



**CITY OF NORTH CANTON
STARK COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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OHIO AUDITOR OF STATE
KEITH FABER



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Members of 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, 2020 through December 31, 2020. 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

August 05, 2021

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

June 30, 2021

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 and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2021, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



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



Certified Public Accountants, A.C.

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

June 30, 2021

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

To the City Council:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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City of North Canton
Stark County
Independent Auditor's Report On Compliance With Requirements
Applicable To Each Major Federal Program And On Internal Control
Over Compliance Required By The Uniform Guidance

Opinion on Each Major Federal Program

In our opinion, the City of North Canton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

City of North Canton
Stark County
Independent Auditor's Report On Compliance With Requirements
Applicable To Each Major Federal Program And On Internal Control
Over Compliance Required By The Uniform Guidance

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

We have also audited the financial statements of the governmental activities, the business-type activities, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 30, 2021. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



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

CITY OF NORTH CANTON
STARK COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA 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		
West Maple Street Widening		99891	\$ 10,699
Portage Street Resurfacing		99892	367,185
East Maple Street Enhancements		104863	520,582
Total Highway Planning and Construction Cluster			<u>898,466</u>
Total U.S. Department of Transportation			<u>898,466</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Stark County</i>			
COVID-19 - Coronavirus Relief Fund	21.019	N/A	<u>1,196,348</u>
Total U.S. Department of Treasury			<u>1,196,348</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 2,094,814</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, 2020**

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, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, 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, 2020**

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):	CFDA #21.019 Coronavirus Relief Fund CFDA #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



Comprehensive Annual Financial Report For
the Year Ended December 31, 2020

CITY OF NORTH CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020



JINA E. ALABACK
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT

Introductory Section



Arrowhead Golf and Banquet Center Improvements

Touchless Fixtures

CITY OF NORTH CANTON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

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	5-21
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	23
Statement of Activities.....	24-25
Fund Financial Statements:	
Balance Sheet - Governmental Funds	26
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund.....	30
Emergency Medical Services Levy Fund.....	31
Statement of Net Position - Proprietary Funds.....	32
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	33
Statement of Cash Flows - Proprietary Funds.....	34-35
Statement of Fiduciary Net Position - Custodial Funds	36
Statement of Changes in Fiduciary Net Position – Custodial Funds.....	37
Notes to the Basic Financial Statements.....	39-95

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:	
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
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	157

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.....	158
Park Development Fund.....	159
Issue II Fund.....	160

Proprietary Funds:

Fund Descriptions.....	162
------------------------	-----

Internal Service Fund:

Schedule of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis) - Insurance Fund.....	163
--	-----

Custodial Funds:

Fund Descriptions.....	164
Combining Statement of Fiduciary Net Position - Custodial Funds.....	165
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds.....	166

III. STATISTICAL SECTION

Table of Contents.....	167
Net Position by Component - Last Ten Years.....	168-169
Changes in Net Position - Last Ten Years.....	170-175
Fund Balances, Governmental Funds - Last Ten Years.....	176-177
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	178-179
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years.....	180-181
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years.....	182-183
Property Tax Levies and Collections - Last Ten Years.....	184-185
Principal Taxpayers - Real Estate Tax - Current Year and Nine Years Ago.....	186
Income Tax Revenue Base and Collections (Cash Basis) - Last Ten Years.....	187

III. STATISTICAL SECTION - (CONTINUED)

Legal Debt Margin - Last Ten Years.....	188-189
Ratios of Outstanding Debt by Type - Last Ten Years	190
Direct and Overlapping Governmental Activities Debt - as of December 31, 2020	191
Water Debt Loan Pledged Revenue Coverage Water Fund - Last Ten Years	192
Sewer Debt Loan Pledged Revenue Coverage Sewer Fund – Last Ten Years.....	193
Demographic and Economic Statistics - Last Ten Years	194-195
Principal Employers by Total Income Tax Withholding - Current Year and Nine Years Ago ...	196
Principal Employers by Number of Employees - 2020 and Nine Years Ago.....	197
Full-Time-Equivalent City Governmental Employees by Function/Program - Last Ten Years	198
Capital Asset Statistics by Function/Program - Last Ten Years.....	200-201
Operating Indicators by Function/Program - Last Ten Years.....	202-203



CITY OF NORTH CANTON

145 North Main Street
North Canton, OH 44720

June 30, 2021

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

Transmittal Letter

The Comprehensive Annual Financial Report (Annual Report) 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, 2020, 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, 2020 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, 2020 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 2010 census, was 17,488.

