beginning of year	12,068,603	365,674	6,647,187	3,171,810	22,253,274
Fund balances at end of year	<u>\$ 9,321,170</u>	<u>\$ 501,244</u>	<u>\$ 5,395,152</u>	<u>\$ 4,158,340</u>	<u>\$ 19,375,906</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds		\$ (2,877,368)
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 4,245,085	
Current year depreciation	<u>(2,903,791)</u>	
Total		1,341,294
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(20,543)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(1,369)	
Municipal income taxes	(319,788)	
Charges for services	(29,966)	
Intergovernmental	3,295	
Interest	<u>48,593</u>	
Total		(299,235)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.		
		4,665,820
The issuance of notes is recorded as an other financing source in the governmental funds; however, the proceeds increase long-term liabilities on the statement of net assets.		
		(4,500,000)
In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued interest payable	32,991	
Amortization of deferred amounts on refunding	9,134	
Amortization of bond premiums	<u>(5,214)</u>	
Total		36,911
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		69,057
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
Pension	943,105	
OPEB	<u>18,869</u>	
		961,974
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability/asset are reported as pension/OPEB expense in the Statement of Activities.		
Pension	(908,430)	
OPEB	<u>1,476,229</u>	
		567,799
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(31,806)</u>
Change in net position of governmental activities		\$ (86,097)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 943,000	\$ 928,000	\$ 927,858	\$ (142)
Municipal income taxes	6,000,000	6,325,000	6,325,000	-
Charges for services	70,000	50,000	50,053	53
Licenses and permits	350,000	352,000	356,193	4,193
Fines and forfeitures	171,000	183,000	182,957	(43)
Intergovernmental	5,287,000	546,700	544,139	(2,561)
Interest	300,000	300,000	273,950	(26,050)
Rentals	129,000	182,000	178,843	(3,157)
Contributions and donations	-	20,000	20,000	-
Other	73,000	53,000	52,023	(977)
Total revenues	13,323,000	8,939,700	8,911,016	(28,684)
Expenditures:				
Current:				
General government	2,035,337	1,944,782	1,908,759	36,023
Security of persons and property:				
Police	4,184,885	4,403,809	4,262,804	141,005
Public health and welfare	108,000	98,100	98,015	85
Community environment	1,116,677	1,465,255	1,460,793	4,462
Leisure time activities	1,242,547	1,068,697	1,052,272	16,425
Debt service:				
Principal retirement	4,573,000	4,573,000	4,573,000	-
Interest and fiscal charges	1,522,200	152,200	152,191	9
Bond issuance costs	-	25,625	25,625	-
Total expenditures	14,782,646	13,731,468	13,533,459	198,009
Excess of expenditures over revenues	(1,459,646)	(4,791,768)	(4,622,443)	169,325
Other financing sources (uses):				
Note issuance	4,500,000	4,500,000	4,500,000	-
Premium on note issuance	-	40,000	30,150	(9,850)
Sale of capital assets	-	15,875	15,866	(9)
Advances in	-	378,000	378,000	-
Advances out	-	(731,800)	(731,797)	3
Transfers out	(2,000,000)	(2,078,929)	(2,078,921)	8
Total other financing sources (uses)	2,500,000	2,123,146	2,113,298	(9,848)
Net change in fund balances	1,040,354	(2,668,622)	(2,509,145)	159,477
Fund balances at beginning of year	5,172,380	5,172,380	5,172,380	-
Prior year encumbrances appropriated	161,496	161,496	161,496	-
Fund balance at end of year	\$ 6,374,230	\$ 2,665,254	\$ 2,824,731	\$ 159,477

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMERGENCY MEDICAL SERVICES LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 850,800	\$ 850,000	\$ 849,433	\$ (567)
Charges for services	707,500	674,900	679,531	4,631
Intergovernmental	85,100	110,100	110,042	(58)
Other	3,600	-	-	-
Total revenues	<u>1,647,000</u>	<u>1,635,000</u>	<u>1,639,006</u>	<u>4,006</u>
Expenditures:				
Current:				
Public health and welfare	2,246,194	2,185,396	2,131,322	54,074
Total expenditures	<u>2,246,194</u>	<u>2,185,396</u>	<u>2,131,322</u>	<u>54,074</u>
Excess of expenditures over revenues	<u>(599,194)</u>	<u>(550,396)</u>	<u>(492,316)</u>	<u>58,080</u>
Other financing sources:				
Transfers in	600,000	600,000	600,000	-
Total other financing sources	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balances	806	49,604	107,684	58,080
Fund balance at beginning of year	409,845	409,845	409,845	-
Prior year encumbrances appropriated	6,819	6,819	6,819	-
Fund balance at end of year	<u>\$ 417,470</u>	<u>\$ 466,268</u>	<u>\$ 524,348</u>	<u>\$ 58,080</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage	Total	
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 6,454,440	\$ 2,412,919	\$ 597,081	\$ 9,464,440	\$ 1,287,455
Receivables:					
Accounts	723,284	311,879	3,692	1,038,855	-
Special assessments	424	22,523	-	22,947	-
Materials and supplies inventory	306,393	9,954	-	316,347	-
Prepayments	1,893	1,631	1,175	4,699	-
Total current assets	7,486,434	2,758,906	601,948	10,847,288	1,287,455
Noncurrent assets:					
Net pension asset	54,622	17,314	1,580	73,516	-
Net OPEB asset	168,165	53,305	4,866	226,336	-
Capital assets:					
Non-depreciable capital assets	1,543,155	1,922,120	-	3,465,275	-
Depreciable capital assets, net	33,215,543	7,431,847	-	40,647,390	-
Total capital assets, net	34,758,698	9,353,967	-	44,112,665	-
Total noncurrent assets	34,981,485	9,424,586	6,446	44,412,517	-
Total assets	42,467,919	12,183,492	608,394	55,259,805	1,287,455
Deferred outflows of resources:					
Unamortized deferred charges on debt refunding	99,971	-	-	99,971	-
Pension	380,657	129,039	9,993	519,689	-
OPEB	186,736	64,616	4,746	256,098	-
Total deferred outflows of resources	667,364	193,655	14,739	875,758	-
Liabilities:					
Current liabilities:					
Accounts payable	135,673	31,194	93,724	260,591	-
Accrued wages and benefits payable	76,346	15,085	-	91,431	-
Intergovernmental payable	27,406	153,991	461	181,858	-
Accrued interest payable	53,553	1,517	-	55,070	-
General obligation bonds payable	339,528	-	-	339,528	-
OWDA loans payable	723,570	9,128	-	732,698	-
OPWC loans payable	100,932	14,968	-	115,900	-
Claims and judgements payable	-	-	-	-	159,242
Total current liabilities	1,457,008	225,883	94,185	1,777,076	159,242
Long-term liabilities:					
General obligation bonds payable	1,962,991	-	-	1,962,991	-
OWDA loans payable	1,903,884	79,315	-	1,983,199	-
OPWC loans payable	813,877	149,674	-	963,551	-
Intergovernmental loans payable	-	1,406,649	-	1,406,649	-
Net pension liability	1,352,440	428,695	39,131	1,820,266	-
Total long-term liabilities	6,033,192	2,064,333	39,131	8,136,656	-
Total liabilities	7,490,200	2,290,216	133,316	9,913,732	159,242
Deferred inflows of resources:					
Pension	669,896	233,288	20,686	923,870	-
OPEB	552,860	189,601	16,879	759,340	-
Total deferred inflows of resources	1,222,756	422,889	37,565	1,683,210	-
Net position:					
Net investment in capital assets	29,232,787	7,694,234	-	36,927,021	-
Unrestricted	5,189,540	1,969,808	452,252	7,611,600	1,128,213
Total net position	\$ 34,422,327	\$ 9,664,042	\$ 452,252	44,538,621	\$ 1,128,213
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				312,462	
Net position of business-type activities				\$ 44,851,083	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 6,725,216	\$ 3,506,889	\$ 1,163,989	\$ 11,396,094	\$ 1,747,489
Tap-in fees	70,075	41,680	-	111,755	-
Other operating revenues	29,493	-	-	29,493	1,685
Total operating revenues	<u>6,824,784</u>	<u>3,548,569</u>	<u>1,163,989</u>	<u>11,537,342</u>	<u>1,749,174</u>
Operating expenses:					
Personal services	797,863	185,295	19,888	1,003,046	-
Contract services	1,142,028	1,904,637	1,071,977	4,118,642	346,546
Materials and supplies	1,167,182	30,946	28,954	1,227,082	-
Claims expense	-	-	-	-	1,450,761
Depreciation	1,720,775	382,393	-	2,103,168	-
Other	26,063	-	-	26,063	-
Total operating expenses	<u>4,853,911</u>	<u>2,503,271</u>	<u>1,120,819</u>	<u>8,478,001</u>	<u>1,797,307</u>
Operating income (loss)	<u>1,970,873</u>	<u>1,045,298</u>	<u>43,170</u>	<u>3,059,341</u>	<u>(48,133)</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(155,350)	(123,444)	-	(278,794)	-
Intergovernmental	-	-	34,730	34,730	-
Total nonoperating revenues (expenses)	<u>(155,350)</u>	<u>(123,444)</u>	<u>34,730</u>	<u>(244,064)</u>	<u>-</u>
Income (loss) before capital contributions	1,815,523	921,854	77,900	2,815,277	(48,133)
Capital contributions	<u>68,747</u>	<u>-</u>	<u>-</u>	<u>68,747</u>	<u>-</u>
Change in net position	1,884,270	921,854	77,900	2,884,024	(48,133)
Net position at beginning of year	<u>32,538,057</u>	<u>8,742,188</u>	<u>374,352</u>		<u>1,176,346</u>
Net position at end of year	<u>\$ 34,422,327</u>	<u>\$ 9,664,042</u>	<u>\$ 452,252</u>		<u>\$ 1,128,213</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(16,327)	
Change in net position of business-type activities				<u>\$ 2,867,697</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 6,676,152	\$ 3,512,774	\$ 1,167,951	\$ 11,356,877	\$ -
Cash received from interfund services	-	-	-	-	1,747,489
Cash received from tap-in fees	70,075	41,680	-	111,755	-
Cash received from other operations	29,493	-	-	29,493	1,685
Cash payments for personal services	(1,963,875)	(625,056)	(58,003)	(2,646,934)	-
Cash payments for contractual services	(1,074,617)	(1,906,192)	(1,084,075)	(4,064,884)	(346,546)
Cash payments for materials and supplies	(578,834)	(23,904)	(28,516)	(631,254)	-
Cash payments for claims	-	-	-	-	(1,386,395)
Cash payments for other expenses	-	-	-	-	-
Net cash provided by (used in) operating activities	3,158,394	999,302	(2,643)	4,155,053	16,233
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies	-	-	47,346	47,346	-
Net cash provided by noncapital financing activities	-	-	47,346	47,346	-
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(910,331)	(266,485)	-	(1,176,816)	-
Principal payments - bonds	(332,180)	-	-	(332,180)	-
Principal payments - OWDA loans	(698,049)	(8,822)	-	(706,871)	-
Principal payments - OPWC loans	(201,864)	(29,936)	-	(231,800)	-
Principal payments - intergovernmental loans	-	(74,773)	-	(74,773)	-
Interest and fiscal charges - bonds	(83,340)	-	-	(83,340)	-
Interest and fiscal charges - OWDA loans	(94,531)	(2,852)	-	(97,383)	-
Interest and fiscal charges - intergovernmental loans	-	(120,706)	-	(120,706)	-
Capital contributions	68,747	-	-	68,747	-
Net cash used in capital and related financing activities	(2,251,548)	(503,574)	-	(2,755,122)	-
Net increase in cash and cash equivalents	906,846	495,728	44,703	1,447,277	16,233
Cash and cash equivalents at beginning of year	5,547,594	1,917,191	552,378	8,017,163	1,271,222
Cash and cash equivalents at end of year	<u>\$ 6,454,440</u>	<u>\$ 2,412,919</u>	<u>\$ 597,081</u>	<u>\$ 9,464,440</u>	<u>\$ 1,287,455</u>

- - Continued

CITY OF NORTH CANTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,970,873	\$ 1,045,298	\$ 43,170	\$ 3,059,341	\$ (48,133)
Adjustments:					
Depreciation	1,720,775	382,393	-	2,103,168	-
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	(43,827)	(7,238)	3,497	(47,568)	-
Special assessments receivable	(406)	4,150	-	3,744	-
Materials and supplies inventory	599,901	6,982	-	606,883	-
Prepayments	21,204	9,071	960	31,235	-
Net pension asset	(18,475)	(6,141)	(500)	(25,116)	-
Net OPEB asset	(168,165)	(53,305)	(4,866)	(226,336)	-
Deferred outflows - Pension	(69,260)	(34,803)	(655)	(104,718)	-
Deferred outflows - OPEB	(479)	(7,048)	838	(6,689)	-
Accounts payable	87,619	23,479	(12,155)	98,943	-
Contracts payable	(31,733)	-	-	(31,733)	-
Accrued wages and benefits	(3,158)	(9,580)	-	(12,738)	-
Intergovernmental payable	(1,244)	(27,621)	32	(28,833)	-
Compensated absences payable	-	-	-	-	-
Net pension liability	(199,851)	(51,137)	(7,257)	(258,245)	-
Net OPEB liability	(1,137,140)	(351,504)	(33,981)	(1,522,625)	-
Deferred inflows - Pension	136,571	4,869	1,280	142,720	-
Deferred inflows - OPEB	295,189	71,437	6,994	373,620	-
Claims payable	-	-	-	-	64,366
Net cash provided by (used in) operating activities	<u>\$ 3,158,394</u>	<u>\$ 999,302</u>	<u>\$ (2,643)</u>	<u>\$ 4,155,053</u>	<u>\$ 16,233</u>

Noncash transactions:

During 2021 and 2020, the water fund purchased \$3,282 and \$61,497 in capital assets on account, respectively.
 During 2020, the sewer fund purchased \$15,415 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021**

	<u>Custodial</u>
Assets:	
Equity in pooled cash and investments	\$ 3,407
Accounts receivable	<u>21,491</u>
Total assets	<u>24,898</u>
Liabilities:	
Due to other governments	<u>248</u>
Total liabilities	<u>248</u>
Net position:	
Restricted for individuals, organizations and other governments	<u>24,650</u>
Total net position	<u><u>\$ 24,650</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial</u>
Additions:	
Licenses, permits and fees for other governments	\$ 4,178
Other custodial fund collections	<u>21,490</u>
Total additions	<u>25,668</u>
Deductions:	
Other custodial fund disbursements	<u>4,133</u>
Total deductions	<u>4,133</u>
Net change in fiduciary net position	21,535
Net position beginning of year	<u>3,115</u>
Net position end of year	<u><u>\$ 24,650</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - DESCRIPTION OF THE CITY

The City was incorporated as a village in 1831 and became a city in 1962. The City of North Canton (the “City”) is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a “Mayor-Administrator-Council” form of government. Elected officials include seven council members and a mayor.

Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus”. The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of North Canton this includes the departments that provide the following services: police, fire, emergency medical, parks and recreation, water and sewer, rubbish collection, street construction, maintenance and repair and general administrative services.

The Mayor is an elected official who has a fiduciary responsibility for the collection and disbursement of Mayor’s Court fees and fines. This activity has been included in the City’s financial statements as a special revenue fund.

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; (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. The City has one component unit.

Community Improvement Corporation (CIC) - The City of North Canton Community Improvement Corporation was formed pursuant to Ordinance 103-80 passed October 28, 1980. The CIC was designated as the not-for-profit agency of the City for industrial, commercial, distribution and research development. The membership of the CIC was expanded in 2005 and now includes the Mayor, Director of Administration, Director of Finance, President of Council, Chairperson of Council’s Community and Economic Development Committee, one additional member appointed by Council and two members appointed by the Mayor. The CIC is also dependent on the City for financial support and is therefore presented as a component unit of the City. Financial statements can be obtained from the Director of Finance, Community Improvement Corporation, 145 North Main Street, North Canton, Ohio 44720.

The City participates in three jointly governed organizations: the Stark Council of Governments, the Stark County Combined General Health District and the Regional Income Tax Agency (RITA). These organizations are described in Note 19 of the Basic Financial Statements.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit is presented in Note 22.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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 activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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 business segment or governmental program is self-financing or draws from the general revenues of the City. The City does not eliminate interfund services provided and used when consolidating activities.

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. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Funds - Governmental funds are those through which most governmental functions typically 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 plus deferred outflows less liabilities plus deferred inflows is reported as fund balance. The following are the City's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Emergency medical services levy fund - The emergency medical services levy fund accounts for property taxes levied that are restricted for the partial operation of the emergency medical service department.

Capital improvement fund - The capital improvement fund accounts for City income tax revenue that is committed and bond proceeds that are restricted for various capital projects.

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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 City's major enterprise funds are:

Water fund - This fund accounts for the treatment and provision of water to the residents and commercial users of the City and certain residents of the County.

Sewer fund - This fund accounts for the sanitary sewer services provided to the residents and commercial users of the City and certain residents of the County.

Garbage fund - This fund accounts for the garbage and recycling service provided by a successful bidder for the residential users of the City.

Internal service fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's only internal service fund accounts for a self-insurance program for employee medical/surgical benefits.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's custodial funds are the permit fee fund and the North Ridge development fund.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets, all deferred outflows of resources, all liabilities and all 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 (e.g. revenues) and decreases (e.g. 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, current deferred outflows of resources, current liabilities and current 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, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are 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 thirty-one 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 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Unearned Revenues - The City defers revenue recognition in connection with resources that have been received, but not earned. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of deposits held for various programs and grants.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will 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, see Notes 12 and 13 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow of resources 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, but is not limited to, 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.

For the City, see Notes 12 and 13 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. Budgetary information for the Mayor’s Court special revenue fund is not maintained because it is not included in the entity for which the “appropriated budget” is adopted. The major documents prepared are the alternate tax budget, the Certificate of Estimated Resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternate 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 fund function level for all funds. Budgetary modification may only be made by resolution of the City Council at the legal level of control. Budgetary statements are presented beyond that legal level of control for information purposes only.

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 budgeted amounts on the budgetary statements reflect the amounts on the Certificate of Estimated Resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended Certificate of Estimated Resources in effect at the time final appropriations were passed by Council.

The appropriation resolution 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.

F. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including the proprietary 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 investments".

The City has segregated bank accounts for monies held separate from the City’s central bank account. These interest bearing depository accounts are presented as “cash and cash equivalents in segregated accounts” since they are not required to be deposited into the City treasury.

Funding of the Community Improvement Corporation (CIC) is included on the financial statements as “cash and cash equivalents with escrow agent”.

During 2021, investments were limited to Federal Home Loan Mortgage Corporation (FFCB) securities, Federal Home Loan Bank (FHLB) securities, and Federal National Mortgage Association (FNMA) securities, negotiable certificates of deposit, U.S. Treasury notes and State Treasury Asset Reserve of Ohio (STAR Ohio).

During 2021, 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 its 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.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and non-negotiable certificates of deposit, are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2021 amounted to (\$396,331), which includes (\$336,134) assigned from other City funds.

Investments with an original maturity of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies. On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

I. Capital Assets

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back trending (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. Capital assets received in a service concession arrangement are reported at acquisition value. The City's capitalization threshold is \$5,000. 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. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All reported capital assets except land, easements and right of ways 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 or necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Land Improvements	20 years	10 - 40 years
Buildings	20 - 50 years	20 - 50 years
Equipment	10 - 15 years	3 - 15 years
Software	10 - 15 years	3 - 15 years
Infrastructure	20 - 50 years	40 years
Sewer Rights	n/a	40 years

The City’s infrastructure consists of a streets subsystem, a storm sewers subsystem, a bridge subsystem, and water and sewer lines including infrastructure acquired before December 31, 1980.

J. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivables/payables". Receivables and payables resulting from negative cash balances are classified as “due to/due from other funds”. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid and only if they have matured (i.e. unused reimbursable leave still outstanding following an employee’s resignation or retirement). The noncurrent portion of the liability is not reported.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. 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 funds 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 are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability 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.

M. Fund Balance

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 classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). 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) it employed to previously commit those amounts. 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 nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies (resolutions) of City Council, which includes giving the Director of Finance the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. None of the restricted net position on the government-wide Statement of Net Position is restricted by enabling legislation.

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

O. 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 for water, sewer, garbage and recycling and self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

P. Contributions of Capital

Contributions of capital in governmental activities and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, from grants or outside contributions of resources restricted to capital acquisition and construction, or from other funds within the City.

Q. Internal Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. 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.

S. Unamortized Bond Premiums, Unamortized Accounting Loss and Bond Issuance Costs

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

On the governmental fund financial statements, bond premiums are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the Statement of Net Position is presented in Note 15.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

Bond issuance costs are expensed when they occur.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2021.

U. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net pension asset, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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 plan. 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.

V. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

W. Assets Held for Resale

The City has acquired land and buildings associated with the K Mart property within the City for the purpose of revitalization. The City's intent is to sell the land and buildings for development. These transactions are conducted through the City's capital improvement fund. The associated assets have been reported at lower of cost or market.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2021, the City has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the City.

For 2021, the City applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the City elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS

Monies held by the City are classified by State Statute into three categories:

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

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the 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. Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;
4. 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;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

Protection of the 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 the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash in Segregated Accounts

At year end, the City had monies held outside of the City treasury. These depository accounts were established for the general trust fund (a nonmajor governmental fund) and the law enforcement trust fund (a nonmajor governmental fund). These depository accounts are included in “deposits with financial institutions” below.

B. Deposits with Financial Institutions

At December 31, 2021, the carrying amount of all City deposits was \$4,148,657. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2021, \$4,051,885 of the City’s bank balance of \$4,333,903 was exposed to custodial risk as discussed below, while \$282,018 was covered by the FDIC and the remaining was either covered by the Ohio Pooled Collateral System or exposed to custodial credit risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City’s and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, the City’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2021, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	Investment Maturities				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair value:</i>						
FFCB	\$ 2,231,476	\$ -	\$ -	\$ -	\$ 496,630	\$ 1,734,846
FHLB	3,672,634	-	-	-	374,149	3,298,485
FNMA	1,122,678	-	-	-	-	1,122,678
U.S. Treasury notes	296,589	-	-	-	296,589	-
Negotiable CDs	9,959,052	846,716	1,705,847	2,188,485	680,745	4,537,619
<i>Amortized cost:</i>						
STAR Ohio	<u>5,494,176</u>	<u>5,494,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 22,776,605</u>	<u>\$ 6,340,892</u>	<u>\$ 1,705,847</u>	<u>\$ 2,188,485</u>	<u>\$ 1,848,113</u>	<u>\$ 10,693,628</u>

The weighted average of maturity of investments is 1.88 years.