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, ten companies call the Hoover District their home, representing ten percent of the City’s annual withholding tax revenue for the 2020 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. In 2020, no contributions to this fund were necessary, 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.

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 Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the 15th 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 comprehensive annual 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 Annual Report.

This comprehensive annual 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

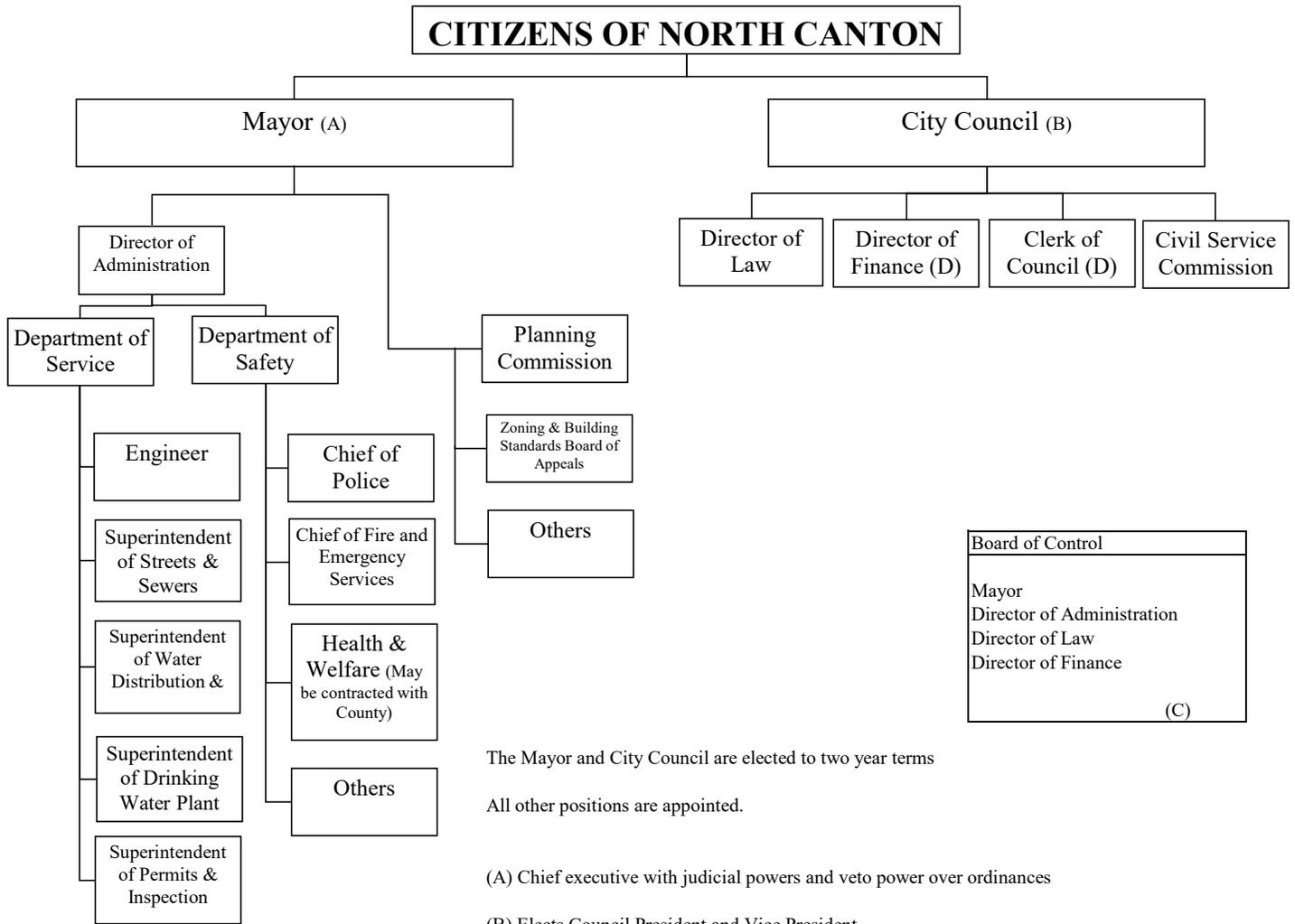
December 31, 2019

Christopher P. Morrill

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

(D) May be combined

CITY OF NORTH CANTON, OHIO

LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2020

ELECTED CITY OFFICIALS

MAYOR

HONORABLE STEPHAN B. WILDER

CITY COUNCIL

DANIEL J. PETERS, PRESIDENT, WARD 2
DOUGLAS V. FOLTZ, VICE PRESIDENT, WARD 1
MARK CERRETA, AT-LARGE
DOMINIC FONTE, WARD 4
DARYL REVOLDT, AT-LARGE
MATTHEW STROIA, AT-LARGE
STEPHANIE S. WERREN, WARD 3