The City's investments in federal agency securities (FFCB, FHLB, and FNMA), negotiable CD's, and U.S. Treasury notes are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The City's investments in federal agency securities, were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standards & Poor's has assigned the U.S. Government money market and STAR Ohio an AAAM rating. The City limits its investments to those authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Director of Finance or qualified trustee.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2021:

<u>Measurement/ Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
FFCB	\$ 2,231,476	9.80%
FHLB	3,672,634	16.12%
FNMA	1,122,678	4.93%
U.S. Treasury notes	296,589	1.30%
Negotiable CD's	9,959,052	43.73%
<i>Amortized cost:</i>		
STAR Ohio	<u>5,494,176</u>	<u>24.12%</u>
Total	<u>\$ 22,776,605</u>	<u>100.00%</u>

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position as of December 31, 2021:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 4,148,657
Investments	22,776,605
Cash on hand	<u>1,200</u>
Total	<u>\$ 26,926,462</u>
 <u>Cash and investments per Statement of Net Position</u>	
Governmental activities	\$ 17,458,615
Business-type activities	9,464,440
Custodial funds	<u>3,407</u>
Total	<u>\$ 26,926,462</u>

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - PROPERTY TAXES - (Continued)

Public utility real taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of North Canton. 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, 2021 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is 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 is deferred.

The full tax rate for all City operations for the year ended December 31, 2021 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 334,576,970
Commercial/industrial/mineral	100,907,930
Public utility	<u>10,486,980</u>
Total assessed value	<u>\$ 445,971,880</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2021, consisted primarily of municipal income taxes, property and other taxes and intergovernmental receivables arising from grants, entitlements, and shared revenues, special assessments, accrued interest on investments and accounts (billings for utility service).

An allowance for doubtful accounts in the amount of \$62,607 has been recorded for accounts that are expected to be uncollectible. All receivables except for delinquent property taxes and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$22,197. At December 31, 2021, the amount of delinquent special assessments was \$424.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 - RECEIVABLES - (Continued)

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental activities:

Local government	\$ 205,594
Homestead and rollback	173,906
Due from North Canton schools	17,435
Street construction, maintenance and repair	514,953
Miscellaneous	<u>135,001</u>
Total governmental activities	<u>\$ 1,046,889</u>

B. Municipal Income Taxes

The City levies a municipal income tax of 1.5 percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City either on a monthly basis or quarterly basis, depending on the tax liability. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

According to the City's Income Tax Ordinance, income tax revenues are to be allocated as follows: (1) Such part thereof as shall be necessary to defray all costs of collection, administration and enforcement of the entire tax imposed by this Ordinance, (2) the balance of the one percent shall be allocated as follows: three-tenths to the Capital Improvement Fund and seven-tenths for general operating purposes, for uses, in each case, as determined by Council and (3) the remaining one-half percent so imposed shall be allocated for general municipal operations and capital improvements in amounts and for uses, in each case, as determined by Council. Additional increases in the income tax rate would require voter approval.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 - 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 2021, the City contracted with U.S. Specialty Insurance for the following coverages:

Commercial General Liability & Employee Benefits:	
Each Occurrence	\$1,000,000
Damage to Rented Premises	\$100,000
Medical Expense	\$10,000
General Aggregate	\$3,000,000
Products - Comp/Op Aggregate	\$1,000,000
Stop Gap	\$1,000,000
Automobile:	
Combined Single Limit	\$1,000,000
Comprehensive/Collision Deductible	\$500
Umbrella Liability:	
Each Occurrence	\$5,000,000
Aggregate	\$5,000,000
Blanket Property - Building/Contents	\$55,770,042
Earthquake/Flood	\$1,000,000
Law Enforcement Liability	\$1,000,000
Public Officials Liability	\$1,000,000
Employment Practices Liability	\$1,000,000
Employee Dishonesty	\$100,000

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

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. The City is part of the group rating plan through the Ohio Association of Public Treasurers with Sedgwick as the Third Party Administrator.

The City has elected to provide employee medical/surgical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan is offered to employees as a traditional preferred provider option (PPO) or a high-deductible health savings account (HSA). The traditional PPO plan provides a medical/surgical plan with a \$500 single/\$1,000 family deductible for in-network providers and \$2,000 single/\$4,000 family in-network out-of-pocket, with claims paid at 90% in-network and 70% out-of-network. The deductible doubles for out-of-network providers, and the out-of-pocket is \$3,500 single/\$7,000 family for out-of-network providers. The high-deductible HSA PPO plan has a \$1,400 single/\$2800 family deductible, and \$6,000 out-of-network out-of-pocket maximum, with claims paid at 100% in-network after deductible. The City uses a third party administrator to review, process and pay all claims on behalf of the City.

The City purchases stop-loss coverage for claims in excess of \$60,000 per employee per year and an aggregate of \$1,000,000. The City pays 89%, and employees pay 11% of monthly COBRA rates into the self-insurance internal service fund for total monthly premium for the traditional PPO plan of \$2,211 family, \$1,548 Employee/Spouse, \$1,327 Employee/Child(ren), \$737 Single coverage, or for the high-deductible HSA plan of \$1,981 family, \$1,386 Employee/Spouse, \$1,188 Employee/Child(ren), \$660 Single coverage. The City also contributes half of the annual deductible to any employee's HSA account. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 - RISK MANAGEMENT - (Continued)

The claims liability of \$159,942 reported in the internal service fund at December 31, 2021 is estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amounts in 2021 and 2020 are:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2021	\$ 94,876	\$ 1,450,761	\$ (1,386,395)	\$ 159,242
2020	105,807	1,140,817	(1,151,748)	94,876

NOTE 8 - OPERATING LEASE

In July 2003, the City acquired the premises known as The Fairways (formerly Arrowhead Country Club) for \$4.2 million. This area, approximately 105 acres, includes a golf course, clubhouse and pool.

In January 2020, the City entered into a management agreement with North Canton Golf, LLC (NCG) to manage Arrowhead for a five year period expiring January 31, 2025. Under the agreement, the City provided NCG with initial funding of \$50,000 for operations and pay a base management fee of \$6,000 per month. NCG will be entitled to earn an incentive management fee that is 50% of the net operating income.

The assets involved in the lease are as follows:

	Governmental Activities
Asset:	
Land	\$ 1,780,214
Buildings	2,029,272
Land improvements	732,557
Equipment	176,749
Subtotal	4,718,792
Less: accumulated depreciation	(1,593,181)
Total	\$ 3,125,611

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 - CONTRACTUAL COMMITMENTS

The City had the following contractual commitments outstanding at December 31, 2021:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Arcadis G&M of Ohio	\$ 10,000	\$ (8,860)	\$ 1,140
Kent State University	28,200	(14,100)	14,100
Central Allied Ent. Inc.	403,235	(57,668)	345,567
Brandstetter Carrol Inc.	154,310	(16,913)	137,397
Omnipro Services LLC	211,975	(28,217)	183,758
CT Consultants Inc.	483,000	(265,507)	217,493
MS Consultants	18,750	(1,761)	16,989
Aecom Technical Services Inc.	60,690	(25,580)	35,110
Altman Property Management	1,179,098	(598,246)	580,852
Bennett & Williams Consultants Inc.	50,000	(47,050)	2,950
Geodyssey Inc.	45,000	(32,395)	12,605
GDP Group	135,450	(123,836)	11,614
Zoneco, LLC	<u>10,000</u>	<u>(6,800)</u>	<u>3,200</u>
Total Contractual Commitments	<u>\$ 2,789,708</u>	<u>\$ (1,226,933)</u>	<u>\$ 1,562,775</u>

NOTE 10 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year End Encumbrances</u>
General fund	\$ 32,935
Emergency medical service levy fund	19,091
Capital improvement fund	729,022
Other governmental	<u>1,333,639</u>
Total	<u>\$ 2,114,687</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities

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

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/21</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,740,849	\$ 1,560,990	\$ -	\$ 8,301,839
Easements and rights-of-way	658,336	-	-	658,336
Construction in progress	<u>2,977,084</u>	<u>199,396</u>	<u>(1,312,078)</u>	<u>1,864,402</u>
Total capital assets, not being depreciated	<u>10,376,269</u>	<u>1,760,386</u>	<u>(1,312,078)</u>	<u>10,824,577</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	3,159,397	1,452,713	-	4,612,110
Buildings	10,064,332	387,618	-	10,451,950
Equipment	9,461,476	363,257	(81,287)	9,743,446
Software	163,666	-	-	163,666
Infrastructure - streets subsystem	43,624,022	1,593,189	-	45,217,211
Infrastructure - storm sewers subsystem	11,436,161	-	-	11,436,161
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated	<u>78,112,054</u>	<u>3,796,777</u>	<u>(81,287)</u>	<u>81,827,544</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,307,912)	(202,921)	-	(1,510,833)
Buildings	(6,158,771)	(253,653)	-	(6,412,424)
Equipment	(5,685,574)	(678,129)	60,744	(6,302,959)
Software	(145,968)	(5,600)	-	(151,568)
Infrastructure - streets subsystem	(25,364,949)	(1,516,344)	-	(26,881,293)
Infrastructure - storm sewers subsystem	(6,107,181)	(244,069)	-	(6,351,250)
Infrastructure - bridge subsystem	<u>(175,325)</u>	<u>(3,075)</u>	<u>-</u>	<u>(178,400)</u>
Total accumulated depreciation	<u>(44,945,680)</u>	<u>(2,903,791)</u>	<u>60,744</u>	<u>(47,788,727)</u>
Total capital assets, being depreciated, net	<u>33,166,374</u>	<u>892,986</u>	<u>(20,543)</u>	<u>34,038,817</u>
Governmental activities capital assets, net	<u>\$ 43,542,643</u>	<u>\$ 2,653,372</u>	<u>\$ (1,332,621)</u>	<u>\$ 44,863,394</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 236,015
Police	151,465
Fire	202,117
Public health and welfare	45,996
Transportation	1,728,349
Community environment	470
Leisure time activities	292,227
Basic utility services	<u>247,152</u>
Total depreciation expense - governmental activities	<u>\$ 2,903,791</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 - CAPITAL ASSETS - (Continued)

B. Business-Type Activities

Business-type activities capital asset activity for 2021 is as follows.

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/21</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>3,421,033</u>	<u>68,748</u>	<u>(1,048,208)</u>	<u>2,441,573</u>
Total capital assets, not being depreciated	<u>4,444,735</u>	<u>68,748</u>	<u>(1,048,208)</u>	<u>3,465,275</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	640,505	709,955	-	1,350,460
Buildings	18,508,969	15,717	-	18,524,686
Equipment	8,964,685	308,767	(18,005)	9,255,447
Software	46,778	-	-	46,778
Infrastructure - water lines	40,209,585	1,030,063	-	41,239,648
Infrastructure - sewer lines	15,861,036	18,145	-	15,879,181
Sewer rights	<u>3,578,153</u>	<u>-</u>	<u>-</u>	<u>3,578,153</u>
Total capital assets, being depreciated	<u>87,809,711</u>	<u>2,082,647</u>	<u>(18,005)</u>	<u>89,874,353</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(339,478)	(30,716)	-	(370,194)
Buildings	(10,669,240)	(415,900)	-	(11,085,140)
Equipment	(6,272,804)	(396,680)	18,005	(6,651,479)
Software	(32,917)	(6,589)	-	(39,506)
Infrastructure - water lines	(17,602,062)	(34,131)	-	(17,636,193)
Infrastructure - sewer lines	(9,396,072)	(935,863)	-	(10,331,935)
Sewer rights	<u>(2,829,226)</u>	<u>(283,290)</u>	<u>-</u>	<u>(3,112,516)</u>
Total accumulated depreciation	<u>(47,141,799)</u>	<u>(2,103,169)</u>	<u>18,005</u>	<u>(49,226,963)</u>
Total capital assets, being depreciated, net	<u>40,667,912</u>	<u>(20,522)</u>	<u>-</u>	<u>40,647,390</u>
Business-type activities capital assets, net	<u>\$ 45,112,647</u>	<u>\$ 48,226</u>	<u>\$ (1,048,208)</u>	<u>\$ 44,112,665</u>

Depreciation expense was charged to the business-type activities as follows:

Water	\$ 1,720,776
Sewer	<u>382,393</u>
Total depreciation expense - business-type activities:	<u>\$ 2,103,169</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension/OPEB liability/asset 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 pension disclosures. See Note 13 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

	<u>State and Local</u>
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$588,127 for 2021. Of this amount, \$84,513 is reported as intergovernmental payable.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$615,815 for 2021. Of this amount, \$96,740 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability or 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:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.02305300%	0.05032400%	0.03087200%	0.10665340%	
Proportion of the net pension liability/asset current measurement date	<u>0.02771700%</u>	<u>0.05549200%</u>	<u>0.03059700%</u>	<u>0.10399570%</u>	
Change in proportionate share	<u>0.00466400%</u>	<u>0.00516800%</u>	<u>-0.00027500%</u>	<u>-0.00265770%</u>	
Proportionate share of the net pension liability	\$ 4,104,285	\$ -	\$ -	\$ 7,089,480	\$ 11,193,765
Proportionate share of the net pension asset	-	(160,184)	(5,578)	-	(165,762)
Pension expense	112,001	3,777	(4,001)	812,130	923,907

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 3,833	\$ 296,366	\$ 300,199
Changes of assumptions	-	10,002	157	118,893	129,052
Changes in employer's proportionate percentage/difference between employer contributions	658,849	-	-	502,677	1,161,526
Contributions subsequent to the measurement date	538,857	32,073	17,197	615,815	1,203,942
Total deferred outflows of resources	\$ 1,197,706	\$ 42,075	\$ 21,187	\$ 1,533,751	\$ 2,794,719
Deferred inflows of resources					
Differences between expected and actual experience	\$ 171,685	\$ 30,220	\$ -	\$ 276,182	\$ 478,087
Net difference between projected and actual earnings on pension plan investments	1,599,727	23,822	610	343,886	1,968,045
Changes in employer's proportionate percentage/difference between employer contributions	188,796	-	-	181,617	370,413
Total deferred inflows of resources	\$ 1,960,208	\$ 54,042	\$ 610	\$ 801,685	\$ 2,816,545

\$1,203,942 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/asset in the year ending December 31, 2022.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2022	\$ (427,091)	\$ (11,469)	\$ 426	\$ 111,862	\$ (326,272)
2023	(3,988)	(7,285)	518	315,247	304,492
2024	(652,102)	(12,781)	382	(270,099)	(934,600)
2025	(218,178)	(5,948)	462	(43,871)	(267,535)
2026	-	(2,549)	479	3,112	1,042
Thereafter	-	(4,008)	1,113	-	(2,895)
Total	\$ (1,301,359)	\$ (44,040)	\$ 3,380	\$ 116,251	\$ (1,225,768)

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, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

During 2020, 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 11.70% for 2020.

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

For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate -
The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 7,828,944	\$ 4,104,285	\$ 1,007,236
Combined Plan	(111,539)	(160,184)	(196,442)
Member-Directed Plan	(4,896)	(5,578)	(6,119)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered 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 calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below.

Valuation date	1/1/20 with actuarial liabilities rolled forward to 12/31/20
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of
	inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020 are summarized below:

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

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. 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%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, 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%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 9,869,465	\$ 7,089,480	\$ 4,762,914

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability/asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$6,879 for 2021. Of this amount, \$988 is reported as intergovernmental payable.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - 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.

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

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.50% 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 \$15,041 for 2021. Of this amount, \$2,363 is reported as intergovernmental payable.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.02416600%	0.10665340%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.02864500%</u>	<u>0.10399570%</u>	
Change in proportionate share	<u>0.00447900%</u>	<u>-0.00265770%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 1,101,851	\$ 1,101,851
Proportionate share of the net OPEB asset	(510,335)	-	(510,335)
OPEB expense	(3,068,728)	213,521	(2,855,207)

At December 31, 2021, 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			
Changes of assumptions	\$ 250,887	\$ 608,714	\$ 859,601
Changes in employer's proportionate percentage/difference between employer contributions	377,658	460,958	838,616
Contributions subsequent to the measurement date	6,879	15,041	21,920
Total deferred outflows of resources	<u>\$ 635,424</u>	<u>\$ 1,084,713</u>	<u>\$ 1,720,137</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 460,570	\$ 181,746	\$ 642,316
Net difference between projected and actual earnings on OPEB plan investments	271,814	40,950	312,764
Changes of assumptions	826,893	175,656	1,002,549
Changes in employer's proportionate percentage/ difference between employer contributions	108,785	15,712	124,497
Total deferred inflows of resources	<u>\$ 1,668,062</u>	<u>\$ 414,064</u>	<u>\$ 2,082,126</u>

\$21,920 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 the year ending December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	\$ (560,795)	\$ 155,394	\$ (405,401)
2023	(328,578)	165,087	(163,491)
2024	(118,118)	149,803	31,685
2025	(32,026)	148,416	116,390
2026	-	22,429	22,429
Thereafter	-	14,479	14,479
Total	<u>\$ (1,039,517)</u>	<u>\$ 655,608</u>	<u>\$ (383,909)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above 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 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 10.50% for 2020.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20- year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. 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 the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Change in Benefit Terms - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 126,897	\$ 510,335	\$ 825,549

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% 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 2021 is 8.50%. 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 actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 522,771	\$ 510,335	\$ 496,418

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple per year

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%.

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

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

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

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

The long-term expected rate of return on OPEB 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

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

Note: assumptions are geometric.

* levered 2.5x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. 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 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,373,946	\$ 1,101,851	\$ 877,405

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 14 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of separation, an employee is paid for accumulated vacation and sick leave at various rates.

Vacation leave is earned at rates which vary depending upon length of service. Current policy credits vacation leave on January 1 of each year for all full time employees. Vacation accumulation may not exceed three weeks accrual at year end. Any unused excess is eliminated from the employee's leave balance. In case of death, termination, lay-off, or retirement, an employee (or his estate) is paid for his unused vacation to a maximum of three weeks carry-over from the previous year plus any current year accrual.

Sick leave is earned for all full time employees at the rate of 4.6 hours per pay with the exception of full time employees of emergency medical services who receive 6.15 hours per pay. Employees hired on or before August 1, 2006 shall: 1) be paid for 50% of all sick time accumulated on or before the pay date ends August 6, 2011, as certified by the Director of Finance, that is not subsequently used; and, 2) shall receive an additional amount equal to 25% of all unused sick time accumulated after the pay period ending August 6, 2011, as certified by the Director of Finance, up to a maximum payment of 240 hours. Employees hired after August 1, 2006 shall be paid for 25% of the total number of accumulated but unused sick hours earned by the employee, as certified by the Finance Director, up to a maximum payment equal to 240 hours.

B. Insurance

The City provides \$50,000 basic term life insurance and accidental death and dismemberment insurance to its full-time employees, and one times salary for administrative employees, through Medical Mutual of Ohio.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 - LONG-TERM OBLIGATIONS

<u>Debt Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Governmental activities:			
General obligation bonds			
Series 2016 Refunding	2.00 - 4.00	1,233,180	December 1, 2026
Real Estate Acquisition - Series 2020	1.76	2,900,000	December 1, 2034
Various purpose notes			
Various purpose notes - Series 2021	1.125	4,500,000	May 12, 2021
Business-type activities:			
OWDA loans - direct borrowing			
Water treatment plant improvement 2003	3.65	6,789,904	July 1, 2024
Water treatment plant improvement 2004	3.76	3,022,687	July 1, 2025
Water treatment backwash tank 2005	3.25	1,670,933	January 1, 2026
Portage St./W. Park sanitary sewer 2010	3.43	173,849	January 1, 2030
Intergovernmental loans - direct borrowing			
Sewer rights - City of Canton #6699	3.38	n/a	n/a
Sewer rights - City of Canton #6556	3.39	n/a	n/a
OPWC loans - direct borrowing			
Booster pump station 2007	0	1,020,904	January 1, 2028
Applegrove waterline 2008	0	419,088	January 1, 2039
North Main St. waterline 2010	0	320,335	January 1, 2032
Water Tower #1 exterior painting	0	398,000	January 1, 2033
Lynbrook sanitary sewer	0	299,354	January 1, 2033
Other long-term liabilities			
Raw waterline - Series 2011A	2.00 - 5.50	915,000	December 1, 2030
Frank/Applegrove waterline - Series 2011A	2.00 - 5.50	600,000	December 1, 2030
Series 2016 Refunding	2.00 - 4.00	3,691,820	December 1, 2030

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

The changes in governmental activities long-term obligations during the year were as follows.

	<u>Balance</u> <u>12/31/2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Amounts Due</u> <u>in One Year</u>
Governmental activities:					
General obligation bonds					
Series 2016 Refunding	\$ 938,808	\$ -	\$ (92,820)	\$ 845,988	\$ 95,472
Real Estate Acquisition - Series 2020	2,713,000	-	(173,000)	2,540,000	176,000
Total GO bonds	<u>3,651,808</u>	<u>-</u>	<u>(265,820)</u>	<u>3,385,988</u>	<u>271,472</u>
Various purpose notes					
Various purpose notes - Series 2020A	3,425,000	-	(3,425,000)	-	-
Various purpose notes - Series 2020B	975,000	-	(975,000)	-	-
Various purpose notes - Series 2021	-	4,500,000	-	4,500,000	-
Total GO bonds	<u>4,400,000</u>	<u>4,500,000</u>	<u>(4,400,000)</u>	<u>4,500,000</u>	<u>-</u>
Other long-term liabilities					
Compensated absences	1,053,017	202,197	(271,254)	983,960	89,614
Net pension liability	9,662,814	-	(289,315)	9,373,499	-
Net OPEB liability	2,868,820	48,357	(1,815,326)	1,101,851	-
Total governmental activities	<u>\$ 21,636,459</u>	<u>\$ 4,750,554</u>	<u>\$ (7,041,715)</u>	19,345,298	<u>\$ 361,086</u>
				Add: unamortized premiums	81,450
				Total on Statement of Net Position	<u>\$ 19,426,748</u>

On April 19, 2016, the City issued a total of \$4,925,000 in Series 2016 Refunding Bonds to advance refund \$1,220,000 of the Series 2011A governmental activities General Obligation Bonds, \$2,660,000 in the Series 2007 Water Bonds and \$1,080,000 in the water General Obligation Bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The refunding bonds are comprised of current interest bonds, par value \$4,925,000. Principal and interest payments are made from the water fund and are due on June 1 and December 1 of each year. The refunding bonds carry interest rates ranging from 2.00-4.00% and have a final maturity date of December 1, 2030.

The reacquisition price of the Series 2016 bonds exceeded the net carrying amount of the old debt by \$250,432. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equal to the life of the Series 2016 issued. This advance refunding was undertaken to reduce the combined total debt service payments by \$617,846 and resulted in an economic gain of \$550,842.

On April 3, 2020, the City issued a total of \$2,900,000 in Series 2020 Real Estate Acquisition Bonds to purchase land for the future site of a Safety Service Center.

On May 12, 2021, the City issued \$4,500,000 in bond anticipation notes for improvements related to the purchase of the former Kmart property. The notes have been financed on a long-term basis prior to the issuance of the financial statements. See Note 24 for details on note issuance.