APPOINTED CITY OFFICIALS

DIRECTOR OF ADMINISTRATION

PATRICK A. DE ORIO

DIRECTOR OF FINANCE

JINA E. ALABACK

DIRECTOR OF LAW

TIMOTHY L. FOX (through 8/22/2020)

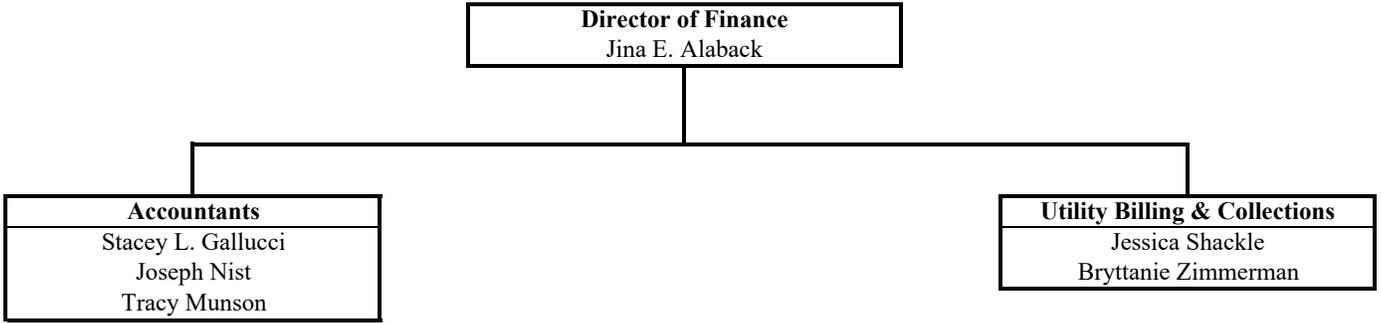
Wayne A. Boyer, Attorney at Krugliak, Wilkins, Griffiths & Dougherty Co, LPA (8/23/2020)

CLERK OF COUNCIL

BENJAMIN YOUNG

CITY OF NORTH CANTON, OHIO

DEPARTMENT OF FINANCE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2020



Financial Section



New Civic Center Sign

INDEPENDENT AUDITOR'S REPORT

June 30, 2021

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying 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 (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 •

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2020, 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 thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, schedules of net pension and OPEB liabilities and pension and OPEB contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

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

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CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (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, 2020. 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 2020 are as follows:

- The total net position of the City increased \$7,805,434. Net position of governmental activities increased \$5,470,304 or 70.08% over 2019's restated net position and business-type activities increased \$2,335,130 or 29.92% over 2019's net position.
- General revenues accounted for \$13,658,826 or 65.73% of total governmental activities revenue. Program specific revenues accounted for \$7,122,418 or 34.27% of total governmental activities revenue.
- The City had \$15,310,950 in expenses related to governmental activities; \$7,122,418 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$8,188,522 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$13,658,826.
- The general fund had revenues and other financing sources of \$9,196,796 in 2020. The expenditures and other financing uses of the general fund totaled \$8,292,833 in 2020. The net increase in the fund balance for the general fund was \$903,963 or 8.10%, from \$11,164,640 to \$12,068,603.
- The emergency medical services levy fund had revenues and other financing sources of \$1,884,307 in 2020. The emergency medical services levy fund had expenditures of \$1,742,654. The fund balance of the emergency medical services levy fund increased \$141,653 from \$224,021 to \$365,674.
- The capital improvement major fund had revenues and other financing sources of \$11,878,474 and expenditures of \$7,190,771 in 2020. The fund balance for the capital improvement fund increased \$4,687,703 or 239.23%, from \$1,959,484 to \$6,647,187.
- Net position for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$2,383,296 from a net position of \$39,271,301 to \$41,654,597 in 2020.
- The water fund had \$6,726,958 in operating revenues and \$4,810,730 in operating expenses in 2020. The water fund also had nonoperating expenses of \$209,391. The net position of the water fund increased \$1,895,445 or 6.19%.
- The sewer fund had \$3,559,866 in operating revenues and \$3,097,044 in operating expenses in 2020. The sewer fund also had non-operating expenses of \$51,275. The net position of the sewer fund increased \$411,547 or 4.94%.
- The garbage fund had \$1,132,120 in operating revenues and \$1,104,454 in operating expenses in 2020. The garbage fund also had non-operating revenues of \$48,638. The net position of the garbage fund increased \$76,304 or 25.60%.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Using this Comprehensive Annual Financial Report (Annual Report)

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 2020?" 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 23-25 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, 2020 (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 26-31 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 32-35 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 36-37 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 39-95 of this report.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

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. The required supplementary information can be found on pages 98-113 of this report.

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, 2020 compared to December 31, 2019.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Assets</u>						
Current assets	\$ 30,198,887	\$ 23,212,247	\$ 10,384,110	\$ 9,224,270	\$ 40,582,997	\$ 32,436,517
Capital assets, net	<u>43,542,643</u>	<u>37,111,525</u>	<u>45,112,647</u>	<u>44,970,955</u>	<u>88,655,290</u>	<u>82,082,480</u>
Total assets	<u>73,741,530</u>	<u>60,323,772</u>	<u>55,496,757</u>	<u>54,195,225</u>	<u>129,238,287</u>	<u>114,518,997</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	51,712	56,926	111,183	122,395	162,895	179,321
Pension	2,408,118	4,296,535	414,971	1,069,181	2,823,089	5,365,716
OPEB	<u>1,498,571</u>	<u>1,361,983</u>	<u>249,409</u>	<u>162,450</u>	<u>1,747,980</u>	<u>1,524,433</u>
Total deferred outflows of resources	<u>3,958,401</u>	<u>5,715,444</u>	<u>775,563</u>	<u>1,354,026</u>	<u>4,733,964</u>	<u>7,069,470</u>
<u>Liabilities</u>						
Current liabilities	1,193,154	901,135	647,400	572,674	1,840,554	1,473,809
Long-term liabilities:						
Due within one year	341,711	241,563	1,154,951	1,133,383	1,496,662	1,374,946
Net pension liability	9,662,814	12,321,855	2,078,511	3,537,918	11,741,325	15,859,773
Net OPEB liability	2,868,820	2,824,574	1,522,625	1,724,339	4,391,445	4,548,913
Other amounts	<u>8,853,698</u>	<u>2,073,930</u>	<u>7,718,577</u>	<u>8,849,262</u>	<u>16,572,275</u>	<u>10,923,192</u>
Total liabilities	<u>22,920,197</u>	<u>18,363,057</u>	<u>13,122,064</u>	<u>15,817,576</u>	<u>36,042,261</u>	<u>34,180,633</u>
<u>Deferred inflows of resources</u>						
Property taxes	2,599,887	2,574,653	-	-	2,599,887	2,574,653
Pension	1,736,582	518,825	781,150	72,024	2,517,732	590,849
OPEB	<u>801,448</u>	<u>411,168</u>	<u>385,720</u>	<u>11,395</u>	<u>1,187,168</u>	<u>422,563</u>
Total deferred inflows of resources	<u>5,137,917</u>	<u>3,504,646</u>	<u>1,166,870</u>	<u>83,419</u>	<u>6,304,787</u>	<u>3,588,065</u>
<u>Net Position</u>						
Net investment in capital assets	35,218,442	35,953,375	36,569,863	35,380,099	71,788,305	71,333,474
Restricted	2,669,100	2,142,690	-	-	2,669,100	2,142,690
Unrestricted	<u>11,754,275</u>	<u>6,075,448</u>	<u>5,413,523</u>	<u>4,268,157</u>	<u>17,167,798</u>	<u>10,343,605</u>
Total net position	<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>

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

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.

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.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

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, 2020, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$91,625,203. At year-end, net position was \$49,641,817 and \$41,983,386 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, 2020, capital assets represented 71.68% 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, 2020, was \$35,218,442 and \$36,569,863 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.

Assets of governmental activities increased \$13,417,758 or 22.24%. This increase can mainly be attributed to an increase equity in pooled cash, municipal income taxes receivable, assets held for resale and capital assets. The assets held for resale include the K Mart property which the City purchased and intends to sell in the future. 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 increased by \$4,557,140 or 24.82% which is due primarily to the City issuing bonds and notes during the year to purchase land and the former K Mart property.

Assets of business-type activities increased \$1,301,532 or 2.40%. This increase was the result of an increase in capital assets. Liabilities of the business-type activities decreased by \$2,695,512 or 17.04%. This decrease was due to a decrease in the net pension liability.

As of December 31, 2020, 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, \$2,669,100, represents resources that are subject to external restriction on how they may be used. This is an increase of \$526,410 from 2019. In the governmental activities, the remaining balance of unrestricted net position of \$11,754,275 may be used to meet the City's ongoing obligations to citizens and creditors.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Statement of Activities

The table below shows the changes in net position for years 2020 and 2019.