The compensated absences liability will be paid out of the general fund.

Net pension liability and net OPEB liability: See Notes 12 and 13 for details. The City pays obligation related to employee compensation, the net pension liability and net OPEB liability from the fund benefitting from their service which, for governmental activities, is primarily the general fund and for business-type activities is primarily the water and sewer funds.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

The changes in business-type activities long-term obligations during the year were as follows.

	<u>Balance</u> <u>12/31/2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Amounts Due</u> <u>in One Year</u>
Business-type activities:					
OWDA loans - direct borrowing					
Water treatment plant improvement	\$ 1,776,290	\$ -	\$ (420,277)	\$ 1,356,013	\$ 435,757
Water treatment plant improvement	977,903	-	(181,288)	796,615	188,168
Water treatment backwash tank	571,310	-	(96,484)	474,826	99,645
Portage St./W. Park sanitary	<u>97,265</u>	<u>-</u>	<u>(8,822)</u>	<u>88,443</u>	<u>9,128</u>
Total OWDA loans	<u>3,422,768</u>	<u>-</u>	<u>(706,871)</u>	<u>2,715,897</u>	<u>732,698</u>
Intergovernmental loans - direct borrowing					
Sewer rights - City of Canton #6699	992,090	-	(47,723)	944,367	-
Sewer rights - City of Canton #6556	<u>489,332</u>	<u>-</u>	<u>(27,050)</u>	<u>462,282</u>	<u>-</u>
Total intergovernmental loans	<u>1,481,422</u>	<u>-</u>	<u>(74,773)</u>	<u>1,406,649</u>	<u>-</u>
OPWC loans - direct borrowing					
Booster pump station	408,364	-	(102,091)	306,273	51,045
Applegrove waterline	265,418	-	(27,940)	237,478	13,970
North Main St. waterline	184,191	-	(32,033)	152,158	16,017
Water Tower #1 exterior painting	258,700	-	(39,800)	218,900	19,900
Lynbrook sanitary sewer	<u>194,578</u>	<u>-</u>	<u>(29,936)</u>	<u>164,642</u>	<u>14,968</u>
Total OPWC loans	<u>1,311,251</u>	<u>-</u>	<u>(231,800)</u>	<u>1,079,451</u>	<u>115,900</u>
General obligation bonds					
Series 2016 Refunding	831,192	-	(82,180)	749,012	84,528
Series 2016 Refunding	<u>1,595,000</u>	<u>-</u>	<u>(250,000)</u>	<u>1,345,000</u>	<u>255,000</u>
Total general obligation bonds	<u>2,426,192</u>	<u>-</u>	<u>(332,180)</u>	<u>2,094,012</u>	<u>339,528</u>
Net pension liability	2,078,511	-	(258,245)	1,820,266	-
Net OPEB liability	<u>1,522,625</u>	<u>-</u>	<u>(1,522,625)</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 12,242,769</u>	<u>\$ -</u>	<u>\$ (3,126,494)</u>	9,116,275	<u>\$ 1,188,126</u>
				Add: unamortized premiums	208,507
				Total on Statement of Net Position	<u>\$ 9,324,782</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

OWDA Loans - In January 2003, the City was approved for a construction loan through the Water Supply Revolving Loan Fund, which is administered by the Ohio Environmental Protection Agency, for the purpose of funding the improvements and upgrades to the City's Water Treatment Plant. The loan, which is administered by the Ohio Water Development Authority, is at a rate of 3.65 percent and is to be repaid over 20 years. The total amount of the loan, including capitalized interest, was \$7.2 million. In January, 2004, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.76 percent and is to be repaid over 20 years. The total amount of the loan was for \$3.0 million, repayments began in 2005. In July 2005, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.25 percent for \$1.7 million and is to be repaid over 20 years. These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default. The City has pledged future water and sewer revenues to repay OWDA loans. The loans are payable solely from water and sewer fund revenues and are payable through 2026. Annual principal and interest payments on the loans are expected to require 16.10% of net revenues and 7.94% of total revenues. The total principal and interest remaining to be paid on the loans is \$2,926,350. Principal and interest paid for the current year were \$824,037, total net revenues were \$5,118,499 and total revenues were \$10,372,513.

Intergovernmental Loans Payable - In 2013, the City entered into a contractual agreement with the City of Canton for the construction of the Water Reclamation Facility that is in the area that will be shared between the City of Canton, Stark County and the City of North Canton and that City residents are able to tap into. The total project is estimated to cost \$88.6 million, with the City's portion estimated to be \$1.9 million. The project was financed by two OWDA loans issued by the City of Canton. The first loan was issued in August 2013 for the acquisition of membrane separators and associated components. In early 2014, the City issued another OWDA loan for the construction, engineering assistance during construction, and the unpaid balance of the design loan. All proceeds will be received by the City of Canton and the City of Canton will be responsible for the debt retirement and maintenance. The plant will be a capital asset of the City of Canton. The total amount collectively owed to the City of Canton as of December 31, 2021 is \$1,406,649. These loans have not been completely disbursed, therefore, no amortization schedule is available at December 31, 2021. This amount has been recorded on the City's books as a long-term liability in the sewer enterprise fund. An amount has been recorded as sewer rights in the City sewer enterprise fund capital assets. These amounts will be amortized over the useful life of the asset to the City of Canton once the project is complete. These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale.

OPWC Loans - The Ohio Public Works Commission (OPWC) loans are for the construction of a booster pump station, the Applegrove waterline, the North Main St. waterline, water tower #1 exterior painting and the Lynbrook sanitary sewer. These loans are zero interest loans and the booster pump station and the North Main Street waterline will be repaid over 20 years while the Applegrove waterline will be repaid over 30 years. The water tower #1 exterior painting and the Lynbrook sanitary sewer loans are still open and do not have a repayment schedule. These loan liabilities except the Lynbrook sanitary sewer loan are reflected in the water fund which received the proceeds. These loans are payable solely from water fund revenues. The Lynbrook sanitary sewer loan liability is reflected in the sewer fund which received the proceeds. This loan is payable solely from sewer fund revenues.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC incurring the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

General Obligation Bonds - On March 23, 2011, the City issued \$3,315,000 in Series 2011A Various Purpose General Obligation Bonds. In business-type activities, \$915,000 in bonds was used to retire bond anticipation notes maturing on March 25, 2011 and \$600,000 in bonds was used for the Frank/Applegrove waterline. During 2016, \$1,080,000 of these bonds were refunded by the Series 2016 Refunding Bonds.

Principal and interest requirements to retire the outstanding debt at December 31, 2021, are as follows. The intergovernmental loans payable are not full disbursed and, therefore, do not have an amortization schedule available.

Year Ending December 31,	Total Governmental General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 271,472	\$ 75,679	\$ 347,151
2023	274,472	69,717	344,189
2024	280,124	64,658	344,782
2025	288,428	57,529	345,957
2026	270,212	50,136	320,348
2027-2031	1,363,280	198,632	1,561,912
2032-2034	<u>638,000</u>	<u>22,580</u>	<u>660,580</u>
Total	<u>\$ 3,385,988</u>	<u>\$ 538,931</u>	<u>\$ 3,924,919</u>

Year Ending December 31,	Ohio Public Works Commission - Direct Borrowing			OWDA Loans - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 115,900	\$ -	\$ 115,900	\$ 732,698	\$ 91,339	\$ 824,037
2023	115,900	-	115,900	759,472	64,567	824,039
2024	115,900	-	115,900	787,223	36,813	824,036
2025	115,901	-	115,901	330,290	12,438	342,728
2026	115,901	-	115,901	66,679	2,539	69,218
2027-2031	367,310	-	367,310	39,535	2,757	42,292
2032-2036	104,713	-	104,713	-	-	-
2037-2038	<u>27,926</u>	<u>-</u>	<u>27,926</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,079,451</u>	<u>\$ -</u>	<u>\$ 1,079,451</u>	<u>\$ 2,715,897</u>	<u>\$ 210,453</u>	<u>\$ 2,926,350</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Total Business-Type Activities General Obligation Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 339,528	\$ 73,375	\$ 412,903
2023	349,528	63,189	412,717
2024	351,876	56,198	408,074
2025	366,572	42,123	408,695
2026	357,788	27,460	385,248
2027-2030	<u>328,720</u>	<u>79,268</u>	<u>407,988</u>
Total	<u>\$ 2,094,012</u>	<u>\$ 341,613</u>	<u>\$ 2,435,625</u>

From time to time, the City has issued Industrial Revenue Bonds to provide assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans; ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$2,094,012.

Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2021, the City’s total debt margin was \$43,441,059 and the unvoted debt margin was \$21,142,465.

NOTE 16 - INTERFUND ACTIVITY

- A. The general fund transfers monies to other funds for general operations. The other funds from which employee wages are paid transfer monies to the general fund to pay for sick and vacation leave.

<u>Transfer from</u>	<u>Transfer to</u>			<u>Total</u>
	<u>Emergency Levy</u>	<u>Capital Improvement</u>	<u>Nonmajor Governmental</u>	
Major fund				
General	<u>\$ 600,000</u>	<u>\$ 500,000</u>	<u>\$ 978,921</u>	<u>\$ 2,078,921</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - INTERFUND ACTIVITY - (Continued)

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental funds and business-type activities are presented as transfers on the Statement of Activities.

- B.** Interfund loans receivable/payable consisted of the following at December 31, 2021, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental fund	\$ 731,797
Total		<u>\$ 731,797</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received. Interfund loans between governmental funds are eliminated on the statement of net position, thus there are not internal balances.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (non-GAAP budgetary basis) presented for the general fund and the emergency medical service levy fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	Net Change in Fund Balance	
	<u>General Fund</u>	Emergency Medical Services <u>Levy Fund</u>
Budget basis	\$ (2,509,145)	\$ 107,684
Net adjustment for revenue accruals	(456,565)	(4,926)
Net adjustment for expenditure accruals	(163,751)	25,993
Net adjustment for other financing sources/uses	337,931	-
Funds budgeted elsewhere	(117,400)	-
Adjustment for encumbrances	<u>161,497</u>	<u>6,819</u>
GAAP basis	<u>\$ (2,747,433)</u>	<u>\$ 135,570</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the income tax fund, the compensated absences fund and the unclaimed monies fund.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 18 - FUND BALANCE

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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Emergency Medical Services Levy Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 41,220	\$ 10,255	\$ -	\$ 289,222	\$ 340,697
Prepays	39,454	935	-	732	41,121
Unclaimed monies	<u>7,782</u>	-	-	-	<u>7,782</u>
Total nonspendable	<u>88,456</u>	<u>11,190</u>	<u>-</u>	<u>289,954</u>	<u>389,600</u>
Restricted:					
Security of persons and property police	-	-	-	106,956	106,956
Security of persons and property fire	-	490,054	-	233,925	723,979
Public health and welfare	-	-	-	1,375	1,375
Computer systems	-	-	-	19,539	19,539
Transportation	-	-	-	2,088,012	2,088,012
Utility services	-	-	-	714,208	714,208
General trust	-	-	-	70,515	70,515
Capital Improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,389</u>	<u>357,389</u>
Total restricted	<u>-</u>	<u>490,054</u>	<u>-</u>	<u>3,591,919</u>	<u>4,081,973</u>
Committed:					
Capital improvements	-	-	5,395,152	276,467	5,671,619
Income tax	4,756,748	-	-	-	4,756,748
Compensated absences	<u>1,169,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,169,061</u>
Total committed	<u>5,925,809</u>	<u>-</u>	<u>5,395,152</u>	<u>276,467</u>	<u>11,597,428</u>
Assigned:					
Security of persons and property police	43,515	-	-	-	43,515
Leisure time activity	7,772	-	-	-	7,772
Subsequent year appropriation	<u>1,846,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,846,500</u>
Total assigned	<u>1,897,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,897,787</u>
Unassigned	<u>1,409,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,409,118</u>
Total fund balances	<u>\$ 9,321,170</u>	<u>\$ 501,244</u>	<u>\$ 5,395,152</u>	<u>\$ 4,158,340</u>	<u>\$ 19,375,906</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

Stark Council of Governments

The City participates in the Stark Council of Governments (the "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 Board 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 City does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City did not contribute any funds to the Council in 2020. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

Stark County Combined General Health District

The City participates in the Stark County Combined General Health District (the "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 Louisville, and the City of North Canton. Of the 7 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 City does not have an equity interest in the Health District. 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 \$98,015 to the Health District in 2020. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for almost 200 municipalities throughout the State of Ohio. During 2021, the City paid \$137,586 in income tax collection fees to RITA.

Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

NOTE 20 - LITIGATION

The City of North Canton is a party to legal proceedings. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 21 - TAX ABATEMENTS

The City had two Community Reinvestment Areas, Main Street CRA and Valley View CRA. These CRA programs were created by ordinance as authorized in Ohio Revised Code Sections 3735.65-70. The CRAs provided an incentive for new residential, commercial, or industrial development or rehabilitation in designated areas. A property tax exemption on 100% of the increase in assessed valuation resulting from improvements was given on residential properties. The residential tax exemption varied from 10 to 15 years, based on the type of dwelling and the cost of remodeling or construction. For commercial and industrial properties, those exemptions were negotiated on a case-by-case bases in advance of the commencement of construction or remodeling. An ordinance to repeal both CRAs was passed by City Council in 2016; however, abatements granted prior to the repeal are still in place. The amount of property taxes that were reduced during 2021 as a result of tax abatement agreements were roughly \$100,000.

NOTE 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION

The City of North Canton Community Improvement Corporation (the “CIC”) was formed pursuant to Ordinance 103-80 passed October 28, 1980 and incorporated as a corporation not-for-profit under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City of North Canton. The CIC has been designated as the City of North Canton’s agent for industrial and commercial distributions and research development.

The City of North Canton (the “City”) is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the City’s financial statements include all organizations, activities and functions which comprise the primary government and those legally separate entities for which the City is financially accountable. The CIC is discretely presented as a component unit of the City of North Canton. Financial accountability is defined as the appointment of a voting majority of the unit’s board and either 1) the City’s ability to impose its will over the unit, or 2) the possibility that the unit will provide a financial benefit or impose a financial burden to the City. The CIC is a legally separate entity and is reported by the City as a discretely presented component unit in its basic financial statements. The CIC does not include any other units in its presentation.

Summary of Significant Accounting Policies

The basic financial statements (BFS) of the CIC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The CIC’s significant accounting policies are described below.

A. Basis of Accounting

The financial statements of the CIC are prepared using the accrual basis of accounting.

B. Cash and Cash Equivalents

All monies received by the CIC are deposited in a demand deposit accounts.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION - (Continued)

C. Capital Assets and Depreciation

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated and capital assets received in a service concession arrangement should be reported at acquisition value. The CIC maintains a capitalization threshold of \$500. The CIC does not have any infrastructure. 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 capitalized.

All capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method. Land improvements, buildings and equipment are depreciated over five to forty years.

D. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The CIC has no restricted net position.

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

E. Estimates

The preparation of financial statements in conformity with GAAP 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.

Deposits

At December 31, 2021, the carrying amount of the CIC's deposits was \$137,564. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2021, all of the bank balance of \$137,564 was covered by the Federal Deposit Insurance Corporation.

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION - (Continued)

Capital Assets

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

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/21</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 167,909	\$ 1,417,699	\$ -	\$ 1,585,608
<i>Total capital assets, not being depreciated</i>	<u>167,909</u>	<u>1,417,699</u>	<u>-</u>	<u>1,585,608</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	44,200	-	-	44,200
Buildings	167,530	395,301	-	562,831
Equipment	<u>444,000</u>	<u>-</u>	<u>-</u>	<u>444,000</u>
<i>Total capital assets, being depreciated</i>	<u>655,730</u>	<u>395,301</u>	<u>-</u>	<u>1,051,031</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(44,200)	-	-	(44,200)
Buildings and improvements	(2,094)	(9,130)	-	(11,224)
Equipment	<u>(133,200)</u>	<u>(11,100)</u>	<u>-</u>	<u>(144,300)</u>
<i>Total accumulated depreciation</i>	<u>(179,494)</u>	<u>(20,230)</u>	<u>-</u>	<u>(199,724)</u>
Total capital assets, net	<u>\$ 644,145</u>	<u>\$ 1,792,770</u>	<u>\$ -</u>	<u>\$ 2,436,915</u>

Litigation

The CIC is involved in no material litigation as either plaintiff or defendant.

Long-term Obligations

The changes in governmental activities long-term obligations during the year were as follows.

	<u>Balance</u>			<u>Balance</u>	<u>Amounts Due</u>
	<u>12/31/2020</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2021</u>	<u>in One Year</u>
Governmental activities - direct borrowings:					
Mortgage payable - 1023 N. Main St.	\$ -	\$ 140,000	\$ (5,975)	\$ 134,025	\$ 7,390
Mortgage payable - 6507 Wise Ave. NW & Whipple Ave. NW	<u>-</u>	<u>422,400</u>	<u>(18,026)</u>	<u>404,374</u>	<u>22,295</u>
Total governmental activities	<u>\$ -</u>	<u>\$ 562,400</u>	<u>\$ (24,001)</u>	<u>\$ 538,399</u>	<u>\$ 29,685</u>

On February 16, 2021, the CIC entered into a mortgage payable for \$140,000 to purchase property at 1023 N. Main St., North Canton. The mortgage has an interest rate of 3.55% and a final maturity date of February 16, 2036.

On February 24, 2021, the CIC entered into a mortgage payable for \$422,400 to purchase property at 6507 Wise Ave. NW and property on Whipple Ave NW. The mortgage has an interest rate of 3.55% and a final maturity date of February 24, 2036.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION - (Continued)

Long-term Obligations - (Continued)

These mortgages are considered direct borrowings. Direct borrowings have terms negotiated directly between the CIC and the lender and are not offered for public sale.

Principal and interest requirements to retire the outstanding debt at December 31, 2021 are as follows.

Year Ending December 31,	Total Mortgages Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 29,685	\$ 18,891	\$ 48,576
2023	30,771	17,805	48,576
2024	31,849	16,727	48,576
2025	33,062	15,514	48,576
2026	34,273	14,304	48,577
2027-2036	<u>378,759</u>	<u>66,521</u>	<u>445,280</u>
Total	<u>\$ 538,399</u>	<u>\$ 149,762</u>	<u>\$ 688,161</u>

Receivables

The CIC entered into a note receivable agreement for the purchase of 430 North Main Street in the amount of \$200,000. Under the agreement, the purchaser will pay the CIC monthly payments of \$1,243.05 with a balloon payment of \$128,731.94 at the end of the agreement. The note carries an interest rate of 3.00% and has a final maturity date of May 1, 2025. The balance of the note receivable at December 31, 2021 is \$163,757. The schedule below shows the future payments due on the note receivable by the purchaser:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 10,143	\$ 4,774	\$ 14,917
2023	10,451	4,465	14,916
2024	10,769	4,148	14,917
2025	<u>132,394</u>	<u>1,310</u>	<u>133,704</u>
Total	<u>\$ 163,757</u>	<u>\$ 14,697</u>	<u>\$ 178,454</u>

NOTE 23 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 24 - SUBSEQUENT EVENT

On May 10, 2022, the City issued \$7,031,500 in Various Purpose Bond Anticipation Notes. The notes have an interest rate of 1.40% and will mature on May 9, 2023. Furthermore, \$4,500,000 of the issuance is for the purpose of refinancing the Series 2020A and Series 2020B Various Purpose Bond Anticipation Notes, originally issued for \$3,425,000 and \$975,000, respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.027717%	0.023053%	0.027004%	0.028288%
City's proportionate share of the net pension liability	\$ 4,104,285	\$ 4,556,582	\$ 7,395,848	\$ 4,437,839
City's covered payroll	\$ 4,200,693	\$ 3,095,071	\$ 3,624,036	\$ 3,826,369
City's proportionate share of the net pension liability as a percentage of its covered payroll	97.70%	147.22%	204.08%	115.98%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.055492%	0.050324%	0.055653%	0.071714%
City's proportionate share of the net pension asset	\$ 160,184	\$ 104,938	\$ 62,234	\$ 97,627
City's covered payroll	\$ 226,207	\$ 242,364	\$ 238,021	\$ 293,700
City's proportionate share of the net pension asset as a percentage of its covered payroll	70.81%	43.30%	26.15%	33.24%
Plan fiduciary net position as a percentage of the total pension asset	157.67%	145.28%	126.64%	137.28%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.030597%	0.030872%	0.021849%	0.019983%
City's proportionate share of the net pension asset	\$ 5,578	\$ 1,167	\$ 498	\$ 697
City's covered payroll	\$ 168,270	\$ 199,010	\$ 124,890	\$ 142,380
City's proportionate share of the net pension asset as a percentage of its covered payroll	3.31%	0.59%	0.40%	0.49%
Plan fiduciary net position as a percentage of the total pension asset	188.21%	118.84%	113.42%	124.46%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2017	2016	2015	2014
	0.280710%	0.030226%	0.031691%	0.031691%
\$	6,374,447	\$ 5,235,523	\$ 3,822,289	\$ 3,735,956
\$	3,617,467	\$ 3,503,758	\$ 3,935,808	\$ 3,898,908
	176.21%	149.43%	97.12%	95.82%
	77.25%	81.08%	86.45%	86.36%
	0.658650%	0.074670%	0.075345%	0.075345%
\$	36,658	\$ 36,337	\$ 29,010	\$ 7,906
\$	256,375	\$ 271,733	\$ 264,817	\$ 254,254
	14.30%	13.37%	10.95%	3.11%
	116.55%	116.90%	114.83%	104.56%
	0.016979%	0.020418%	n/a	n/a
\$	71	\$ 78	n/a	n/a
\$	88,142	\$ 113,708	n/a	n/a
	0.08%	0.07%	n/a	n/a
	103.40%	103.40%	n/a	n/a

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	0.10399570%	0.10665340%	0.10369100%	0.09438800%
City's proportionate share of the net pension liability	\$ 7,089,480	\$ 7,184,743	\$ 8,463,925	\$ 5,793,004
City's covered payroll	\$ 3,034,346	\$ 2,298,107	\$ 2,438,943	\$ 2,251,083
City's proportionate share of the net pension liability as a percentage of its covered payroll	233.64%	312.64%	347.03%	257.34%
Plan fiduciary net position as a percentage of the total pension liability	70.65%	69.89%	63.07%	70.91%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.08695100%	0.09668200%	0.07778590%	0.07778590%
\$ 5,507,346	\$ 6,219,582	\$ 4,029,634	\$ 3,788,418
\$ 1,983,744	\$ 1,825,891	\$ 1,835,351	\$ 1,689,819
277.62%	340.63%	219.56%	224.19%
68.36%	66.77%	72.20%	73.00%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