	Change in Net Position					
	Governmental	Governmental	Business-Type	Business-Type	2020	2019
	Activities	Activities	Activities	Activities	Total	Total
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,195,964	\$ 1,430,935	\$ 11,244,856	\$ 11,465,011	\$ 12,440,820	\$ 12,895,946
Operating grants and contributions	2,631,758	1,092,530	48,638	43,449	2,680,396	1,135,979
Capital grants and contributions	<u>3,294,696</u>	<u>556,611</u>	<u>188,608</u>	<u>-</u>	<u>3,483,304</u>	<u>556,611</u>
Total program revenues	<u>7,122,418</u>	<u>3,080,076</u>	<u>11,482,102</u>	<u>11,508,460</u>	<u>18,604,520</u>	<u>14,588,536</u>
General revenues:						
Taxes	12,100,486	10,370,839	-	-	12,100,486	10,370,839
Grants and entitlements	709,899	744,167	-	-	709,899	744,167
Investment earnings	586,196	676,448	-	-	586,196	676,448
Miscellaneous	<u>262,245</u>	<u>55,131</u>	<u>174,088</u>	<u>55,882</u>	<u>436,333</u>	<u>111,013</u>
Total general revenues	<u>13,658,826</u>	<u>11,846,585</u>	<u>174,088</u>	<u>55,882</u>	<u>13,832,914</u>	<u>11,902,467</u>
Total revenues	<u>20,781,244</u>	<u>14,926,661</u>	<u>11,656,190</u>	<u>11,564,342</u>	<u>32,437,434</u>	<u>26,491,003</u>

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CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Change in Net Position - (Continued)

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>	Business-type Activities <u>2020</u>	Business-type Activities <u>2019</u>	<u>2020 Total</u>	<u>2019 Total</u>
Expenses:						
General government	2,375,057	1,618,201	-	-	2,375,057	1,618,201
Security of persons and property:						
Police	4,566,197	1,451,731	-	-	4,566,197	1,451,731
Fire	716,482	634,018	-	-	716,482	634,018
Public health and welfare	2,373,811	685,161	-	-	2,373,811	685,161
Transportation	3,108,705	4,338,738	-	-	3,108,705	4,338,738
Community environment	583,626	620,455	-	-	583,626	620,455
Leisure time activities	860,473	1,080,159	-	-	860,473	1,080,159
Basic utility services	506,068	619,636	-	-	506,068	619,636
Economic development	12,933	-	-	-	12,933	-
Interest and fiscal charges	207,598	43,539	-	-	207,598	43,539
Water	-	-	5,054,397	5,686,769	5,054,397	5,686,769
Sewer	-	-	3,161,180	3,454,932	3,161,180	3,454,932
Garbage	-	-	1,105,483	1,043,913	1,105,483	1,043,913
Total expenses	<u>15,310,950</u>	<u>11,091,638</u>	<u>9,321,060</u>	<u>10,185,614</u>	<u>24,632,010</u>	<u>21,277,252</u>
Change in net position	5,470,304	3,835,128	2,335,130	1,378,728	7,805,434	5,213,856
Net position at beginning of year	<u>44,171,513</u>	<u>40,336,385</u>	<u>39,648,256</u>	<u>38,269,528</u>	<u>83,819,769</u>	<u>78,605,913</u>
Net position at end 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>

Governmental Activities

Governmental activities net position increased \$5,470,304 in 2020.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$5,282,669 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 \$187,114 in direct charges to users of the services. General government expenses totaled \$2,375,057. General government expenses were partially funded by \$5,968 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$5,926,454 in operating grants and contributions. The increase in operating grants and contributions was due to the City receiving approximately \$1.2 million in money from the Coronavirus Aid, Relief and Economic Stimulus (CARES) Act due to the pandemic. Capital grants and contributions increased due to money being received from the Ohio Public Works Commission (OPWC) and the Ohio Department of Transportation (ODOT) during the year.

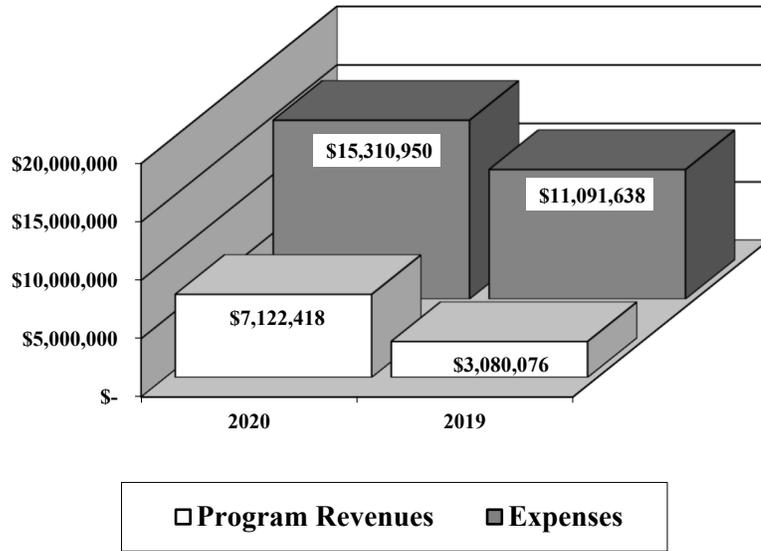
General revenues totaled \$13,658,826 and amounted to 65.73% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$12,100,486. This increase was the result of an increase in income taxes which increased approximately \$1.6 million from the prior year due to new businesses in the City.

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, 2020
(UNAUDITED)

Governmental Activities - Program Revenues vs. Total Expenses



Governmental Activities

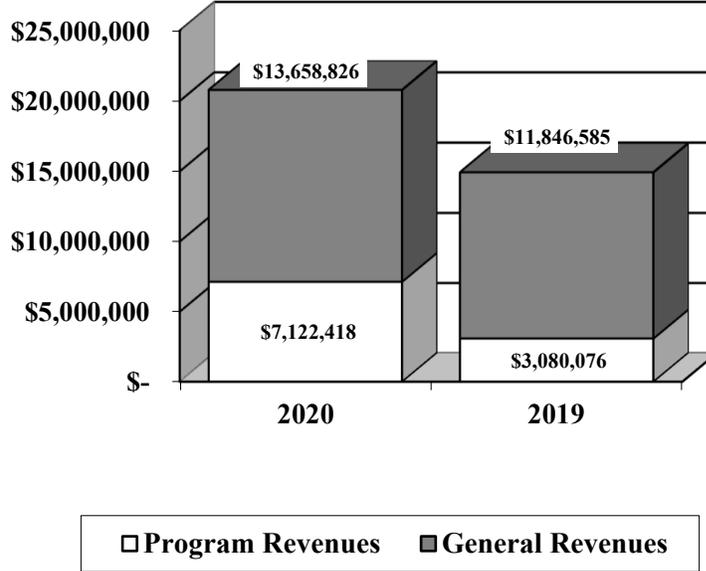
	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>
Program Expenses:				
General government	\$ 2,375,057	\$ 1,917,485	\$ 1,618,201	\$ 1,597,117
Security of persons and property:				
Police	4,566,197	3,917,119	1,451,731	1,224,458
Fire	716,472	311,911	634,018	626,904
Public health and welfare	2,373,811	1,448,321	685,161	48,506
Transportation	3,108,705	(855,433)	4,338,738	3,095,142
Community environment	583,626	253,661	620,455	251,360
Leisure time activities	860,473	468,859	1,080,159	504,795
Economic development	12,933	12,933	-	-
Basic utility services	506,068	506,068	619,636	619,636
Interest and fiscal charges	207,598	207,598	43,539	43,539
Total Expenses	<u>\$ 15,310,940</u>	<u>\$ 8,188,522</u>	<u>\$ 11,091,638</u>	<u>\$ 8,011,457</u>

The dependence upon general revenues for governmental activities is apparent, with 53.48% of expenses supported through taxes and other general revenues in 2020.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Governmental Activities – General and Program Revenues

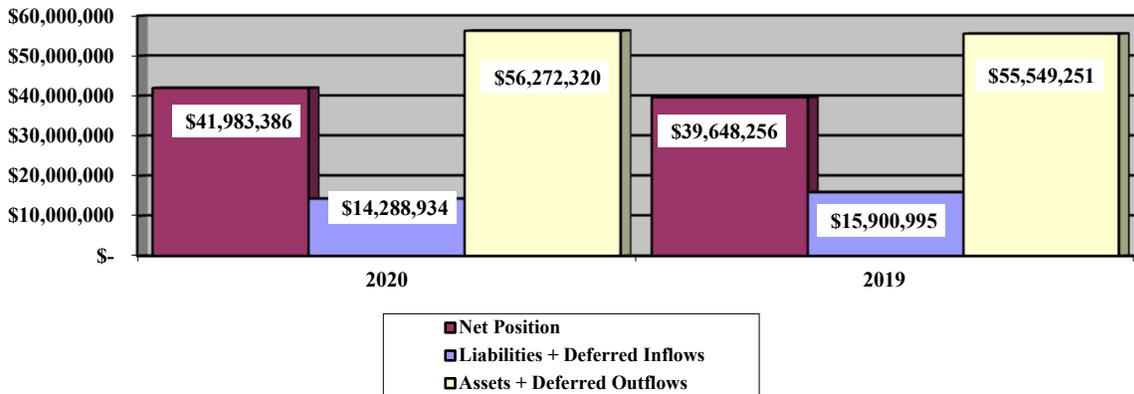


Business-Type Activities

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$11,482,102, expenses of \$9,321,060 and general revenues of \$174,088 for 2020. 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, 2020 and 2019.