	LAST TEN YEARS			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 538,857	\$ 588,097	\$ 433,310	\$ 509,885
Contributions in relation to the contractually required contribution	<u>(538,857)</u>	<u>(588,097)</u>	<u>(433,310)</u>	<u>(509,885)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,848,979	\$ 4,200,693	\$ 3,095,071	\$ 3,642,036
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 32,073	\$ 31,669	\$ 33,931	\$ 33,323
Contributions in relation to the contractually required contribution	<u>(32,073)</u>	<u>(31,669)</u>	<u>(33,931)</u>	<u>(33,323)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 229,093	\$ 226,207	\$ 242,364	\$ 238,021
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 17,197	\$ 16,827	\$ 19,901	\$ 12,489
Contributions in relation to the contractually required contribution	<u>(17,197)</u>	<u>(16,827)</u>	<u>(19,901)</u>	<u>(12,489)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 171,970	\$ 168,270	\$ 199,010	\$ 124,890
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 497,428	\$ 434,096	\$ 420,451	\$ 472,297	\$ 506,858	\$ 402,329
<u>(497,428)</u>	<u>(434,096)</u>	<u>(420,451)</u>	<u>(472,297)</u>	<u>(506,858)</u>	<u>(402,329)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,826,369	\$ 3,617,467	\$ 3,503,758	\$ 3,935,808	\$ 3,898,908	\$ 4,023,290
13.00%	12.00%	12.00%	12.00%	13.00%	10.00%
\$ 38,181	\$ 30,765	\$ 32,608	\$ 31,778	\$ 33,053	\$ 17,994
<u>(38,181)</u>	<u>(30,765)</u>	<u>(32,608)</u>	<u>(31,778)</u>	<u>(33,053)</u>	<u>(17,994)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 293,700	\$ 256,375	\$ 271,733	\$ 264,817	\$ 254,254	\$ 226,340
13.00%	12.00%	12.00%	12.00%	13.00%	7.95%
\$ 14,238	\$ 10,577	\$ 13,645			
<u>(14,238)</u>	<u>(10,577)</u>	<u>(13,645)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 142,380	\$ 88,142	\$ 113,708			
10.00%	12.00%	12.00%			

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 384,768	\$ 400,120	\$ 303,046	\$ 320,993
Contributions in relation to the contractually required contribution	<u>(384,768)</u>	<u>(400,120)</u>	<u>(303,046)</u>	<u>(320,993)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,025,095	\$ 2,105,895	\$ 1,594,979	\$ 1,689,437
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 231,047	\$ 218,186	\$ 165,235	\$ 176,134
Contributions in relation to the contractually required contribution	<u>(231,047)</u>	<u>(218,186)</u>	<u>(165,235)</u>	<u>(176,134)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 983,179	\$ 928,451	\$ 703,128	\$ 749,506
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 311,340	\$ 286,727	\$ 274,092	\$ 297,289	\$ 243,196	\$ 193,970
<u>(311,340)</u>	<u>(286,727)</u>	<u>(274,092)</u>	<u>(297,289)</u>	<u>(243,196)</u>	<u>(193,970)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,638,632	\$ 1,509,089	\$ 1,442,589	\$ 1,564,679	\$ 1,531,140	\$ 1,521,333
19.00%	19.00%	19.00%	19.00%	15.88%	12.75%
\$ 143,926	\$ 111,544	\$ 90,076	\$ 63,608	\$ 32,344	\$ 29,567
<u>(143,926)</u>	<u>(111,544)</u>	<u>(90,076)</u>	<u>(63,608)</u>	<u>(32,344)</u>	<u>(29,567)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 612,451	\$ 474,655	\$ 383,302	\$ 270,672	\$ 158,679	\$ 171,403
23.50%	23.50%	23.50%	23.50%	20.38%	17.25%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability/asset	0.028645%	0.024166%	0.027648%	0.029240%	0.028650%
City's proportionate share of the net OPEB liability/(asset)	\$ (510,335)	\$ 3,337,952	\$ 3,604,647	\$ 3,175,249	\$ 2,893,697
City's covered payroll	\$ 4,595,170	\$ 3,536,445	\$ 4,004,947	\$ 4,262,449	\$ 3,961,984
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	11.11%	94.39%	90.00%	74.49%	73.04%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	115.57%	47.80%	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal 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 NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.10399570%	0.10665340%	0.10369100%	0.09438800%	0.08695100%
City's proportionate share of the net OPEB liability	\$ 1,101,851	\$ 1,053,494	\$ 944,266	\$ 5,347,886	\$ 4,127,368
City's covered payroll	\$ 3,034,346	\$ 2,298,107	\$ 2,438,943	\$ 2,251,083	\$ 1,983,744
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	36.31%	45.84%	38.72%	237.57%	208.06%
Plan fiduciary net position as a percentage of the total OPEB liability	45.42%	47.08%	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal 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 NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 6,879	\$ 6,731	\$ 7,960	\$ 8,447
Contributions in relation to the contractually required contribution	<u>(6,879)</u>	<u>(6,731)</u>	<u>(7,960)</u>	<u>(8,447)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,250,042	\$ 4,595,170	\$ 3,536,445	\$ 4,004,947
Contributions as a percentage of covered payroll	0.16%	0.15%	0.23%	0.21%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 42,296	\$ 79,240	\$ 77,784	\$ 82,759	\$ 41,532	\$ 174,625
<u>(42,296)</u>	<u>(79,240)</u>	<u>(77,784)</u>	<u>(82,759)</u>	<u>(41,532)</u>	<u>(174,625)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,262,449	\$ 3,961,984	\$ 3,889,199	\$ 4,200,625	\$ 4,153,162	\$ 4,249,630
0.99%	2.00%	2.00%	1.97%	1.00%	4.11%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 10,125	\$ 10,529	\$ 7,975	\$ 8,193
Contributions in relation to the contractually required contribution	<u>(10,125)</u>	<u>(10,529)</u>	<u>(7,975)</u>	<u>(8,193)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,025,095	\$ 2,105,895	\$ 1,594,979	\$ 1,689,437
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 4,916	\$ 4,642	\$ 3,516	\$ 3,748
Contributions in relation to the contractually required contribution	<u>(4,916)</u>	<u>(4,642)</u>	<u>(3,516)</u>	<u>(3,748)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 983,179	\$ 928,451	\$ 703,128	\$ 749,506
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 7,749	\$ 7,408	\$ 7,760	\$ 51,825	\$ 102,690	\$ 101,117
<u>(7,749)</u>	<u>(7,408)</u>	<u>(7,760)</u>	<u>(51,825)</u>	<u>(102,690)</u>	<u>(101,117)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,638,632	\$ 1,509,089	\$ 1,442,589	\$ 1,564,679	\$ 1,531,140	\$ 1,521,333
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%
\$ 3,062	\$ 2,373	\$ 1,917	\$ 1,413	\$ 5,358	\$ 11,570
<u>(3,062)</u>	<u>(2,373)</u>	<u>(1,917)</u>	<u>(1,413)</u>	<u>(5,358)</u>	<u>(11,570)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 612,451	\$ 474,655	\$ 383,302	\$ 270,672	\$ 158,679	\$ 171,403
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

(Continued)

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017-2020.
-

For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017-2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF NORTH CANTON, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - MAJOR FUNDS

GENERAL FUND

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Major Special Revenue Fund

Emergency Medical Services Levy Fund

The emergency medical services levy fund accounts for property taxes levied that are restricted for the partial operation of the emergency medical service department.

Major Capital Projects Fund

Capital Improvement Fund

The capital improvement fund accounts for City income tax revenue that is committed and bond proceeds that are restricted for various capital projects.

Major Enterprise Funds

Water Fund

This fund accounts for the treatment and provision of water to the residents and commercial users of the City and certain residents of the County.

Sewer Fund

This fund accounts for the sanitary sewer services provided to the residents and commercial users of the City and certain residents of the County.

Garbage Fund

This fund accounts for the garbage and recycling service provided by a successful bidder for the residential users of the City.

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 943,000	\$ 928,000	\$ 927,858	\$ (142)
Municipal income taxes	6,000,000	6,325,000	6,325,000	-
Charges for services	70,000	50,000	50,053	53
Licenses and permits	350,000	352,000	356,193	4,193
Fines and forfeitures	171,000	183,000	182,957	(43)
Intergovernmental	528,700	546,700	544,139	(2,561)
Interest	300,000	300,000	273,950	(26,050)
Rentals	129,000	182,000	178,843	(3,157)
Contributions and donations	-	20,000	20,000	-
Other	73,000	53,000	52,023	(977)
Total revenues	8,564,700	8,939,700	8,911,016	(28,684)
Expenditures:				
Current:				
General Government				
Legislative and Executive:				
Mayor:				
Personal services	51,725	48,625	47,520	1,105
Contract services	10,675	4,725	4,445	280
Materials and supplies	2,200	800	714	86
Total mayor	64,600	54,150	52,679	1,471
Director of Administration:				
Personal services	195,575	188,875	182,460	6,415
Contract services	49,898	30,923	30,362	561
Materials and supplies	3,101	1,301	1,211	90
Total director of administration	248,574	221,099	214,033	7,066
Director of Finance:				
Personal services	251,900	242,750	234,576	8,174
Contract services	17,972	14,313	13,933	380
Materials and supplies	1,500	2,375	2,302	73
Capital outlay	13,637	13,637	13,458	179
Total director of finance	285,009	273,075	264,269	8,806
Electronic Data Processing:				
Contract services	218,900	213,525	213,510	15
Capital outlay	10,000	1,750	1,728	22
Total electronic data processing	228,900	215,275	215,238	37
Director of Law:				
Contract services	141,558	141,558	141,158	400
Total director of law	141,558	141,558	141,158	400
City Council:				
Personal services	152,500	148,900	145,001	3,899
Contract services	41,400	33,900	33,535	365
Materials and supplies	1,550	1,750	1,744	6
Capital outlay	1,300	1,200	1,178	22
Total city council	196,750	185,750	181,458	4,292

Continued

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service Commission:				
Personal services	\$ 7,675	\$ 7,675	\$ 7,317	\$ 358
Contract services	13,600	4,400	4,272	128
Materials and supplies	200	-	-	-
Total civil service commission	<u>21,475</u>	<u>12,075</u>	<u>11,589</u>	<u>486</u>
Land and Buildings:				
Personal services	44,750	48,975	47,341	1,634
Contract services	158,500	193,700	193,407	293
Materials and supplies	5,000	5,000	5,000	-
Capital outlay	-	10,000	10,000	-
Total land and buildings	<u>208,250</u>	<u>257,675</u>	<u>255,748</u>	<u>1,927</u>
City Hall Maintenance:				
Capital outlay	10,000	-	-	-
Total city hall maintenance	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Department of Engineering:				
Personal services	206,285	190,857	184,501	6,356
Contract services	56,400	45,875	45,419	456
Materials and supplies	10,475	2,925	2,850	75
Capital outlay	5,000	-	-	-
Total department of engineering	<u>278,160</u>	<u>239,657</u>	<u>232,770</u>	<u>6,887</u>
Other General Government				
Personal services	5,347	6,354	6,350	4
Contract services	132,714	163,664	159,066	4,598
Other	214,000	174,450	174,401	49
Total other general government	<u>352,061</u>	<u>344,468</u>	<u>339,817</u>	<u>4,651</u>
Total General Government	<u>2,035,337</u>	<u>1,944,782</u>	<u>1,908,759</u>	<u>36,023</u>
Security of Persons and Property:				
Police:				
Personal services	2,645,450	2,811,250	2,710,993	100,257
Contract services	296,382	251,062	250,671	391
Materials and supplies	80,700	73,250	73,180	70
Capital outlay	51,353	61,847	61,839	8
Total police	<u>3,073,885</u>	<u>3,197,409</u>	<u>3,096,683</u>	<u>100,726</u>
Dispatch:				
Personal services	679,850	759,100	731,345	27,755
Contract services	6,000	6,000	5,612	388
Materials and supplies	2,000	400	390	10
Capital outlay	10,000	9,600	9,502	98
Total dispatch	<u>697,850</u>	<u>775,100</u>	<u>746,849</u>	<u>28,251</u>
School Patrol:				
Personal services	261,550	289,400	277,863	11,537
Contract services	6,400	1,900	1,890	10
Materials and supplies	3,000	3,000	2,523	477
Total school patrol	<u>270,950</u>	<u>294,300</u>	<u>282,276</u>	<u>12,024</u>
Street lighting:				
Contract services	142,200	137,000	136,996	4
Total street lighting	<u>142,200</u>	<u>137,000</u>	<u>136,996</u>	<u>4</u>
Total Security of Persons and Property	<u>4,184,885</u>	<u>4,403,809</u>	<u>4,262,804</u>	<u>141,005</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Health and Welfare:				
County Health Department:				
Contract services	\$ 108,000	\$ 98,100	\$ 98,015	\$ 85
Total county health department	<u>108,000</u>	<u>98,100</u>	<u>98,015</u>	<u>85</u>
Total Public Health and Welfare	<u>108,000</u>	<u>98,100</u>	<u>98,015</u>	<u>85</u>
Community Environment:				
Building:				
Contract services	551,900	499,200	498,999	201
Total building	<u>551,900</u>	<u>499,200</u>	<u>498,999</u>	<u>201</u>
Economic Development:				
Personal services	98,275	105,575	101,669	3,906
Contract services	449,502	849,480	849,191	289
Materials and supplies	17,000	11,000	10,934	66
Total economic development	<u>564,777</u>	<u>966,055</u>	<u>961,794</u>	<u>4,261</u>
Total Community Environment	<u>1,116,677</u>	<u>1,465,255</u>	<u>1,460,793</u>	<u>4,462</u>
Leisure Time Activities:				
Dogwood Shelter:				
Contract services	29,000	20,100	19,986	114
Materials and supplies	3,000	3,000	2,522	478
Total dogwood shelter	<u>32,000</u>	<u>23,100</u>	<u>22,508</u>	<u>592</u>
Swimming Pool:				
Contract services	69,475	51,075	50,464	611
Total swimming pool	<u>69,475</u>	<u>51,075</u>	<u>50,464</u>	<u>611</u>
Parks Department:				
Personal services	349,175	304,425	291,927	12,498
Contract services	254,800	219,325	218,821	504
Materials and supplies	24,700	22,925	22,684	241
Total parks department	<u>628,675</u>	<u>546,675</u>	<u>533,432</u>	<u>13,243</u>

Continued

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civic Center:				
Contract services	\$ 100,675	\$ 84,175	\$ 83,028	\$ 1,147
Materials and supplies	4,000	2,300	2,214	86
Capital outlay	12,000	8,000	7,350	650
Total civic center	<u>116,675</u>	<u>94,475</u>	<u>92,592</u>	<u>1,883</u>
Golf Course:				
Contract services	395,722	353,372	353,276	96
Total golf course	<u>395,722</u>	<u>353,372</u>	<u>353,276</u>	<u>96</u>
Total Leisure Time Activities	<u>1,242,547</u>	<u>1,068,697</u>	<u>1,052,272</u>	<u>16,425</u>
Debt Service:				
Principal retirement	4,573,000	4,573,000	4,573,000	-
Interest and fiscal charges	152,200	152,200	152,191	9
Bond issuance costs	-	25,625	25,625	-
Total debt service	<u>4,725,200</u>	<u>4,750,825</u>	<u>4,750,816</u>	<u>9</u>
Total expenditures	<u>13,412,646</u>	<u>13,731,468</u>	<u>13,533,459</u>	<u>198,009</u>
Excess of expenditures over revenues	<u>(4,847,946)</u>	<u>(4,791,768)</u>	<u>(4,622,443)</u>	<u>169,325</u>
Other financing sources (uses):				
Note issuance	4,500,000	4,500,000	4,500,000	-
Premium on note issuance	-	40,000	30,150	(9,850)
Sale of capital assets	-	15,875	15,866	(9)
Advances in	-	378,000	378,000	-
Advances out	-	(731,800)	(731,797)	3
Transfers out	(2,000,000)	(2,078,929)	(2,078,921)	8
Total other financing (sources) uses	<u>2,500,000</u>	<u>2,123,146</u>	<u>2,113,298</u>	<u>(9,848)</u>
Net change in fund balance	(2,347,946)	(2,668,622)	(2,509,145)	159,477
Fund balance at beginning of year	5,172,380	5,172,380	5,172,380	-
Prior year encumbrances appropriated	161,496	161,496	161,496	-
Fund balance at end of year	<u>\$ 2,985,930</u>	<u>\$ 2,665,254</u>	<u>\$ 2,824,731</u>	<u>\$ 159,477</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 850,800	\$ 850,000	\$ 849,433	\$ (567)
Charges for services	707,500	674,900	679,531	4,631
Intergovernmental	85,100	110,100	110,042	(58)
Other	3,600	-	-	-
Total revenues	<u>1,647,000</u>	<u>1,635,000</u>	<u>1,639,006</u>	<u>4,006</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Personal services	1,971,497	1,955,506	1,902,633	52,873
Contract services	217,092	179,485	178,568	917
Materials and supplies	48,605	41,405	41,264	141
Capital outlay	9,000	9,000	8,857	143
Total expenditures	<u>2,246,194</u>	<u>2,185,396</u>	<u>2,131,322</u>	<u>54,074</u>
Excess of expenditures over revenues	<u>(599,194)</u>	<u>(550,396)</u>	<u>(492,316)</u>	<u>58,080</u>
Other financing sources:				
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total other financing sources	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	806	49,604	107,684	58,080
Fund balance at beginning of year	409,845	409,845	409,845	-
Prior year encumbrances appropriated	<u>6,819</u>	<u>6,819</u>	<u>6,819</u>	<u>-</u>
Fund balance at end of year	<u>\$ 417,470</u>	<u>\$ 466,268</u>	<u>\$ 524,348</u>	<u>\$ 58,080</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 2,085,000	\$ 2,085,000	\$ 2,085,000	\$ -
Total revenues	2,085,000	2,085,000	2,085,000	-
Expenditures:				
Current:				
Capital Outlay:				
Contract services	917,291	850,499	850,078	421
Capital outlay	3,124,560	3,109,968	3,108,306	1,662
Total capital outlay	4,041,851	3,960,467	3,958,384	2,083
Debt service:				
Principal retirement	92,850	92,850	92,850	-
Interest and fiscal charges	33,775	33,775	33,775	-
Total debt service	126,625	126,625	126,625	-
Total expenditures	4,168,476	4,087,092	4,085,009	2,083
Net change in fund balance	(2,083,476)	(2,002,092)	(2,000,009)	2,083
Fund balance at beginning of year	748,596	748,596	748,596	-
Prior year encumbrances appropriated	2,085,851	2,085,851	2,085,851	-
Fund balance at end of year	\$ 750,971	\$ 832,355	\$ 834,438	\$ 2,083

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 6,982,500	\$ 6,678,500	\$ 6,676,152	\$ (2,348)
Tap-in fees	56,000	70,000	70,075	75
Other	49,500	79,500	28,653	(50,847)
Total operating revenues	7,088,000	6,828,000	6,774,880	(53,120)
Operating expenses:				
Personal services	2,108,994	2,052,860	1,980,325	72,535
Contract services	2,405,809	1,525,745	1,519,488	6,257
Materials and supplies	810,650	580,500	578,834	1,666
Capital outlay	2,238,172	1,483,071	1,482,793	278
Other	28,000	-	-	-
Total operating expenses	7,591,625	5,642,176	5,561,440	80,736
Operating income (loss)	(503,625)	1,185,824	1,213,440	27,616
Nonoperating revenues (expenses):				
Sale of capital assets	-	-	840	840
Debt service:				
Principal retirement	(1,232,181)	(1,232,182)	(1,232,062)	120
Interest and fiscal charges	(177,975)	(177,975)	(177,902)	73
Total nonoperating revenues (expenses)	(1,410,156)	(1,410,157)	(1,409,124)	1,033
Net change in fund equity	(1,913,781)	(224,333)	(195,684)	28,649
Fund equity at beginning of year	4,525,663	4,525,663	4,525,663	-
Prior year encumbrances appropriated	1,021,931	1,021,931	1,021,931	-
Fund equity at end of year	\$ 3,633,813	\$ 5,323,261	\$ 5,351,910	\$ 28,649

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 3,508,400	\$ 3,515,000	\$ 3,512,774	\$ (2,226)
Tap-in fees	36,600	41,600	41,680	80
Other	5,000	-	-	-
Total operating revenues	<u>3,550,000</u>	<u>3,556,600</u>	<u>3,554,454</u>	<u>(2,146)</u>
Operating expenses:				
Personal services	683,818	651,843	631,456	20,387
Contract services	2,778,502	2,158,414	2,156,368	2,046
Materials and supplies	30,850	24,350	23,904	446
Capital outlay	350,619	234,955	234,486	469
Total operating expenses	<u>3,843,789</u>	<u>3,069,562</u>	<u>3,046,214</u>	<u>23,348</u>
Operating income (loss)	<u>(293,789)</u>	<u>487,038</u>	<u>508,240</u>	<u>21,202</u>
Nonoperating expenses:				
Debt service:				
Principal retirement	(23,800)	(38,768)	(38,758)	10
Interest and fiscal charges	<u>(17,843)</u>	<u>(2,875)</u>	<u>(2,852)</u>	<u>23</u>
Total nonoperating expenses	<u>(41,643)</u>	<u>(41,643)</u>	<u>(41,610)</u>	<u>33</u>
Net change in fund equity	(335,432)	445,395	466,630	21,235
Fund equity at beginning of year	1,632,284	1,632,284	1,632,284	-
Prior year encumbrances appropriated	<u>284,907</u>	<u>284,907</u>	<u>284,907</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,581,759</u>	<u>\$ 2,362,586</u>	<u>\$ 2,383,821</u>	<u>\$ 21,235</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GARBAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,114,000	\$ 1,170,000	\$ 1,167,951	\$ (2,049)
Total operating revenues	1,114,000	1,170,000	1,167,951	(2,049)
Operating expenses:				
Personal services	56,060	59,715	58,603	1,112
Contract services	1,032,400	1,084,300	1,084,075	225
Materials and supplies	46,000	28,600	28,516	84
Total operating expenses	1,134,460	1,172,615	1,171,194	1,421
Operating loss	(20,460)	(2,615)	(3,243)	(628)
Nonoperating revenues:				
Intergovernmental	40,000	48,000	47,346	(654)
Total nonoperating revenues	40,000	48,000	47,346	(654)
Net change in fund equity	19,540	45,385	44,103	(1,282)
Fund equity at beginning of year	552,318	552,318	552,318	-
Prior year encumbrances appropriated	60	60	60	-
Fund equity at end of year	\$ 571,918	\$ 597,763	\$ 596,481	\$ (1,282)

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CITY OF NORTH CANTON, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

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 expenditure for specific purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The following are the special revenue funds which the City operates:

Nonmajor Special Revenue Funds

Fire Operating Levy Fund

This fund accounts for property taxes levied that are restricted for the partial operation of the fire department.

Computer Fund

This fund accounts for fees charged to any case processed through Mayor's Court for computer services that are restricted for the operation of the court system.