Net Position in Business - Type Activities



CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(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 \$22,253,274 which is \$6,175,077 higher than last year's total of \$16,078,197. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2020 for all major and nonmajor governmental funds.

	Fund Balances 12/31/20	Fund Balances 12/31/19	Change
Major Funds:			
General	\$ 12,068,603	\$ 11,164,640	\$ 903,963
Emergency Medical Services Levy	365,674	224,021	141,653
Capital Improvement	6,647,187	1,959,484	4,687,703
Other Nonmajor Governmental Funds	<u>3,171,810</u>	<u>2,730,052</u>	<u>441,758</u>
Total	<u>\$ 22,253,274</u>	<u>\$ 16,078,197</u>	<u>\$ 6,175,077</u>

General Fund

The City's general fund balance increased \$903,963. The table that follows assists in illustrating the revenues of the general fund.

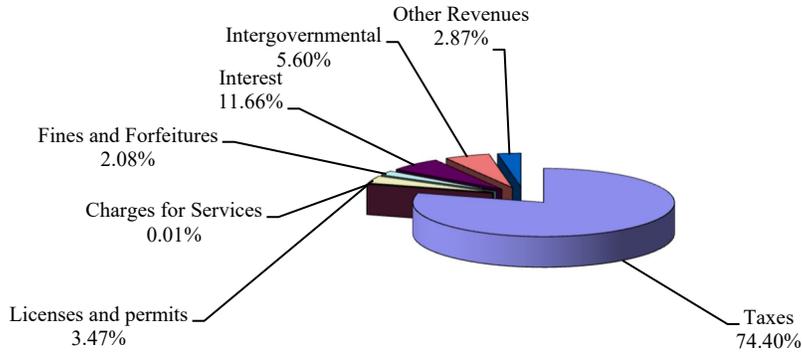
	2020 Amount	2019 Amount	Change	Percentage Change
Revenues				
Taxes	\$ 7,249,623	\$ 6,662,047	\$ 587,576	8.82 %
Charges for services	495	55,871	(55,376)	(99.11) %
Licenses and permits	316,466	369,095	(52,629)	(14.26) %
Fines and forfeitures	189,765	237,943	(48,178)	(20.25) %
Intergovernmental	511,481	469,237	42,244	9.00 %
Interest	596,009	677,989	(81,980)	(12.09) %
Rentals	48,626	135,731	(87,105)	(64.17) %
Other	<u>262,245</u>	<u>55,131</u>	<u>207,114</u>	375.68 %
Total	<u>\$ 9,174,710</u>	<u>\$ 8,663,044</u>	<u>\$ 511,666</u>	5.91 %

Revenues of the general fund increased \$511,666 or 5.91%. The largest revenue source, tax revenues, increased by \$587,576. This increase was the result of better income tax collections compared to the prior year. Interest decreased \$81,980 or 12.09%. This decrease was due to a decrease in interest rates earned on investments due to the pandemic. Charges for services decreased due to the closure of the City pool and fines and forfeitures decreased due to the lower police fines.

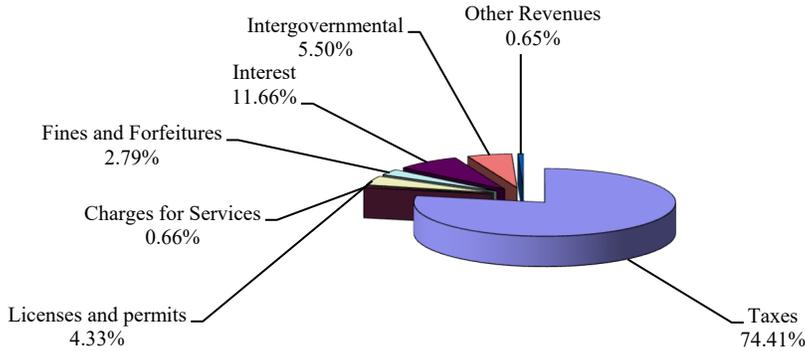
CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Revenues – 2020