Enforcement and Education Fund

This fund accounts for revenues received from fines levied when arrests are made for driving under the influence of alcohol. This money is restricted for education of officers and members of the community.

Street Construction, Maintenance and Repair Fund

This fund accounts for the portion of state gasoline tax and motor vehicle registration fees that are restricted for the maintenance of the streets within the City.

Storm Sewer Levy Fund

This fund accounts for property taxes levied that are restricted to maintain, improve or construct storm sewers within the City.

Street Levy Fund

This fund accounts for property taxes levied that are restricted to subsidize improvement of streets within the City.

Municipal Road Fund

This fund accounts for the portion of permissive motor vehicle license tax levied by the County that is allocated to the City that is restricted for street repair.

General Trust Fund

This fund accounts for donations to the City that are restricted by the donors to be used for specific purposes.

Law Enforcement Trust Fund

This fund accounts for money collected from federal forfeitures that is restricted for specific law enforcement purposes.

Continuing Professional Education Fund

This fund accounts for grant money received from the State of Ohio that is restricted for Peace Officer training.

Community Disaster Relief Fund

This fund accounts for donations that are restricted for the use of assisting businesses or community members during times of natural disasters.

Required Deposits Fund

To account for monies put on deposit with the City in accordance with various City ordinances.

COVID-19 Relief Fund

This fund accounts for financial resources provided by the American Rescue Plan Act (ARPA).

CITY OF NORTH CANTON, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor Special Revenue Funds

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Income Tax Fund

The fund accounts for money that is committed to income tax collected in the City.

Compensated Absences Fund

This fund accounts for the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City.

Unclaimed Monies Fund

This fund is used to account for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

CAPITAL PROJECTS FUND

Capital project 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. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The following is a description of all nonmajor capital project funds:

Nonmajor Capital Projects Fund

Indoor Firearms Training Range Improvement Fund

This fund accounts for transfers that are committed to improve the indoor firearms range for the police department.

Park Development Fund

This fund accounts for grants and donations that are restricted to improve the City's parks.

Issue II Fund

This fund accounts for grant monies received from the Ohio Public Works Commission plus City matching funds. Expenditures are restricted to specific projects within the City.

Dogwood Pool Fund

This fund accounts for twenty percent of seasonal net operating funds that are committed to improve the Dogwood Pool.

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 3,996,862	\$ 1,368,997	\$ 5,365,859
Cash and cash equivalents:			
In segregated accounts	137,070	-	137,070
Receivables:			
Property taxes	877,645	-	877,645
Intergovernmental	700,435	-	700,435
Materials and supplies inventory	289,222	-	289,222
Prepayments	732	-	732
	<hr/>	<hr/>	<hr/>
Total assets	\$ 6,001,966	\$ 1,368,997	\$ 7,370,963
	<hr/>	<hr/>	<hr/>
Liabilities:			
Accounts payable	\$ 32,984	\$ -	\$ 32,984
Contracts payable	-	3,344	3,344
Accrued wages and benefits payable	52,313	-	52,313
Interfund loans payable	-	731,797	731,797
Due to other governments	22,583	-	22,583
Unearned revenue	1,010,089	-	1,010,089
	<hr/>	<hr/>	<hr/>
Total liabilities	1,117,969	735,141	1,853,110
	<hr/>	<hr/>	<hr/>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	854,241	-	854,241
Delinquent property tax revenue not available	23,404	-	23,404
Intergovernmental revenues not available	481,868	-	481,868
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	1,359,513	-	1,359,513
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Nonspendable	289,954	-	289,954
Restricted	3,234,530	357,389	3,591,919
Committed	-	276,467	276,467
	<hr/>	<hr/>	<hr/>
Total fund balances	3,524,484	633,856	4,158,340
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 6,001,966	\$ 1,368,997	\$ 7,370,963
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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 849,433	\$ -	\$ 849,433
Charges for services	2,372	-	2,372
Fines and forfeitures	6,392	-	6,392
Intergovernmental	1,752,891	616,461	2,369,352
Contributions and donations	59,405	-	59,405
Other	7,249	-	7,249
	<hr/>	<hr/>	<hr/>
Total revenues	2,677,742	616,461	3,294,203
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	3,291	-	3,291
Security of persons and property:			
Police	13,850	-	13,850
Fire	832,931	-	832,931
Public health and welfare	24,315	-	24,315
Transportation	1,375,473	-	1,375,473
Leisure time activity	2,100	-	2,100
Economic development	9,270	-	9,270
Basic utility services	140,246	-	140,246
Capital outlay	76,199	808,919	885,118
	<hr/>	<hr/>	<hr/>
Total expenditures	2,477,675	808,919	3,286,594
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	200,067	(192,458)	7,609
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Transfers in	900,000	78,921	978,921
Total other financing sources	900,000	78,921	978,921
	<hr/>	<hr/>	<hr/>
Net change in fund balances	1,100,067	(113,537)	986,530
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	2,424,417	747,393	3,171,810
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 3,524,484	\$ 633,856	\$ 4,158,340
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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Assets:				
Equity in pooled cash and investments	\$ 291,894	\$ 19,539	\$ 32,767	\$ 1,411,773
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
Receivables:				
Property taxes	175,527	-	-	-
Intergovernmental	10,657	-	199	514,953
Materials and supplies inventory	-	-	-	289,222
Prepayments	732	-	-	-
Total assets	<u>\$ 478,810</u>	<u>\$ 19,539</u>	<u>\$ 32,966</u>	<u>\$ 2,215,948</u>
Liabilities:				
Accounts payable	\$ 7,884	\$ -	\$ -	\$ 18,755
Accrued wages and benefits	33,636	-	-	18,677
Due to other governments	16,449	-	-	6,134
Unearned revenue	-	-	-	-
Total liabilities	<u>57,969</u>	<u>-</u>	<u>-</u>	<u>43,566</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	170,847	-	-	-
Delinquent property tax revenue not available	4,680	-	-	-
Intergovernmental revenues not available	10,657	-	-	428,585
Total deferred inflows of resources	<u>186,184</u>	<u>-</u>	<u>-</u>	<u>428,585</u>
Fund Balances:				
Nonspendable	732	-	-	289,222
Restricted	233,925	19,539	32,966	1,454,575
Total fund balances	<u>234,657</u>	<u>19,539</u>	<u>32,966</u>	<u>1,743,797</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 478,810</u>	<u>\$ 19,539</u>	<u>\$ 32,966</u>	<u>\$ 2,215,948</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust	Continuing Professional Education
\$ 702,453	\$ 352,005	\$ 165,432	\$ -	\$ -	\$ 9,535
-	-	-	72,615	64,455	-
351,059	351,059	-	-	-	-
33,313	21,313	120,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,086,825</u>	<u>\$ 724,377</u>	<u>\$ 285,432</u>	<u>\$ 72,615</u>	<u>\$ 64,455</u>	<u>\$ 9,535</u>
\$ 245	\$ 4,000	\$ -	\$ 2,100	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>245</u>	<u>4,000</u>	<u>-</u>	<u>2,100</u>	<u>-</u>	<u>-</u>
341,697	341,697	-	-	-	-
9,362	9,362	-	-	-	-
21,313	21,313	-	-	-	-
<u>372,372</u>	<u>372,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
714,208	348,005	285,432	70,515	64,455	9,535
<u>714,208</u>	<u>348,005</u>	<u>285,432</u>	<u>70,515</u>	<u>64,455</u>	<u>9,535</u>
<u>\$ 1,086,825</u>	<u>\$ 724,377</u>	<u>\$ 285,432</u>	<u>\$ 72,615</u>	<u>\$ 64,455</u>	<u>\$ 9,535</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2021

	Community Disaster Relief	Required Deposits	COVID-19 Relief	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 1,375	\$ 110,487	\$ 899,602	\$ 3,996,862
Cash and cash equivalents:				
In segregated accounts	-	-	-	137,070
Receivables:				
Property taxes	-	-	-	877,645
Intergovernmental	-	-	-	700,435
Materials and supplies inventory	-	-	-	289,222
Prepayments	-	-	-	732
Total assets	<u>\$ 1,375</u>	<u>\$ 110,487</u>	<u>\$ 899,602</u>	<u>\$ 6,001,966</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 32,984
Accrued wages and benefits	-	-	-	52,313
Due to other governments	-	-	-	22,583
Unearned revenue	-	110,487	899,602	1,010,089
Total liabilities	<u>-</u>	<u>110,487</u>	<u>899,602</u>	<u>1,117,969</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	854,241
Delinquent property tax revenue not available	-	-	-	23,404
Intergovernmental revenues not available	-	-	-	481,868
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,359,513</u>
Fund Balances:				
Nonspendable	-	-	-	289,954
Restricted	1,375	-	-	3,234,530
Total fund balances	<u>1,375</u>	<u>-</u>	<u>-</u>	<u>3,524,484</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,375</u>	<u>\$ 110,487</u>	<u>\$ 899,602</u>	<u>\$ 6,001,966</u>

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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Revenues:				
Property taxes	\$ 169,887	\$ -	\$ -	\$ -
Charges for services	2,372	-	-	-
Fines and forfeitures	-	-	2,649	-
Intergovernmental	151,167	-	-	1,087,491
Contributions and donations	-	-	-	-
Other	7,249	-	-	-
Total revenues	330,675	-	2,649	1,087,491
Expenditures:				
Current:				
General government	-	2,856	-	-
Security of persons and property:				
Police	-	-	-	-
Fire	819,824	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	1,036,489
Leisure time activities	-	-	-	-
Economic development	-	-	-	-
Basic utility services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	819,824	2,856	-	1,036,489
Excess (deficiency) of revenues over (under) expenditures	(489,149)	(2,856)	2,649	51,002
Other financing sources:				
Transfers in	550,000	-	-	350,000
Total other financing sources	550,000	-	-	350,000
Net change in fund balances	60,851	(2,856)	2,649	401,002
Fund balances at beginning of year	173,806	22,395	30,317	1,342,795
Fund balances at end of year	\$ 234,657	\$ 19,539	\$ 32,966	\$ 1,743,797

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 339,773	\$ 339,773	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	3,743
56,017	49,431	408,785	-	-
-	-	-	59,405	-
-	-	-	-	-
<u>395,790</u>	<u>389,204</u>	<u>408,785</u>	<u>59,405</u>	<u>3,743</u>
-	-	-	-	-
-	-	-	-	13,850
-	-	-	13,107	-
-	-	-	24,315	-
-	312,556	26,428	-	-
-	-	-	2,100	-
-	-	-	9,270	-
140,246	-	-	-	-
-	5,809	70,390	-	-
<u>140,246</u>	<u>318,365</u>	<u>96,818</u>	<u>48,792</u>	<u>13,850</u>
<u>255,544</u>	<u>70,839</u>	<u>311,967</u>	<u>10,613</u>	<u>(10,107)</u>
-	-	-	-	-
-	-	-	-	-
255,544	70,839	311,967	10,613	(10,107)
458,664	277,166	(26,535)	59,902	74,562
<u>\$ 714,208</u>	<u>\$ 348,005</u>	<u>\$ 285,432</u>	<u>\$ 70,515</u>	<u>\$ 64,455</u>

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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Continuing Professional Education	Community Disaster Relief	COVID-19 Relief	Total Nonmajor Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 849,433
Charges for services	-	-	-	2,372
Fines and forfeitures	-	-	-	6,392
Intergovernmental	-	-	-	1,752,891
Contributions and donations	-	-	-	59,405
Other	-	-	-	7,249
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,677,742</u>
Expenditures:				
Current:				
General government	-	-	435	3,291
Security of persons and property:				
Police	-	-	-	13,850
Fire	-	-	-	832,931
Public health and welfare	-	-	-	24,315
Transportation	-	-	-	1,375,473
Leisure time activities	-	-	-	2,100
Economic development	-	-	-	9,270
Basic utility services	-	-	-	140,246
Capital outlay	-	-	-	76,199
Total expenditures	<u>-</u>	<u>-</u>	<u>435</u>	<u>2,477,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(435)</u>	<u>200,067</u>
Other financing sources:				
Transfers in	-	-	-	900,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,000</u>
Net change in fund balances	-	-	(435)	1,100,067
Fund balances at beginning of year	<u>9,535</u>	<u>1,375</u>	<u>435</u>	<u>2,424,417</u>
Fund balances at end of year	<u>\$ 9,535</u>	<u>\$ 1,375</u>	<u>\$ -</u>	<u>\$ 3,524,484</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE OPERATING LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 170,000	\$ 170,000	\$ 169,887	\$ (113)
Charges for services	3,000	2,500	2,382	(118)
Intergovernmental	267,000	151,500	151,167	(333)
Other	2,000	-	-	-
Total revenues	<u>442,000</u>	<u>324,000</u>	<u>323,436</u>	<u>(564)</u>
Expenditures:				
Current:				
Security of Person and Property:				
Fire:				
Personal services	490,419	473,600	449,076	24,524
Contract services	400,130	249,715	241,410	8,305
Materials and supplies	39,855	35,455	35,275	180
Capital outlay	75,500	74,500	74,461	39
Total expenditures	<u>1,005,904</u>	<u>833,270</u>	<u>800,222</u>	<u>33,048</u>
Excess of expenditures over revenues	<u>(563,904)</u>	<u>(509,270)</u>	<u>(476,786)</u>	<u>32,484</u>
Other financing sources:				
Sale of capital assets	-	11,775	11,775	-
Transfers in	550,000	550,000	550,000	-
Total other financing sources	<u>550,000</u>	<u>561,775</u>	<u>561,775</u>	<u>-</u>
Net change in fund balance	(13,904)	52,505	84,989	32,484
Fund balance at beginning of year	182,349	182,349	182,349	-
Prior year encumbrances appropriated	9,304	9,304	9,304	-
Fund balance at end of year	<u>\$ 177,749</u>	<u>\$ 244,158</u>	<u>\$ 276,642</u>	<u>\$ 32,484</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COMPUTER FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General Government:				
Computer:				
Contract services	\$ 4,000	\$ 3,000	\$ 2,856	\$ 144
Total expenditures	<u>4,000</u>	<u>3,000</u>	<u>2,856</u>	<u>144</u>
Net change in fund balance	(4,000)	(3,000)	(2,856)	144
Fund balance at beginning of year	<u>22,395</u>	<u>22,395</u>	<u>22,395</u>	<u>-</u>
Fund balance at end of year	<u>\$ 18,395</u>	<u>\$ 19,395</u>	<u>\$ 19,539</u>	<u>\$ 144</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 2,450	\$ (550)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>2,450</u>	<u>(550)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	4,000	-	-	-
Capital outlay	4,000	-	-	-
Total expenditures	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,000)	3,000	2,450	(550)
Fund balance at beginning of year	<u>30,317</u>	<u>30,317</u>	<u>30,317</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,317</u>	<u>\$ 33,317</u>	<u>\$ 32,767</u>	<u>\$ (550)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 950,000	\$ 1,088,500	\$ 1,086,849	\$ (1,651)
Other	-	1,500	1,400	(100)
Total revenues	<u>950,000</u>	<u>1,090,000</u>	<u>1,088,249</u>	<u>(1,751)</u>
Expenditures:				
Current:				
Transportation:				
Personal services	425,038	437,456	419,709	17,747
Contract services	437,250	312,935	312,382	553
Materials and supplies	637,900	548,009	547,862	147
Capital outlay	8,000	-	-	-
Total expenditures	<u>1,508,188</u>	<u>1,298,400</u>	<u>1,279,953</u>	<u>18,447</u>
Excess expenditures over revenues	<u>(558,188)</u>	<u>(208,400)</u>	<u>(191,704)</u>	<u>16,696</u>
Other financing sources:				
Transfers in	350,000	350,000	350,000	-
Total other financing sources	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net change in fund balance	(208,188)	141,600	158,296	16,696
Fund balance at beginning of year	807,589	807,589	807,589	-
Prior year encumbrances appropriated	<u>241,963</u>	<u>241,963</u>	<u>241,963</u>	<u>-</u>
Fund balance at end of year	<u>\$ 841,364</u>	<u>\$ 1,191,152</u>	<u>\$ 1,207,848</u>	<u>\$ 16,696</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM SEWER LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 340,000	\$ 340,000	\$ 339,773	\$ (227)
Intergovernmental	34,000	44,000	44,017	17
Total revenues	374,000	384,000	383,790	(210)
Expenditures:				
Current:				
Basic Utility Services:				
Storm Sewers:				
Contract services	362,600	157,000	156,696	304
Materials and supplies	10,000	9,000	8,968	32
Total expenditures	372,600	166,000	165,664	336
Net change in fund balance	1,400	218,000	218,126	126
Fund balance at beginning of year	443,467	443,467	443,467	-
Prior year encumbrances appropriated	32,000	32,000	32,000	-
Fund balance at end of year	\$ 476,867	\$ 693,467	\$ 693,593	\$ 126

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 340,000	\$ 340,000	\$ 339,773	\$ (227)
Intergovernmental	34,000	44,000	44,017	17
Total revenues	<u>374,000</u>	<u>384,000</u>	<u>383,790</u>	<u>(210)</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	408,107	349,357	349,163	194
Materials and supplies	15,000	-	-	-
Total expenditures	<u>423,107</u>	<u>349,357</u>	<u>349,163</u>	<u>194</u>
Net change in fund balance	(49,107)	34,643	34,627	(16)
Fund balance at beginning of year	256,914	256,914	256,914	-
Prior year encumbrances appropriated	19,857	19,857	19,857	-
Fund balance at end of year	<u>\$ 227,664</u>	<u>\$ 311,414</u>	<u>\$ 311,398</u>	<u>\$ (16)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL ROAD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 85,000	\$ 162,400	\$ 162,322	\$ (78)
Total revenues	<u>85,000</u>	<u>162,400</u>	<u>162,322</u>	<u>(78)</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	216,052	122,143	122,143	-
Total expenditures	<u>216,052</u>	<u>122,143</u>	<u>122,143</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(131,052)</u>	<u>40,257</u>	<u>40,179</u>	<u>(78)</u>
Other financing uses:				
Advances out	-	(203,000)	(203,000)	-
Total other financing uses	<u>-</u>	<u>(203,000)</u>	<u>(203,000)</u>	<u>-</u>
Net change in fund balance	(131,052)	(162,743)	(162,821)	(78)
Fund balance at beginning of year	193,134	193,134	193,134	-
Prior year encumbrances appropriated	<u>131,052</u>	<u>131,052</u>	<u>131,052</u>	<u>-</u>
Fund balance at end of year	<u>\$ 193,134</u>	<u>\$ 161,443</u>	<u>\$ 161,365</u>	<u>\$ (78)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations	\$ 47,350	\$ 59,405	\$ 59,405	\$ -
Total revenues	<u>47,350</u>	<u>59,405</u>	<u>59,405</u>	<u>-</u>
Expenditures:				
Current:				
Other General Government:				
Contract services	23,195	24,091	24,091	-
Total other general government	<u>23,195</u>	<u>24,091</u>	<u>24,091</u>	<u>-</u>
Total General Government	<u>23,195</u>	<u>24,091</u>	<u>24,091</u>	<u>-</u>
Security of Persons and Property:				
Police:				
Contract services	4,775	9,465	9,465	-
Total police	<u>4,775</u>	<u>9,465</u>	<u>9,465</u>	<u>-</u>
Fire:				
Contract services	11,825	4,661	4,661	-
Total fire	<u>11,825</u>	<u>4,661</u>	<u>4,661</u>	<u>-</u>
Total Security of Persons and Property	<u>16,600</u>	<u>14,126</u>	<u>14,126</u>	<u>-</u>
Public Health and Welfare:				
E.M.S.:				
Contract services	37,150	35,654	35,654	-
Total E.M.S.	<u>37,150</u>	<u>35,654</u>	<u>35,654</u>	<u>-</u>
Total Public Health and Welfare	<u>37,150</u>	<u>35,654</u>	<u>35,654</u>	<u>-</u>
Leisure Time Activities:				
Park Maintenance:				
Contract services	8,900	9,959	9,959	-
Total Park maintenance	<u>8,900</u>	<u>9,959</u>	<u>9,959</u>	<u>-</u>
Park Department:				
Contract services	230	230	230	-
Total Park department	<u>230</u>	<u>230</u>	<u>230</u>	<u>-</u>
Total Leisure Time Activities	<u>9,130</u>	<u>10,189</u>	<u>10,189</u>	<u>-</u>
Economic Development:				
Contract services	15,000	35,083	35,083	-
Total Economic development	<u>15,000</u>	<u>35,083</u>	<u>35,083</u>	<u>-</u>
Total expenditures	<u>101,075</u>	<u>119,143</u>	<u>119,143</u>	<u>-</u>
Net change in fund balance	(53,725)	(59,738)	(59,738)	-
Fund balance at beginning of year	58,902	58,902	58,902	-
Prior year encumbrances appropriated	1,000	1,000	1,000	-
Fund balance at end of year	<u>\$ 6,177</u>	<u>\$ 164</u>	<u>\$ 164</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 3,750	\$ 3,743	\$ (7)
Total revenues	<u>1,000</u>	<u>3,750</u>	<u>3,743</u>	<u>(7)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Materials and supplies	5,000	61,200	61,184	16
Total Police	<u>5,000</u>	<u>61,200</u>	<u>61,184</u>	<u>16</u>
Total expenditures	<u>5,000</u>	<u>61,200</u>	<u>61,184</u>	<u>16</u>
Net change in fund balance	(4,000)	(57,450)	(57,441)	9
Fund balance at beginning of year	<u>74,562</u>	<u>74,562</u>	<u>74,562</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,562</u>	<u>\$ 17,112</u>	<u>\$ 17,121</u>	<u>\$ 9</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONTINUING PROFESSIONAL EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 9,535	\$ 9,535	\$ 9,535	\$ -
Fund balance at end of year	<u>\$ 9,535</u>	<u>\$ 9,535</u>	<u>\$ 9,535</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DISASTER RELIEF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 1,375	\$ 1,375	\$ 1,375	\$ -
Fund balance at end of year	\$ 1,375	\$ 1,375	\$ 1,375	\$ -

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

REQUIRED DEPOSITS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 25,000	\$ 40,000	\$ 40,349	\$ 349
Total revenues	<u>25,000</u>	<u>40,000</u>	<u>40,349</u>	<u>349</u>
Net change in fund balance	25,000	40,000	40,349	349
Fund balance at beginning of year	<u>70,138</u>	<u>70,138</u>	<u>70,138</u>	<u>-</u>
Fund balance at end of year	<u>\$ 95,138</u>	<u>\$ 110,138</u>	<u>\$ 110,487</u>	<u>\$ 349</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COVID-19 RELIEF FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 899,602	\$ 899,602	\$ -
Total revenues	<u>-</u>	<u>899,602</u>	<u>899,602</u>	<u>-</u>
Net change in fund balance	-	899,602	899,602	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 899,602</u></u>	<u><u>\$ 899,602</u></u>	<u><u>\$ -</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ -	\$ 212,000	\$ 211,714	\$ (286)
Total revenues	-	212,000	211,714	(286)
Expenditures:				
Current:				
General Government:				
Personal services	58,180	52,816	50,179	2,637
Contract services	466,500	141,500	140,995	505
Total expenditures	524,680	194,316	191,174	3,142
Net change in fund balance	(524,680)	17,684	20,540	2,856
Fund balance at beginning of year	4,734,710	4,734,710	4,734,710	-
Prior year encumbrances appropriated	55	55	55	-
Fund balance at end of year	\$ 4,210,085	\$ 4,752,449	\$ 4,755,305	\$ 2,856

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMPENSATED ABSENCES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General Government:				
Personal services	\$ -	\$ 9,675	\$ 9,647	\$ 28
Total General Government	-	9,675	9,647	28
Security of Persons and Property:				
Police:				
Personal services	-	4,925	4,905	20
Total Police	-	4,925	4,905	20
Dispatch:				
Personal services	-	1,700	1,694	6
Total Dispatch	-	1,700	1,694	6
Total Security of Persons and Property .	-	6,625	6,599	26
Public Health and Welfare:				
Personal services	-	19,800	19,767	33
Total public health and welfare	-	19,800	19,767	33
Basic Utilities Services:				
Water:				
Personal services	-	74,425	74,389	36
Total Water	-	74,425	74,389	36
Storm Sewer:				
Personal services	-	5,750	5,718	32
Total Storm Sewer	-	5,750	5,718	32
Total Basic Utility Services	-	80,175	80,107	68
Transportation:				
Street Maintenance Department:				
Personal services	-	24,375	24,372	3
Total Street Maintenance Department	-	24,375	24,372	3
Total Transportation	-	24,375	24,372	3
Total expenditures	-	140,650	140,492	158
Net change in fund balance	-	(140,650)	(140,492)	158
Fund balance at beginning of year	1,309,553	1,309,553	1,309,553	-
Fund balance at end of year	\$ 1,309,553	\$ 1,168,903	\$ 1,169,061	\$ 158

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNCLAIMED MONIES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 2,000	\$ 5,500	\$ 5,503	\$ 3
Total revenues	<u>2,000</u>	<u>5,500</u>	<u>5,503</u>	<u>3</u>
Expenditures:				
Current:				
General Government:				
Other	<u>5,000</u>	<u>5,000</u>	<u>2,290</u>	<u>2,710</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,290</u>	<u>2,710</u>
Net change in fund balance	(3,000)	500	3,213	2,713
Fund balance at beginning of year	<u>4,569</u>	<u>4,569</u>	<u>4,569</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,569</u>	<u>\$ 5,069</u>	<u>\$ 7,782</u>	<u>\$ 2,713</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Indoor Firearms Training Range Improvement	Park Development	Issue II
Assets:			
Equity in pooled cash and investments	\$ 224,000	\$ 1,090,730	\$ 1,800
Total assets	<u>\$ 224,000</u>	<u>\$ 1,090,730</u>	<u>\$ 1,800</u>
Liabilities:			
Contracts payable	\$ -	\$ 3,344	\$ -
Interfund loans payable	-	731,797	-
Total liabilities	<u>-</u>	<u>735,141</u>	<u>-</u>
Fund Balances:			
Restricted	-	355,589	1,800
Committed	224,000	-	-
Total fund balances	<u>224,000</u>	<u>355,589</u>	<u>1,800</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 224,000</u>	<u>\$ 1,090,730</u>	<u>\$ 1,800</u>

<u>Dogwood Pool</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 52,467	\$ 1,368,997
<u>\$ 52,467</u>	<u>\$ 1,368,997</u>
\$ -	\$ 3,344
-	731,797
-	735,141
-	357,389
52,467	276,467
<u>52,467</u>	<u>633,856</u>
<u>\$ 52,467</u>	<u>\$ 1,368,997</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Indoor Firearms Training Range Improvement	Park Development	Issue II
Revenues:			
Intergovernmental	\$ -	\$ 505,556	\$ 110,905
Total revenues	-	505,556	110,905
Expenditures:			
Capital outlay	-	692,814	116,105
Total expenditures	-	692,814	116,105
Excess of revenues over expenditures	-	(187,258)	(5,200)
Other financing sources:			
Transfers in	-	-	26,454
Total other financing sources	-	-	26,454
Net change in fund balances	-	(187,258)	21,254
Fund balances at beginning of year	224,000	542,847	(19,454)
Fund balances at end of year	\$ 224,000	\$ 355,589	\$ 1,800

<u>Dogwood Pool</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ 616,461
-	616,461
-	808,919
-	808,919
-	(192,458)
52,467	78,921
52,467	78,921
52,467	(113,537)
-	747,393
<u>\$ 52,467</u>	<u>\$ 633,856</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDOOR FIREARMS TRAINING RANGE IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Capital Outlay:				
Capital outlay	\$ 4,000	\$ -	\$ -	\$ -
Total capital outlay	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,000)	-	-	-
Fund balance at beginning of year	220,000	220,000	220,000	-
Prior year encumbrances appropriated	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 220,000</u></u>	<u><u>\$ 224,000</u></u>	<u><u>\$ 224,000</u></u>	<u><u>\$ -</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 862,000	\$ 1,272,730	\$ 505,556	\$ (767,174)
Contributions and donations	50,000	54,318	-	(54,318)
Total revenues	<u>912,000</u>	<u>1,327,048</u>	<u>505,556</u>	<u>(821,492)</u>
Expenditures:				
Capital Outlay:				
Capital outlay	1,701,699	1,818,570	1,818,570	-
Total capital outlay	<u>1,701,699</u>	<u>1,818,570</u>	<u>1,818,570</u>	<u>-</u>
Total expenditures	<u>1,701,699</u>	<u>1,818,570</u>	<u>1,818,570</u>	<u>-</u>
Excess of expenditures over revenues	<u>(789,699)</u>	<u>(491,522)</u>	<u>(1,313,014)</u>	<u>(821,492)</u>
Other financing sources:				
Advances in	-	731,800	731,797	(3)
Total other financing sources	<u>-</u>	<u>731,800</u>	<u>731,797</u>	<u>(3)</u>
Net change in fund balance	(789,699)	240,278	(581,217)	(821,495)
Fund balance at beginning of year	19,613	19,613	19,613	-
Prior year encumbrances appropriated	<u>568,599</u>	<u>568,599</u>	<u>568,599</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (201,487)</u>	<u>\$ 828,490</u>	<u>\$ 6,995</u>	<u>\$ (821,495)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ISSUE II FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 768,000	\$ 33,100	\$ 33,083	\$ (17)
Total revenues	<u>768,000</u>	<u>33,100</u>	<u>33,083</u>	<u>(17)</u>
Expenditures:				
Capital Outlay:				
Contract services	775,000	38,300	38,283	17
Total capital outlay	<u>775,000</u>	<u>38,300</u>	<u>38,283</u>	<u>17</u>
Total expenditures	<u>775,000</u>	<u>38,300</u>	<u>38,283</u>	<u>17</u>
Excess of expenditures over revenues	<u>(7,000)</u>	<u>(5,200)</u>	<u>(5,200)</u>	<u>-</u>
Other financing sources (uses):				
Advances out	-	(175,000)	(175,000)	-
Transfers in	-	26,454	26,454	-
Total other financing sources (uses)	<u>-</u>	<u>(148,546)</u>	<u>(148,546)</u>	<u>-</u>
Net change in fund balance	(7,000)	(153,746)	(153,746)	-
Fund balance at beginning of year	148,546	148,546	148,546	-
Prior year encumbrances appropriated	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 148,546</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

DOGWOOD POOL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources:				
Transfers in	\$ -	\$ 52,475	\$ 52,467	\$ (8)
Total other financing sources	<u>-</u>	<u>52,475</u>	<u>52,467</u>	<u>(8)</u>
Net change in fund balance	-	52,475	52,467	(8)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 52,475</u>	<u>\$ 52,467</u>	<u>\$ (8)</u>

CITY OF NORTH CANTON, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS**

ENTERPRISE FUNDS

Enterprise funds are used to account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

INTERNAL SERVICE FUNDS

To account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Internal Service Fund

Insurance Fund

This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's internal service fund accounts for a self-insurance program for employee medical/surgical benefits.

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Charges for services	\$ 1,480,000	\$ 1,748,000	\$ 1,747,489	\$ (511)
Other	-	2,000	1,685	(315)
Total operating revenues	<u>1,480,000</u>	<u>1,750,000</u>	<u>1,749,174</u>	<u>(826)</u>
Operating Expenses:				
Contract services	35,000	352,325	346,546	5,779
Claims	1,461,054	1,388,223	1,386,395	1,828
Total operating expenses	<u>1,496,054</u>	<u>1,740,548</u>	<u>1,732,941</u>	<u>7,607</u>
Operating (loss) income/ change in fund equity	(16,054)	9,452	16,233	6,781
Fund equity at beginning of year	1,255,168	1,255,168	1,255,168	-
Prior year encumbrances appropriated	<u>16,054</u>	<u>16,054</u>	<u>16,054</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,255,168</u>	<u>\$ 1,280,674</u>	<u>\$ 1,287,455</u>	<u>\$ 6,781</u>

CITY OF NORTH CANTON, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - FIDUCIARY FUNDS

Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The following are is the City's custodial fund:

Permit Fee Fund

This fund accounts for a permit fee collected by the City for the State of Ohio.

North Ridge Development

This fund accounts for activity related to the North Ridge Development.

CITY OF NORTH CANTON

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021

	Permit Fee	North Ridge Development	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,407	\$ -	\$ 3,407
Receivables (net of allowances for uncollectibles):			
Accounts	1	21,490	21,491
Total assets	3,408	21,490	24,898
Liabilities:			
Due to other governments	248	-	248
Total liabilities	248	-	248
Net position:			
Restricted for individuals, organizations and other governments	3,160	21,490	24,650
Total net position	\$ 3,160	\$ 21,490	\$ 24,650

CITY OF NORTH CANTON

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Permit Fee</u>	<u>North Ridge Development</u>	<u>Total</u>
Additions:			
Licenses, permits and fees for other governments	\$ 4,178	\$ -	\$ 4,178
Other custodial fund collections	-	21,490	21,490
Total additions	<u>4,178</u>	<u>21,490</u>	<u>25,668</u>
Deductions:			
Other custodial fund disbursements	<u>4,133</u>	<u>-</u>	<u>4,133</u>
Total deductions	<u>4,133</u>	<u>-</u>	<u>4,133</u>
Excess of additions over deductions	<u>45</u>	<u>21,490</u>	<u>21,535</u>
Net change in fiduciary net position	45	21,490	21,535
Net position beginning of year	<u>3,115</u>	<u>-</u>	<u>3,115</u>
Net position end of year	<u>\$ 3,160</u>	<u>\$ 21,490</u>	<u>\$ 24,650</u>

Statistical Section



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CITY OF NORTH CANTON, OHIO

STATISTICAL SECTION
TABLE OF CONTENTS

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

<u>Contents</u>	<u>Page</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.	170-181
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the income tax.	182-189
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.	190-195
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	196-199
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.	200-205

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

CITY OF NORTH CANTON, OHIO

NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (3)</u>
Governmental Activities				
Net investment in capital assets	\$ 36,942,454	\$ 35,218,442	\$ 35,953,375	\$ 35,525,631
Restricted for:				
Capital projects	357,389	542,847	376,695	44,788
Computer systems	19,539	22,395	22,395	25,800
Security of persons and property - police	106,956	114,414	104,700	91,861
Security of persons and property - fire	-	-	-	-
Public health and welfare	1,375	1,375	1,375	3,229
Transportation	2,519,642	1,437,641	1,193,603	1,338,449
Basic utilities	744,883	490,091	385,399	437,168
General trust	70,515	59,902	58,523	117,353
Mayors Court	-	-	-	-
Other purposes	-	435	-	-
Unrestricted	<u>8,792,967</u>	<u>11,754,275</u>	<u>6,075,448</u>	<u>2,752,106</u>
Total governmental activities net position	<u>\$ 49,555,720</u>	<u>\$ 49,641,817</u>	<u>\$ 44,171,513</u>	<u>\$ 40,336,385</u>
Business-type Activities				
Net investment in capital assets	\$ 36,927,021	\$ 36,569,863	\$ 35,380,099	\$ 33,212,578
Unrestricted	<u>7,924,062</u>	<u>5,413,523</u>	<u>4,268,157</u>	<u>5,056,950</u>
Total business-type activities net position	<u>\$ 44,851,083</u>	<u>\$ 41,983,386</u>	<u>\$ 39,648,256</u>	<u>\$ 38,269,528</u>
Total Primary Government				
Net investment in capital assets	\$ 73,869,475	\$ 71,788,305	\$ 71,333,474	\$ 68,738,209
Restricted	3,820,299	2,669,100	2,142,690	2,058,648
Unrestricted	<u>16,717,029</u>	<u>17,167,798</u>	<u>10,343,605</u>	<u>7,809,056</u>
Total primary government net position	<u>\$ 94,406,803</u>	<u>\$ 91,625,203</u>	<u>\$ 83,819,769</u>	<u>\$ 78,605,913</u>

Source: City financial records.

- (1) Amounts have been restated to reflect a restatement.
- (2) Amounts have been restated to reflect a restatement related to GASB Statement No. 68 & 71.
- (3) Amounts have been restated to reflect a restatement related to GASB Statement No. 84

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 (2)</u>	<u>2013 (1)</u>	<u>2012</u>
\$ 33,955,258	\$ 32,868,204	\$ 31,398,690	\$ 31,628,172	\$ 30,087,393	\$ 30,162,804
219,188	368,468	302,578	713,158	202,578	202,578
30,484	20,593	7,856	2,243	9,249	12,430
86,654	70,044	57,373	46,564	41,790	41,628
194,168	278,879	150,299	211,861	116,726	17,036
217,191	1,375	1,370	530,811	572,499	296,690
1,548,496	1,473,127	1,183,270	1,580,377	1,215,859	1,207,215
655,354	760,292	875,885	430,153	536,338	535,373
212,165	225,669	221,262	194,378	190,613	48,884
23,280	10,424	7,357	10,269	12,038	13,957
-	-	-	-	-	-
8,132,845	7,877,344	8,810,236	6,443,087	9,267,304	7,644,922
<u>\$ 45,275,083</u>	<u>\$ 43,954,419</u>	<u>\$ 43,016,176</u>	<u>\$ 41,791,073</u>	<u>\$ 42,252,387</u>	<u>\$ 40,183,517</u>
\$ 31,587,314	\$ 29,398,761	\$ 28,680,671	\$ 27,533,121	\$ 26,626,707	\$ 26,042,734
6,794,126	7,896,552	7,300,889	7,074,176	7,952,328	7,523,687
<u>\$ 38,381,440</u>	<u>\$ 37,295,313</u>	<u>\$ 35,981,560</u>	<u>\$ 34,607,297</u>	<u>\$ 34,579,035</u>	<u>\$ 33,566,421</u>
\$ 65,542,572	\$ 62,266,965	\$ 60,079,361	\$ 59,161,293	\$ 56,714,100	\$ 56,205,538
3,186,980	3,208,871	2,807,250	3,719,814	2,897,690	2,375,791
14,926,971	15,773,896	16,111,125	13,517,263	17,219,632	15,168,609
<u>\$ 83,656,523</u>	<u>\$ 81,249,732</u>	<u>\$ 78,997,736</u>	<u>\$ 76,398,370</u>	<u>\$ 76,831,422</u>	<u>\$ 73,749,938</u>

CITY OF NORTH CANTON, OHIO

CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 647	\$ 5,968	\$ 19,821	\$ 122,045
Security of persons and property:				
Police	179,954	183,754	210,362	20,792
Fire	2,372	3,360	3,740	1,600
Public health and welfare	642,006	637,295	636,315	637,739
Community environment	359,718	316,466	369,095	346,327
Leisure time activities	258,248	49,121	191,602	161,288
Subtotal - charges for services	<u>1,442,945</u>	<u>1,195,964</u>	<u>1,430,935</u>	<u>1,289,791</u>
Operating grants and contributions				
General government	-	451,604	1,263	872
Security of persons and property:				
Police	6,392	465,324	16,911	572
Fire	152,366	401,201	3,374	56,346
Public health and welfare	32,237	288,195	340	36
Transportation	1,113,938	1,011,935	1,061,985	878,454
Leisure time activities	2,557	-	8,762	12,471
Economic development	11,286	13,499	-	-
Basic utility services	-	-	-	-
Subtotal - operating grants and contributions	<u>1,318,776</u>	<u>2,631,758</u>	<u>1,092,635</u>	<u>948,751</u>
Capital grants and contributions				
Transportation	1,079,863	2,952,203	181,611	786,219
Leisure time activities	-	342,493	375,000	30,000
Economic development	505,556	-	-	-
Subtotal - capital grants and contributions	<u>1,585,419</u>	<u>3,294,696</u>	<u>556,611</u>	<u>816,219</u>
Total governmental activities program revenues	<u>4,347,140</u>	<u>7,122,418</u>	<u>3,080,181</u>	<u>3,054,761</u>
Business-type activities:				
Charges for services:				
Water	6,795,291	6,589,633	6,907,153	7,112,496
Sewer	3,548,569	3,527,128	3,527,129	3,004,204
Garbage	1,163,989	1,128,095	1,030,729	978,744
Subtotal - charges for services	<u>11,507,849</u>	<u>11,244,856</u>	<u>11,465,011</u>	<u>11,095,444</u>
Operating grants and contributions:				
Garbage	34,730	48,638	43,449	59,964
Subtotal - operating grants and contributions	<u>34,730</u>	<u>48,638</u>	<u>43,449</u>	<u>59,964</u>
Capital grants and contributions:				
Water	68,747	188,608	-	-
Subtotal - capital grants and contributions	<u>68,747</u>	<u>188,608</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>11,611,326</u>	<u>11,482,102</u>	<u>11,508,460</u>	<u>11,155,408</u>
Total primary government	<u>\$ 15,958,466</u>	<u>\$ 18,604,520</u>	<u>\$ 14,588,641</u>	<u>\$ 14,210,169</u>

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	420,751	\$ 448,431	\$ 349,591	\$ 389,409	\$ 461,653	\$ 381,444
	18,316	17,508	17,119	13,069	18,814	11,298
	-	-	100	430	-	-
	624,130	580,315	470,156	551,809	599,043	498,983
	325,414	352,345	467,586	397,787	304,774	261,986
	143,365	85,268	134,058	301,977	288,350	355,269
	<u>1,531,976</u>	<u>1,483,867</u>	<u>1,438,610</u>	<u>1,654,481</u>	<u>1,672,634</u>	<u>1,508,980</u>
	2	8,887	6	5	6	8
	16,113	5,500	2,080	2,608	134,370	10,296
	3,391	9	38,934	16,854	12,686	29,619
	1,449	140	26,693	54,123	12,798	286,753
	767,210	961,922	784,987	780,991	878,888	869,781
	-	1,768	-	1,282	31,918	-
	-	-	-	-	-	-
	-	-	-	702	670	335
	<u>788,165</u>	<u>978,226</u>	<u>852,700</u>	<u>856,565</u>	<u>1,071,336</u>	<u>1,196,792</u>
	192,500	-	1,127,854	994,073	1,793,398	3,102,193
	-	-	-	-	-	-
	-	-	65,920	2,331,548	-	-
	<u>192,500</u>	<u>-</u>	<u>1,193,774</u>	<u>3,325,621</u>	<u>1,793,398</u>	<u>3,102,193</u>
	<u>2,512,641</u>	<u>2,462,093</u>	<u>3,485,084</u>	<u>5,836,667</u>	<u>4,537,368</u>	<u>5,807,965</u>
	7,009,035	7,065,818	6,818,684	6,404,161	6,150,482	6,051,273
	3,024,104	3,048,897	2,910,360	2,830,415	2,854,520	2,773,669
	975,832	927,769	895,826	897,523	883,742	881,780
	<u>11,008,971</u>	<u>11,042,484</u>	<u>10,624,870</u>	<u>10,132,099</u>	<u>9,888,744</u>	<u>9,706,722</u>
	62,960	76,277	66,227	56,867	28,371	39,998
	<u>62,960</u>	<u>76,277</u>	<u>66,227</u>	<u>56,867</u>	<u>28,371</u>	<u>39,998</u>
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	11,071,931	11,118,761	10,691,097	10,188,966	9,917,115	9,746,720
\$	<u>13,584,572</u>	<u>\$ 13,580,854</u>	<u>\$ 14,176,181</u>	<u>\$ 16,025,633</u>	<u>\$ 14,454,483</u>	<u>\$ 15,554,685</u>

(Continued)

CITY OF NORTH CANTON, OHIO

CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2021	2020	2019	2018
Expenses:				
Governmental Activities				
General government	\$ 1,852,191	\$ 2,375,057	\$ 1,618,201	\$ 1,841,378
Security of persons and property:				
Police	4,187,909	4,566,197	1,451,731	4,069,125
Fire	883,297	716,472	634,018	980,977
Public health and welfare	2,056,123	2,373,811	685,161	1,959,758
Transportation	3,752,186	3,108,705	4,338,738	2,654,652
Community environment	1,391,347	583,626	620,455	579,143
Leisure time activities	863,713	860,473	1,080,159	912,839
Economic development	9,270	12,933	-	-
Basic utility services	363,001	506,068	619,636	567,192
Interest and fiscal charges	144,560	207,598	43,539	46,714
Total governmental activities expenses	15,503,597	15,310,940	11,091,638	13,611,778
Business-type activities:				
Water	\$ 5,021,009	\$ 5,054,397	\$ 5,686,769	\$ 5,730,748
Sewer	2,630,900	3,161,180	3,454,932	3,316,532
Garbage	1,121,213	1,105,483	1,043,913	1,011,766
Total business-type activities expenses	8,773,122	9,321,060	10,185,614	10,059,046
Total primary government program expenses	\$ 24,276,719	\$ 24,632,000	\$ 21,277,252	\$ 23,670,824
Net (Expense) Revenue				
Governmental activities	(11,156,457)	(8,188,522)	(8,011,457)	(10,557,017)
Business-type activities	2,838,204	2,161,042	1,322,846	1,096,362
Total primary government net expense	\$ (8,318,253)	\$ (6,027,480)	\$ (6,688,611)	\$ (9,460,655)

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 2,139,358	\$ 1,858,413	\$ 1,820,019	\$ 1,797,198	\$ 1,916,122	\$ 1,914,208
3,623,736	3,639,343	3,346,255	3,026,167	3,209,466	3,184,475
610,936	750,133	637,260	561,489	663,161	731,977
1,812,729	1,600,200	1,584,397	1,660,454	1,500,576	1,690,461
2,808,748	2,182,339	3,180,380	1,936,292	3,574,374	3,333,527
559,672	520,582	541,360	442,474	402,156	416,531
702,842	674,203	754,631	867,399	789,887	791,895
-	-	313,143	1,110,772	-	-
553,272	1,006,385	516,290	615,934	607,310	542,450
50,163	77,397	80,997	85,052	89,725	94,829
<u>12,861,456</u>	<u>12,308,995</u>	<u>12,774,732</u>	<u>12,103,231</u>	<u>12,752,777</u>	<u>12,700,353</u>
\$ 5,472,143	\$ 5,577,703	\$ 5,321,422	\$ 5,261,976	\$ 6,223,675	\$ 5,349,166
3,584,577	3,169,297	3,017,885	2,626,109	2,594,504	2,432,758
1,006,131	947,836	922,038	991,279	936,462	860,061
<u>10,062,851</u>	<u>9,694,836</u>	<u>9,261,345</u>	<u>8,879,364</u>	<u>9,754,641</u>	<u>8,641,985</u>
<u>\$ 22,924,307</u>	<u>\$ 22,003,831</u>	<u>\$ 22,036,077</u>	<u>\$ 20,982,595</u>	<u>\$ 22,507,418</u>	<u>\$ 21,342,338</u>
(10,348,815)	(9,846,902)	(9,289,648)	(6,266,564)	(8,215,409)	(6,892,388)
<u>1,009,080</u>	<u>1,423,925</u>	<u>1,429,752</u>	<u>1,309,602</u>	<u>162,474</u>	<u>1,104,735</u>
<u>\$ (9,339,735)</u>	<u>\$ (8,422,977)</u>	<u>\$ (7,859,896)</u>	<u>\$ (4,956,962)</u>	<u>\$ (8,052,935)</u>	<u>\$ (5,787,653)</u>

(Continued)

CITY OF NORTH CANTON, OHIO

CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 926,835	\$ 927,485	\$ 888,465	\$ 872,168
Fire operating levy	169,852	169,535	161,693	171,411
Emergency medical services levy	849,260	847,673	808,486	857,106
Storm sewer levy	339,704	339,070	323,537	342,874
Street levy	339,704	339,399	323,534	342,873
Municipal income taxes levied for:				
General purposes	6,779,234	6,753,195	5,652,354	5,734,156
Capital improvement	1,206,905	2,724,129	2,212,770	2,118,837
Grants and entitlements not restricted to				
Specific programs	802,466	709,899	744,167	476,600
Interest	(393,036)	586,196	676,448	293,553
Miscellaneous	49,436	262,245	55,131	108,911
Transfers	-	-	-	-
Total governmental activities	<u>11,070,360</u>	<u>13,658,826</u>	<u>11,846,585</u>	<u>11,318,489</u>
Business-type activities				
Miscellaneous	\$ 29,493	\$ 174,088	\$ 55,882	\$ 62,596
Transfers	-	-	-	-
Total business-type activities	<u>29,493</u>	<u>174,088</u>	<u>55,882</u>	<u>62,596</u>
Total primary government	<u>\$ 11,099,853</u>	<u>\$ 13,832,914</u>	<u>\$ 11,902,467</u>	<u>\$ 11,381,085</u>
Change in Net Position				
Governmental activities	\$ (86,097)	\$ 5,470,304	\$ 3,835,128	\$ 761,472
Business-type activities	2,867,697	2,335,130	1,378,728	1,158,958
Total primary government	<u>\$ 2,781,600</u>	<u>\$ 7,805,434</u>	<u>\$ 5,213,856</u>	<u>\$ 1,920,430</u>

Source: City financial records.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 811,683	\$ 787,147	\$ 735,637	\$ 710,411	\$ 721,721	\$ 764,213
158,730	155,937	156,092	151,838	153,665	84,705
793,789	779,929	781,171	760,211	771,523	642,001
317,592	312,171	317,120	313,045	318,334	344,947
317,589	312,162	317,098	313,008	318,261	339,593
5,885,948	5,956,308	6,064,347	5,822,946	5,504,737	5,098,669
2,539,225	1,459,218	1,213,821	1,096,040	1,227,730	1,124,278
641,490	659,166	695,530	1,766,623	1,036,416	1,839,867
143,590	102,615	70,740	61,894	15,322	16,185
59,843	71,487	43,195	91,727	129,570	2,055
-	189,005	120,000	65,000	87,000	75,000
<u>11,669,479</u>	<u>10,785,145</u>	<u>10,514,751</u>	<u>11,152,743</u>	<u>10,284,279</u>	<u>10,331,513</u>
\$ 77,047	\$ 78,833	\$ 64,511	\$ 87,661	\$ 104,237	\$ 58,732
-	(189,005)	(120,000)	(65,000)	(87,000)	(75,000)
<u>77,047</u>	<u>(110,172)</u>	<u>(55,489)</u>	<u>22,661</u>	<u>17,237</u>	<u>(16,268)</u>
<u>\$ 11,746,526</u>	<u>\$ 10,674,973</u>	<u>\$ 10,459,262</u>	<u>\$ 11,175,404</u>	<u>\$ 10,301,516</u>	<u>\$ 10,315,245</u>
\$ 1,320,664	\$ 938,243	\$ 1,225,103	\$ 4,886,179	\$ 2,068,870	\$ 3,439,125
1,086,127	1,313,753	1,374,263	1,332,263	179,711	1,088,467
<u>\$ 2,406,791</u>	<u>\$ 2,251,996</u>	<u>\$ 2,599,366</u>	<u>\$ 6,218,442</u>	<u>\$ 2,248,581</u>	<u>\$ 4,527,592</u>

CITY OF NORTH CANTON, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>
General Fund				
Nonspendable	\$ 88,456	\$ 121,044	\$ 124,210	\$ 118,328
Committed	5,925,809	6,045,140	5,312,810	5,108,426
Assigned	1,897,787	2,166,377	272,798	298,783
Unassigned	<u>1,409,118</u>	<u>3,736,042</u>	<u>5,454,822</u>	<u>4,449,575</u>
Total general fund	<u>\$ 9,321,170</u>	<u>\$ 12,068,603</u>	<u>\$ 11,164,640</u>	<u>\$ 9,975,112</u>
All Other Governmental Funds				
Nonspendable	\$ 301,144	\$ 295,025	\$ 347,410	\$ 306,559
Restricted	4,081,973	3,064,448	2,396,037	2,602,722
Committed	5,671,619	6,871,187	2,183,484	2,154,679
Unassigned (deficit)	<u>-</u>	<u>(45,989)</u>	<u>(13,374)</u>	<u>(530,495)</u>
Total all other governmental funds	<u>\$ 10,054,736</u>	<u>\$ 10,184,671</u>	<u>\$ 4,913,557</u>	<u>\$ 4,533,465</u>
Total governmental funds	<u>\$ 19,375,906</u>	<u>\$ 22,253,274</u>	<u>\$ 16,078,197</u>	<u>\$ 14,508,577</u>

Source: City financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 84

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 70,950	\$ 61,766	\$ 36,379	\$ 24,071	\$ 12,344	\$ 19,469
4,703,664	4,358,353	4,791,066	3,949,413	2,973,122	2,310,330
427,008	222,789	771,645	1,793,923	1,521,722	1,455,511
<u>3,721,998</u>	<u>3,000,044</u>	<u>1,674,309</u>	<u>828,334</u>	<u>641,364</u>	<u>872,443</u>
<u>\$ 8,923,620</u>	<u>\$ 7,642,952</u>	<u>\$ 7,273,399</u>	<u>\$ 6,595,741</u>	<u>\$ 5,148,552</u>	<u>\$ 4,657,753</u>
\$ 271,938	\$ 364,284	\$ 286,638	\$ 24,383	\$ 9,283	\$ 26,015
2,945,276	2,819,372	2,660,012	3,421,318	2,779,437	2,154,328
3,159,736	4,044,728	5,605,860	4,637,231	4,141,798	3,249,558
<u>(9,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(114,848)</u>	<u>(189,231)</u>
<u>\$ 6,367,450</u>	<u>\$ 7,228,384</u>	<u>\$ 8,552,510</u>	<u>\$ 8,082,932</u>	<u>\$ 6,815,670</u>	<u>\$ 5,240,670</u>
<u>\$ 15,291,070</u>	<u>\$ 14,871,336</u>	<u>\$ 15,825,909</u>	<u>\$ 14,678,673</u>	<u>\$ 11,964,222</u>	<u>\$ 9,898,423</u>

CITY OF NORTH CANTON, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues				
Taxes	\$ 10,932,651	\$ 11,381,510	\$ 10,587,143	\$ 10,538,135
Charges for services	724,397	652,495	669,883	722,089
Licenses and permits	359,718	316,466	369,095	346,327
Fines and forfeitures	186,993	199,489	240,824	68,077
Intergovernmental	3,585,022	6,409,041	2,333,695	1,647,571
Interest	(396,331)	596,009	677,989	269,411
Rentals	208,195	48,626	135,731	163,844
Contributions and donations	79,405	208,281	386,120	44,065
Other	36,685	339,512	60,481	117,611
Total revenues	<u>15,716,735</u>	<u>20,151,429</u>	<u>15,460,961</u>	<u>13,917,130</u>
Expenditures				
Current:				
General government	2,189,200	2,550,514	1,714,820	1,748,457
Security of persons and property:				
Police	4,234,414	3,815,159	3,523,667	3,309,333
Fire	832,931	879,516	484,900	528,205
Public health and welfare	2,240,607	2,091,818	1,907,818	1,816,815
Transportation	1,399,845	1,620,188	1,386,728	1,224,303
Community environment	1,447,866	584,534	615,389	561,002
Leisure time activities	1,043,917	974,026	850,062	704,490
Economic development	9,270	12,933	-	-
Basic utility services	220,353	304,332	479,015	587,327
Capital outlay	4,628,409	7,989,340	2,709,947	3,997,984
Debt service:				
Principal retirement	4,665,820	362,168	172,483	165,558
Interest and fiscal charges	185,996	73,990	46,512	52,623
Bond issuance costs	25,625	73,613	-	-
Total expenditures	<u>23,124,253</u>	<u>21,332,131</u>	<u>13,891,341</u>	<u>14,696,097</u>
Excess (deficiency) of revenues over (under) expenditures	(7,407,518)	(1,180,702)	1,569,620	(778,967)
Other Financing Sources (Uses)				
Sale of capital assets	-	55,779	-	-
Notes issuance	4,500,000	4,400,000	-	-
Issuance of bond proceeds	-	2,900,000	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issuance	30,150	-	-	-
Inception of capital lease	-	-	-	-
Transfers in	2,078,921	1,050,000	650,000	600,000
Transfers out	(2,078,921)	(1,050,000)	(650,000)	(600,000)
Total other financing sources (uses)	<u>4,530,150</u>	<u>7,355,779</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,877,368)</u>	<u>\$ 6,175,077</u>	<u>\$ 1,569,620</u>	<u>\$ (778,967)</u>
Capital expenditures	\$ 4,245,085	\$ 9,326,243	\$ 2,332,653	\$ 4,674,920
Debt service as a percentage of noncapital expenditures	25.70%	3.63%	1.89%	2.18%

Source: City financial records.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	10,481,211	\$ 8,996,634	\$ 9,509,514	\$ 9,042,284	\$ 8,888,544	\$ 8,385,266
	667,432	582,091	598,194	756,126	760,933	809,929
	325,414	352,345	467,586	397,787	304,774	261,986
	319,908	352,768	279,305	283,297	331,760	262,870
	1,584,149	1,639,257	2,635,791	5,886,372	4,170,149	5,707,775
	144,194	105,255	61,649	63,556	10,033	13,135
	204,375	186,421	203,316	181,267	195,880	215,402
	6,499	10,787	54,421	11,417	168,186	62,514
	87,808	76,339	87,825	137,983	189,133	87,254
	<u>13,820,990</u>	<u>12,301,897</u>	<u>13,897,601</u>	<u>16,760,089</u>	<u>15,019,392</u>	<u>15,806,131</u>
	1,904,224	1,771,834	1,677,122	1,706,095	1,810,499	1,810,943
	3,242,360	3,219,499	3,234,260	3,269,463	3,167,527	3,102,962
	466,266	464,986	529,909	504,635	581,231	617,881
	1,644,628	1,678,460	1,566,294	1,658,889	1,421,456	1,612,523
	1,186,241	1,317,497	1,572,808	937,326	1,426,291	1,584,937
	514,138	539,291	557,799	447,225	404,055	437,425
	505,092	560,245	616,280	754,214	678,926	684,494
	-	-	313,143	1,706,120	-	-
	502,788	823,967	307,912	467,576	384,518	347,093
	3,210,397	2,728,298	2,341,247	2,458,593	2,971,567	4,623,693
	165,721	181,673	145,831	159,427	185,283	214,952
	59,401	58,120	86,423	91,075	95,922	101,984
	-	28,732	-	-	-	-
	<u>13,401,256</u>	<u>13,372,602</u>	<u>12,949,028</u>	<u>14,160,638</u>	<u>13,127,275</u>	<u>15,138,887</u>
	419,734	(1,070,705)	948,573	2,599,451	1,892,117	667,244
	-	-	56,601	-	86,682	6,000
	-	-	-	-	-	-
	-	1,233,180	-	-	-	-
	-	(1,337,277)	-	-	-	-
	-	132,829	-	-	-	-
	-	-	22,062	-	-	-
	877,578	1,207,600	2,138,757	1,679,400	1,815,000	2,665,122
	<u>(877,578)</u>	<u>(1,120,200)</u>	<u>(2,018,757)</u>	<u>(1,564,400)</u>	<u>(1,728,000)</u>	<u>(2,590,122)</u>
	-	116,132	198,663	115,000	173,682	81,000
\$	<u>419,734</u>	<u>(954,573)</u>	<u>1,147,236</u>	<u>2,714,451</u>	<u>2,065,799</u>	<u>748,244</u>
\$	3,394,861	\$ 3,466,510	\$ 2,108,678	\$ 3,497,103	\$ 1,811,647	\$ 4,085,424
	2.25%	2.42%	2.14%	2.35%	2.49%	2.87%

CITY OF NORTH CANTON, OHIO

**ASSESSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS**

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated actual value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed value	Estimated actual value
2021	\$ 334,576,970	\$ 100,907,930	\$ 1,244,242,571	\$ 10,486,980	\$ 11,917,023
2020	331,258,360	100,805,430	1,234,467,971	10,486,430	11,916,398
2019	328,591,470	98,185,670	1,219,363,257	8,478,330	9,634,466
2018	304,844,140	88,783,290	1,124,649,800	8,113,160	9,219,500
2017	301,311,680	85,356,080	1,104,765,029	7,717,590	8,769,989
2016	298,057,720	82,961,920	1,088,627,543	8,295,930	9,427,193
2015	274,041,110	76,738,380	1,002,227,114	8,417,570	9,565,420
2014	272,828,380	73,169,260	988,564,686	8,412,870	9,560,080
2013	271,964,980	73,735,850	987,716,657	8,047,470	9,144,852
2012	294,910,260	74,675,700	1,055,959,886	7,443,350	8,458,352

Source: County Auditor.

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

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

The tangible personal property values associated with each year are the 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 the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Total

Assessed value	Estimated actual value	Ratio	Total Direct Tax Rate
\$ 445,971,880	\$ 1,256,159,594	35.50%	\$ 7.40
442,550,220	1,246,384,369	35.51%	7.40
435,255,470	1,228,997,723	35.42%	7.40
401,740,590	1,133,869,300	35.43%	7.40
394,385,350	1,113,535,017	35.42%	7.40
389,315,570	1,098,054,736	35.46%	7.40
359,197,060	1,011,792,535	35.50%	7.40
354,410,510	998,124,765	35.51%	7.40
353,748,300	996,861,509	35.49%	7.40
377,029,310	1,064,418,238	35.42%	7.40

CITY OF NORTH CANTON, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Unvoted Millage				
Operating	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
Voted Millage				
2005 Storm Sewer	1.0000	1.0000	1.0000	1.0000
2005 Street Improvement	1.0000	1.0000	1.0000	1.0000
1982 & 2011 Ambulance & E.M.S.	2.5000	2.5000	2.5000	2.5000
1983 Fire	0.5000	0.5000	0.5000	0.5000
Total Voted Millage	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>
Total Millage	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>
Overlapping Rates By Taxing District				
North Canton City School District				
Residential/Agricultural Real	\$ 44.5508	\$ 41.2439	\$ 43.3701	\$ 40.2684
Commercial/Industrial and Public Utility Real	52.5056	48.8563	49.7442	47.7678
General Business and Public Utility	86.6000	85.1000	85.1000	78.7000
Stark County				
Residential/Agricultural Real	8.2811	8.0589	8.0803	8.6772
Commercial/Industrial and Public Utility Real	9.0091	8.8684	8.7898	9.6375
General Business and Public Utility	11.5000	11.5000	11.5000	11.5000
Plain Township				
Residential/Agricultural Real	0.1000	0.1000	0.1000	0.1000
Commercial/Industrial and Public Utility Real	0.1000	0.1000	0.1000	0.1000
General Business and Public Utility	0.1000	0.1000	0.1000	0.1000
Special Taxing Districts (1)				
Residential/Agricultural Real	1.8949	1.9040	1.9108	2.0939
Commercial/Industrial and Public Utility Real	1.9879	1.9931	1.9538	2.1779
General Business and Public Utility	2.5000	2.5000	2.5000	2.5000

Source: County Auditor

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.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

The City has no charter millage.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) North Canton Library, Stark County Park District

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>
<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>
\$ 40.4147	\$ 40.5638	\$ 43.6119	\$ 46.6432	\$ 38.9173	\$ 38.9173
48.0005	48.4004	50.7375	52.0007	47.0395	47.0395
78.7000	78.7000	78.8000	78.8000	76.0000	76.0000
8.7202	8.7441	9.2924	9.3007	8.9180	8.9180
9.6085	9.6342	10.0762	10.0757	9.5912	9.5912
11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
2.1053	2.1141	2.2986	2.3009	2.3031	1.7797
2.1814	2.1970	2.3222	2.3612	2.3606	1.8370
2.5000	2.5000	2.5000	2.5000	2.5000	2.0000

CITY OF NORTH CANTON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2021	\$ 2,957,006	\$ 2,919,202	98.72%	\$ 45,917	\$ 2,965,119
2020	2,917,747	2,874,146	98.51%	53,918	2,928,064
2019	2,868,103	2,832,383	98.75%	55,318	2,887,701
2018	2,772,585	2,721,797	98.17%	43,590	2,765,387
2017	2,721,835	2,671,910	98.17%	56,332	2,728,242
2016	2,670,331	2,652,176	99.32%	40,889	2,693,065
2015	2,619,406	2,583,174	98.62%	55,306	2,638,480
2014	2,621,720	2,546,037	97.11%	53,961	2,599,998
2013	2,617,737	2,547,990	97.34%	43,517	2,591,507
2012	2,453,472	2,409,800	98.22%	52,325	2,462,125

Source: County Auditor

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

Note: The County does not identify delinquent collections by the year for which the tax was levied.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
100.27%	\$ 45,917	1.55%
100.35%	53,918	1.85%
100.68%	36,615	1.28%
99.74%	79,448	2.87%
100.24%	90,935	3.34%
100.85%	73,862	2.77%
100.73%	73,862	2.82%
99.17%	67,039	2.56%
99.00%	76,312	2.92%
100.35%	90,405	3.68%

CITY OF NORTH CANTON, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO

2021			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
Maple Street IO LLC	\$ 7,219,960	1	1.66%
McKinley Development Leasing Co LTD	6,523,820	2	1.50%
Versailles Gardens LTD	5,431,450	3	1.25%
West Tuscarawas Property Management, LLC	3,569,780	4	0.82%
Sanctuary Grande Senior Living LLC	2,712,500	5	0.62%
Albrecht Incorporated	2,503,420	6	0.57%
Mullinax Ford of North Canton	2,255,300	7	0.52%
Berlin Commons LTD	2,137,040	8	0.49%
Waterford at St. Luke	2,122,060	9	0.49%
Euro Development LTD	2,038,550	10	0.47%
Total	<u>\$ 36,513,880</u>		<u>8.39%</u>
Total Assessed Valuation	<u>\$ 435,484,900</u>		

2012			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
McKinley Development Leasing Co. Ltd.	\$ 5,723,110	1	1.55%
Versailles Gardens LTD	4,899,730	2	1.33%
Albrecht Incorporated	2,548,410	3	0.69%
Waterford at St. Luke	2,197,220	4	0.59%
Potsdamer Platz LLC	2,170,010	5	0.59%
Maple Street IO LLC	2,054,290	6	0.56%
Berlin Commons LTD	1,980,190	7	0.54%
Williamsburg Apartments LTD	1,883,350	8	0.51%
Euro Development, LTD	1,379,300	9	0.37%
CETA Group Limited Partnership	1,085,010	10	0.29%
Total	<u>\$ 25,920,620</u>		<u>7.02%</u>
Total Assessed Valuation	<u>\$ 369,585,960</u>		

Source: Stark County, Ohio, Auditor's Office

CITY OF NORTH CANTON, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS (CASH BASIS)
LAST TEN YEARS**

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholdings	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2021	1.50%	\$ 8,120,614	\$ 5,605,189	69.02%	\$ 438,021	5.39%	\$ 2,077,404	25.58%
2020	1.50%	8,854,196	5,453,833	61.60%	1,509,558	17.05%	1,890,805	21.35%
2019	1.50%	7,880,299	5,533,723	70.22%	688,131	8.73%	1,776,032	22.54%
2018	1.50%	8,018,750	5,299,170	66.08%	956,307	11.93%	1,763,273	21.99%
2017	1.50%	7,915,117	5,033,628	63.60%	931,535	11.77%	1,949,954	24.64%
2016	1.50%	6,750,861	4,654,728	68.95%	612,423	9.07%	1,483,710	21.98%
2015	1.50%	7,108,368	4,727,504	66.51%	625,329	8.80%	1,755,535	24.70%
2014	1.50%	6,851,412	4,586,042	66.94%	614,229	8.96%	1,651,141	24.10%
2013	1.50%	6,637,706	4,274,021	64.39%	698,631	10.53%	1,665,054	25.08%
2012	1.50%	6,174,122	4,233,577	68.57%	493,972	8.00%	1,446,572	23.43%

Source: The City of North Canton through the Regional Income Tax Agency (RITA)

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

CITY OF NORTH CANTON, OHIO

LEGAL DEBT MARGIN
LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assessed Property Value	\$ 445,971,880	\$ 442,550,770	\$ 435,255,470	\$ 401,740,590
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>46,827,047</u>	<u>46,467,831</u>	<u>45,701,824</u>	<u>42,182,762</u>
Debt Outstanding				
Various Improvement Note	4,500,000	4,400,000	-	-
Governmental General Obligation Bonds	3,385,988	3,651,808	1,113,976	1,281,492
Water System Bonds	2,094,012	2,426,192	2,751,024	3,078,508
OPWC Loans	1,195,351	1,311,251	1,311,251	1,427,151
OWDA Loans	2,715,897	3,422,768	4,104,725	4,762,646
Intergovernmental Loans	1,406,649	1,481,422	1,549,668	1,637,538
Total gross indebtedness	<u>15,297,897</u>	<u>16,693,441</u>	<u>10,830,644</u>	<u>12,187,335</u>
Less:				
Various Improvement Note	4,500,000	4,400,000	-	-
Water System Bonds	2,094,012	2,426,192	2,751,024	3,078,508
OPWC Loans	1,195,351	1,311,251	1,311,251	1,427,151
OWDA Loans	2,715,897	3,422,768	4,104,725	4,762,646
Intergovernmental Loans	1,406,649	1,481,422	1,549,668	1,637,538
Total net debt applicable to debt limit	<u>3,385,988</u>	<u>3,651,808</u>	<u>1,113,976</u>	<u>1,281,492</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 43,441,059</u>	<u>\$ 42,816,023</u>	<u>\$ 44,587,848</u>	<u>\$ 40,901,270</u>
Legal debt margin as a percentage of the debt limit	92.77%	92.14%	97.56%	96.96%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>24,528,453</u>	<u>24,340,292</u>	<u>23,939,051</u>	<u>22,095,732</u>
Total gross indebtedness	15,297,897	16,693,441	10,830,644	12,187,335
Less:				
Various Improvement Note	4,500,000	4,400,000	-	-
Water System Bonds	2,094,012	2,426,192	2,751,024	3,078,508
OPWC Loans	1,195,351	1,311,251	1,311,251	1,427,151
OWDA Loans	2,715,897	3,422,768	4,104,725	4,762,646
Intergovernmental Loans	1,406,649	1,481,422	1,549,668	1,637,538
Net debt within 5 1/2 % limitations	<u>3,385,988</u>	<u>3,651,808</u>	<u>1,113,976</u>	<u>1,281,492</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 21,142,465</u>	<u>\$ 20,688,484</u>	<u>\$ 22,825,075</u>	<u>\$ 20,814,240</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	86.20%	85.00%	95.35%	94.20%

Source: City financial records.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>\$ 1,133,869,300</u>	<u>\$ 1,113,535,017</u>	<u>\$ 1,098,054,736</u>	<u>\$ 1,011,792,535</u>	<u>\$ 998,124,765</u>	<u>\$ 996,861,509</u>
<u>119,056,277</u>	<u>116,921,177</u>	<u>115,295,747</u>	<u>106,238,216</u>	<u>104,803,100</u>	<u>104,670,458</u>
-	-	-	-	-	-
1,441,356	1,601,660	1,765,000	1,910,000	2,055,000	2,195,000
3,388,644	3,683,340	4,075,000	4,335,000	4,585,000	4,845,000
1,543,051	1,658,951	1,774,851	1,890,751	2,006,651	1,917,980
5,397,382	6,009,749	6,600,537	7,170,509	7,720,400	8,250,917
1,627,081	1,330,599	1,108,156	528,923	-	-
<u>13,397,514</u>	<u>14,284,299</u>	<u>15,323,544</u>	<u>15,835,183</u>	<u>16,367,051</u>	<u>17,208,897</u>
-	-	-	-	-	-
3,388,644	3,683,340	4,075,000	4,335,000	4,585,000	4,845,000
1,543,051	1,658,951	1,774,851	1,890,751	2,006,651	1,917,980
5,397,382	6,009,749	6,600,537	7,170,509	7,720,400	8,250,917
1,627,081	1,330,599	1,108,156	528,923	-	-
<u>1,441,356</u>	<u>1,601,660</u>	<u>1,765,000</u>	<u>1,910,000</u>	<u>2,055,000</u>	<u>2,195,000</u>
<u>\$ 117,614,921</u>	<u>\$ 115,319,517</u>	<u>\$ 113,530,747</u>	<u>\$ 104,328,216</u>	<u>\$ 102,748,100</u>	<u>\$ 102,475,458</u>
98.79%	98.63%	98.47%	98.20%	98.04%	97.90%
<u>62,362,812</u>	<u>61,244,426</u>	<u>60,393,010</u>	<u>55,648,589</u>	<u>54,896,862</u>	<u>54,827,383</u>
13,397,514	14,284,299	15,323,544	15,835,183	16,367,051	17,208,897
-	-	-	-	-	-
3,388,644	3,683,340	4,075,000	4,335,000	4,585,000	4,845,000
1,543,051	1,658,951	1,774,851	1,890,751	2,006,651	1,917,980
5,397,382	6,009,749	6,600,537	7,170,509	7,720,400	8,250,917
1,627,081	1,330,599	1,108,156	528,923	-	-
<u>1,441,356</u>	<u>1,601,660</u>	<u>1,765,000</u>	<u>1,910,000</u>	<u>2,055,000</u>	<u>2,195,000</u>
<u>\$ 60,921,456</u>	<u>\$ 59,642,766</u>	<u>\$ 58,628,010</u>	<u>\$ 53,738,589</u>	<u>\$ 52,841,862</u>	<u>\$ 52,632,383</u>
97.69%	97.38%	97.08%	96.57%	96.26%	96.00%

CITY OF NORTH CANTON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities		Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Notes/Bonds Payable	Notes/Bonds Payable	OWDA Loans	Intergovernmental Loans	OPWC Loans			
2021	\$ -	\$ 7,967,438	\$ 2,302,519	\$ 2,715,897	\$ 1,406,649	\$ 1,079,451	\$ 15,471,954	2.27%	\$ 406
2020	-	8,142,392	2,658,087	3,422,768	1,481,422	1,311,251	17,015,920	3.07%	527
2019	-	1,215,076	3,006,307	4,104,725	1,549,668	1,311,251	11,187,027	2.00%	651
2018	4,967	1,393,230	3,357,179	4,762,646	1,637,538	1,427,151	12,582,711	2.31%	723
2017	10,661	1,563,732	3,690,703	5,397,382	1,627,081	1,543,051	13,832,610	2.53%	794
2016	16,078	1,737,945	4,011,543	6,009,749	1,330,599	1,658,951	14,764,865	2.99%	847
2015	21,231	1,820,684	4,119,859	6,600,537	1,108,156	1,774,851	15,445,318	3.01%	883
2014	-	1,970,753	4,382,866	7,170,509	528,923	1,890,751	15,943,802	3.23%	915
2013	14,427	2,120,822	4,635,873	7,720,400	403,892	2,006,651	16,902,065	3.41%	966
2012	59,710	2,265,891	4,898,880	8,250,917	-	1,917,980	17,393,378	3.51%	996

Source: City financial records.

Note: Population and personal income data are presented on the demographic and economic statistics table later in the Annual Report.

CITY OF NORTH CANTON, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
Direct - City of North Canton			
General obligation bonds and capital leases	\$ 7,967,438	100.00%	\$ 7,967,438
	<u>7,967,438</u>		<u>7,967,438</u>
Overlapping debt:			
North Canton City School District	5,480,000	45.45%	2,490,660
Jackson Local School District	28,315,000	0.27%	76,451
Plain Local School District	28,315,000	6.57%	1,860,296
Stark County	14,747,563	5.23%	771,298
	<u>84,749,563</u>		<u>5,198,705</u>
Total direct and overlapping debt	<u>\$ 92,717,001</u>		<u>\$ 13,166,143</u>

Source: Ohio Municipal Advisory Council (OMAC)

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

CITY OF NORTH CANTON, OHIO

**WATER DEBT LOAN PLEDGED REVENUE COVERAGE WATER FUND
LAST TEN YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2021	\$ 6,824,784	\$ 3,133,136	\$ 3,691,648	\$ 698,049	\$ 124,014	4.49
2020	6,726,958	4,810,730	1,916,228	673,429	138,525	2.36
2019	6,955,813	3,749,586	3,206,227	649,679	162,277	3.95
2018	7,164,119	3,815,355	3,348,764	626,769	185,186	4.12
2017	7,060,554	3,603,353	3,457,201	604,667	171,906	4.45
2016	7,139,007	3,737,053	3,401,954	583,345	228,614	4.19
2015	6,876,229	3,323,178	3,553,051	562,778	249,175	4.38
2014	6,470,000	3,110,809	3,359,191	542,938	269,016	4.14
2013	6,241,358	4,240,926	2,000,432	523,796	288,158	2.46
2012	6,097,862	3,380,373	2,717,489	505,332	306,623	3.35

(1) Operating expenses do not include depreciation.

Source: Office of the City Director of Finance.

CITY OF NORTH CANTON, OHIO

**SEWER DEBT LOAN PLEDGED REVENUE COVERAGE SEWER FUND
LAST TEN YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2021	\$ 3,548,569	\$ 2,120,878	\$ 1,427,691	\$ 8,822	\$ 3,261	118.16
2020	3,559,866	3,097,044	462,822	8,528	3,556	38.30
2019	3,534,144	3,020,134	514,010	8,242	3,841	42.54
2018	3,015,177	2,843,791	171,386	7,967	4,117	14.18
2017	3,049,564	3,101,903	(52,339)	7,700	3,834	(4.54)
2016	3,054,541	2,781,567	272,974	7,443	4,641	22.59
2015	2,917,326	2,599,327	317,999	7,194	4,890	26.32
2014	2,849,831	2,213,954	635,877	6,953	5,130	52.63
2013	2,866,932	2,304,022	562,910	6,721	5,362	46.59
2012	2,785,812	2,127,456	658,356	4,173	6,289	62.93

(1) Operating expenses do not include depreciation.

Source: Office of the City Director of Finance.

CITY OF NORTH CANTON, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>
2021	17,842	\$ 680,404,670	\$ 38,135	\$ 60,473	41.9	36.3%
2020	17,176	554,561,512	32,287	62,128	40.7	36.7%
2019	17,176	559,662,784	32,584	59,389	42.1	36.6%
2018	17,400	545,020,200	31,323	57,003	42.1	34.7%
2017	17,422	547,451,506	31,423	55,874	44.0	35.3%
2016	17,441	494,487,232	28,352	52,210	42.0	36.1%
2015	17,490	513,209,070	29,343	52,530	42.5	33.3%
2014	17,433	494,260,416	28,352	50,728	41.0	35.4%
2013	17,488	495,819,776	28,352	50,649	42.5	35.4%
2012	17,465	495,167,680	28,352	47,300	43.4	35.8%

(1) Source: U.S. Census

(2) Ohio Department of Education

(3) Source: Ohio Department of Job and Family Services. The unemployment rate for the City is unavailable; therefore, the unemployment rate of the County provides the most accurate reflection of the City.

(4) Source: County Auditor

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

School Enrollment (2)	Stark County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value
4,331	3.5%	\$ 190,518	\$ 445,971,880
4,253	4.9%	203,399	442,550,220
4,282	4.4%	179,300	435,255,470
4,272	5.2%	157,100	401,740,590
4,332	5.0%	158,696	394,385,350
4,427	5.2%	158,693	389,315,570
4,496	5.2%	124,869	359,197,060
4,515	5.7%	136,700	354,410,510
4,486	7.5%	139,169	353,748,300
4,566	8.7%	151,100	377,029,310

CITY OF NORTH CANTON, OHIO

PRINCIPAL EMPLOYERS
BY TOTAL INCOME TAX WITHHOLDING
CURRENT YEAR AND NINE YEARS AGO

		2021
Employer	Description	Rank
Walsh University	Education	1
North Canton City School District	Education	2
Trubridge Inc	Insurance	3
Brookwood Management Company	Real Estate	4
The Tamarkin Co	Retail	5
St Luke Lutheran Home	Medical	6
Myers Controlled Power LLC	Design Building Mfg.	7
City of North Canton	Government	8
Aultman North Canton Medical	Medical	9
Mullinax Ford North Canton Inc	Retail	10

		2012
Employer	Description	Rank
North Canton City School District	Education	1
Walsh University	Education	2
North Canton Medical Foundation	Medical	3
St. Lukes Home for the Aged	Nursing Care Home	4
City of North Canton	Local Government	5
Myers Control Power LLC	Design Building Mfg.	6
Mullinax Ford	Car Dealer	7
Aultman Hospital Association	Medical Center	8
Stark County	Government	9
Tamarkin Company	Insurance Call Center	10

Source: Income Tax Department and the Regional Income Tax Agency (RITA)

CITY OF NORTH CANTON, OHIO

PRINCIPAL EMPLOYERS
BY NUMBER OF EMPLOYEES
CURRENT YEAR AND NINE YEARS AGO

Employer	2021		
	Employees	Rank	Percentage of Total City Employment
Walsh University	1,255	1	14.17%
North Canton City School District	706	2	7.97%
Trubridge Inc	648	3	7.32%
Brookwood Management Company	544	4	6.14%
The Tamarkin Co	346	5	3.91%
St Luke Lutheran Home	308	6	3.48%
Myers Controlled Power LLC	189	7	2.13%
City of North Canton	162	8	1.83%
Aultman North Canton Medical	144	9	1.63%
Mullinax Ford North Canton Inc	88	10	0.99%
Total	4,390		49.58%
Total City Employment	8,854		
Employer	2012		
	Employees	Rank	Percentage of Total City Employment
Walsh University	1,608	1	8.98%
North Canton Board of Education	988	2	5.52%
Lagacy Staffing LLC	530	3	2.96%
St. Lukes Home for the Aged	401	4	2.24%
Miracle Solutions Inc.	391	5	2.18%
YMCA of Central Stark County	334	6	1.86%
BMCH, Inc.	269	7	1.50%
Northeast Professional Home Care	260	8	1.45%
City of North Canton	259	9	1.45%
Aultman Hospital	246	10	1.37%
Total	5,286		29.51%
Total City Employment	17,910		

Source: 2021 - Data from Regional Income Tax Agency; 2012 - W2's from the City Tax Department.

CITY OF NORTH CANTON, OHIO

FULL-TIME-EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Council	4.50	4.50	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Mayor's office	0.50	0.50	0.50	0.50	1.50	1.00	1.00	1.50	1.50	1.50
Law	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Tax	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Administration	5.00	5.00	4.50	3.00	3.00	2.00	2.00	2.00	2.00	3.00
City hall maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Engineer	3.00	5.00	6.00	6.50	5.50	5.50	5.50	5.50	5.50	6.00
Security of Persons and Property										
Police - administration	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Police - officers	26.00	26.00	25.50	25.00	24.00	24.50	24.00	24.50	23.50	25.00
Police - crossing guards	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00	4.50
Dispatchers/Chief Dispatcher	8.50	10.00	9.00	9.00	8.50	8.50	8.50	8.50	8.50	7.00
Fire Inspectors	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00
Public Health Services										
Fire Fighters/Emergency										
Medical Services	25.50	24.50	26.50	26.50	26.00	26.00	25.00	37.00	34.00	33.50
Leisure Time Activities										
Municipal Pool	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.50	20.50	20.50
Civic Center	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	1.00
Recreation	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Park Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	3.00	4.00	5.00	6.00
Community Development										
Permits & Inspections	0.00	0.00	0.00	0.50	4.00	4.00	6.00	6.00	5.50	4.50
Economic Development	0.00	0.00	0.00	0.00	1.00	0.50	0.50	0.50	0.50	0.50
Transportation										
Street M&R	5.00	3.50	4.00	4.00	5.00	5.00	6.00	8.50	9.00	4.50
Basic Utility Services										
Water Administration	2.00	2.00	2.00	2.50	3.00	3.00	3.00	3.00	3.00	2.00
Water Distribution	9.00	8.00	9.00	8.00	8.00	8.00	8.00	11.00	10.00	0.00
Water Treatment Plant	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.50	9.00	9.00
Sewer Collection	5.00	6.00	6.00	6.00	4.00	4.00	3.00	3.00	2.00	2.00
Total	<u>117.00</u>	<u>117.50</u>	<u>119.50</u>	<u>119.50</u>	<u>121.50</u>	<u>120.00</u>	<u>125.00</u>	<u>169.00</u>	<u>158.50</u>	<u>147.00</u>

Source: City Payroll Department Payroll Register

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

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CITY OF NORTH CANTON, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2021	2020	2019	2018
General Government				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	-	-	5	7
Police				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	15	15	15	15
Fire				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	11	10	11	10
Emergency Medical Service				
Stations	1	1	1	1
Square footage of building	9,399	9,399	9,399	9,399
Vehicles	5	4	4	5
Recreation				
Number of parks	11	11	11	11
Number of pools	2	2	2	1
Number of tennis courts	9	9	9	11
Number of pickleball courts	4	4	4	-
Number of basketball courts	7	7	7	7
Number of park shelters	10	9	9	9
Vehicles	12	12	12	13
Public Service Department				
Streets (miles)	94.48	94.48	94.48	94.28
Vehicles	19	20	21	20
Water Department				
Water lines (miles)	160.00	160.00	160.00	146.43
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	25	25	22	13
Wastewater				
Sanitary sewers (miles)	80.81	80.81	80.81	80.58
Storm sewers (miles)	73.08	73.08	73.08	72.58
Vehicles	4	4	5	9

Source: City of North Canton departments

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
31,517 15	31,517 15	31,517 10	31,517 10	31,517 9	31,517 9
1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13
1 8,989 11	1 8,989 11	1 8,989 9	1 8,989 10	1 8,989 10	1 8,989 11
1 9,399 5	1 8,970 5	1 8,970 5	1 8,970 5	1 8,970 5	1 8,970 5
11 1 11 - 7 9 8	11 1 11 - 7 9 8	11 1 11 - 7 9 10	11 1 11 - 7 9 11	11 1 11 - 7 9 12	11 1 11 - 7 9 12
94.28 21	94.28 21	94.28 18	97.52 18	97.50 17	97.50 17
146.43 32,125 14	146.43 32,125 14	146.43 32,125 14	155.86 32,125 16	155.76 32,125 18	144.97 32,125 19
80.58 72.58 5	80.58 72.58 5	80.58 72.58 5	74.64 75.91 6	74.64 75.91 6	74.64 72.59 6

CITY OF NORTH CANTON, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2021	2020	2019	2018
General Government				
Number of ordinances passed	72	79	85	74
Number of planning commission agenda items	27	12	20	11
Number of zoning board of appeals agenda items	8	5	5	28
Number of checks/vouchers issued	2,603	2,558	2,434	2,561
Interest earnings for fiscal year (cash basis)	\$273,950	\$361,177	\$450,834	\$421,757
General fund receipts (cash basis in thousands)	\$13,835	\$9,328	\$7,984	\$7,460
General fund expenditures (cash basis in thousands)	\$16,183	\$8,118	\$8,439	\$6,800
General fund cash balances (in thousands)	\$2,986	\$5,334	\$4,124	\$4,580
Income Tax Department				
Number of individual returns	N/A	N/A	N/A	N/A
Number of business returns	N/A	N/A	N/A	N/A
Annual number of reconciliation of withholding processed	N/A	N/A	N/A	N/A
Building Department Indicators				
Construction permits issued	1,506	1,391	1,518	1,094
Estimated value of construction	\$ 27,769,358	\$ 49,340,387	\$ 35,566,956	\$ 23,553,956
Inspections conducted	2,024	2,432	2,242	1,889
Security of Persons & Property				
Police				
Total calls for services	16,617	15,854	19,487	18,967
Traffic violations	873	800	1,480	1,538
Motor vehicle accidents	419	317	443	519
Written warnings	2,829	2,756	3,703	3,482
Total criminal arrests	377	321	277	340
Fire/Emergency Medical Services				
EMS calls	2,738	2,311	2,683	2,683
EMS transports	1,864	1,586	1,849	1,924
Ambulance billing collections	\$674,689	\$564,304	\$614,738	\$652,389
Fire calls	565	499	509	556
Fire safety inspections	2,440	2,089	1,926	2,300
Leisure Time Activities				
Recreation				
Swimming pool memberships	3,488	2,563	2,722	2,824
Civic center rentals	103	95	156	96
Dogwood shelter rentals	219	153	359	369
Transportation				
Asphalt resurfacing (miles)	10.6	15.98	11.48	20.03
Asphalt usage for pothole repairs (tons)	381	240	40	35
Salt usage (tons)	2,477	2,798	3,113	2,567
Liquid de-icer used (gallons)	16,315	18,791	12,432	10,609
Cost of salt purchased	\$200,601	\$12,250	\$231,108	\$99,372
Water Department				
Number of customers	9,429	9,490	9,230	8,981
Annual water collections	\$6,321,254	\$6,452,086	\$6,845,135	\$7,026,667
Water main breaks	7	12	16	11
Number of wells	9	9	9	9
Gallons of water treated (millions of gallons)	980	1,022	1,128,500	991
Wastewater Department				
Residential sewer rate (flat monthly rate)	\$33.50	\$32.32	\$32.32	\$26.83
Number of customers	6,423	6,569	6,454	6,283

Source: City of North Canton departments

2017	2016	2015	2014	2013	2012
108	83	85	95	81	111
11	9	7	20	18	15
17	4	6	-	1	6
2,434	2,813	3,079	3,016	3,362	3,289
\$173,283	\$95,905	\$60,586	\$58,067	\$20,339	\$14,974
\$7,224	\$7,613	\$7,370	\$8,078	\$7,262	\$7,755
\$6,219	\$6,774	\$8,033	\$7,592	\$7,553	\$8,382
\$3,920	\$2,915	\$1,839	\$2,285	\$1,667	\$1,894
N/A	N/A	7,723	7,930	7,281	4,260
N/A	N/A	1,366	1,327	1,270	1,305
N/A	N/A	1,249	1,397	1,329	1,426
813	782	252	627	727	664
\$ 24,568,448	\$ 23,219,555	\$ 71,120,103	\$ 26,491,592	\$ 11,456,887	\$ 12,102,168
1,516	1,252	1,121	917	789	663
19,896	18,929	17,922	16,746	18,049	26,503
2,165	4,386	1,546	1,571	1,901	1,805
523	533	529	546	429	558
4,537	2,032	3,847	3,912	3,998	3,706
378	345	348	406	552	404
2,664	2,426	2,152	2,416	2,292	2,223
1,854	1,718	1,631	1,510	1,934	1,502
\$586,089	\$557,457	\$552,430	\$496,107	\$538,763	\$501,956
494	437	573	430	559	470
413	555	995	980	215	1,527
2,617	2,386	2,304	1,033	936	2,079
119	55	55	46	21	90
379	265	267	265	372	154
13.68	0	0	2.92	0	5.16
30	368	292	0	454	511.73
2,372	1,700	2,500	4,600	4,003	2,800
7,864	N/A	N/A	N/A	N/A	N/A
\$118,474	\$230,575	\$330,421	\$258,290	\$153,088	\$310,960
9,337	9,043	8,993	8,970	9,102	9,063
\$7,113,175	\$6,972,033	\$6,806,063	\$6,229,831	\$6,006,676	\$6,051,273
7	12	19	14	13	23
9	9	9	9	9	9
972	955	998	1,029	1,008	1,106
\$26.83	\$26.83	\$25.41	\$25.41	\$25.41	\$25.41
6,422	6,379	6,356	6,342	6,334	6,308

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF NORTH CANTON

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 8/2/2022

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

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www.ohioauditor.gov