Revenues – 2019



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

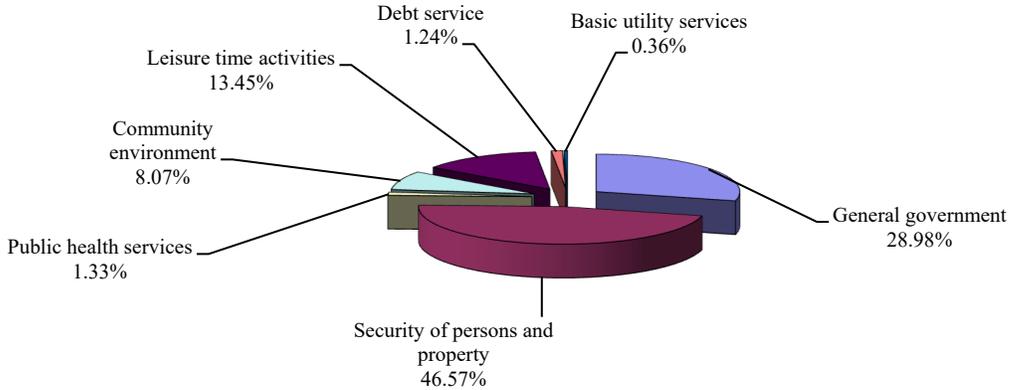
	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 2,099,210	\$ 1,703,467	\$ 395,743	23.23 %
Security of persons and property:				
Police	3,373,085	3,517,657	(144,572)	(4.11) %
Public health and welfare	96,408	97,902	(1,494)	(1.53) %
Community environment	584,534	615,389	(30,855)	(5.01) %
Leisure time activities	974,026	794,944	179,082	22.53 %
Basic utility services	25,895	-	25,895	- %
Debt service	89,675	94,157	(4,482)	(4.76) %
Total	\$ 7,242,833	\$ 6,823,516	\$ 419,317	6.15 %

Expenditures of the general fund increased \$419,317 or 6.15%. While a few of the categories showed decreases, the largest increase was in the areas of general government and leisure time activities which increased \$395,743 and \$179,082, 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 decrease in security of persons and property is due to a decrease in personal services expenditures paid to police officers out of the general fund that were moved to the COVID-19 relief fund (a nonmajor governmental fund).

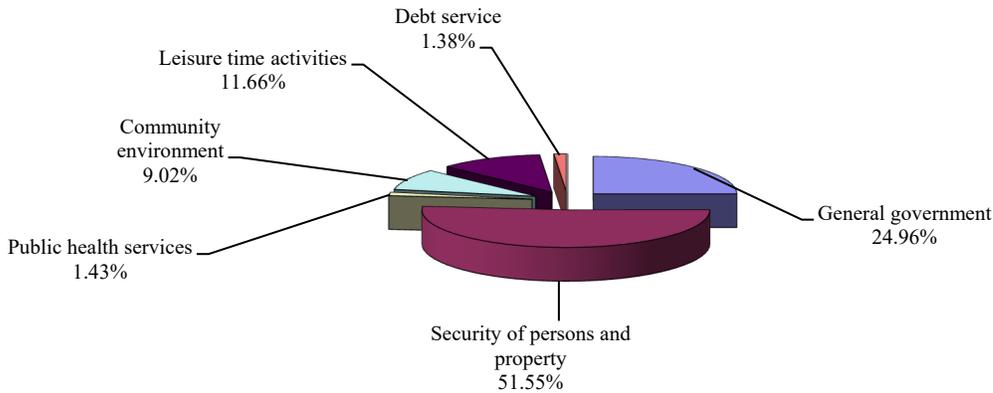
CITY OF NORTH CANTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Expenditures – 2020



Expenditures – 2019



Emergency Medical Services Levy

The emergency medical services levy fund had revenues and other financing sources of \$1,884,307. The emergency medical services levy fund had expenditures of \$1,742,654. The fund balance of the emergency medical services levy fund increased \$141,653 during 2020 from \$224,021 to \$365,674. 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 \$11,878,474 in revenues and other financing sources and \$7,190,771 in expenditures in 2020. The fund balance for the capital improvement fund increased \$4,687,703, from \$1,959,484 to \$6,647,187 in 2020. The increase in fund balance was the result of the City issuing bonds and notes to purchase properties within the City.

CITY OF NORTH CANTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(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 \$8,974,994 were lower than the final budget amount by \$330,623. This decrease is due to receiving less than the anticipated advance repayment.

Actual expenditures and other financing uses of \$7,926,662 were lower than the final budget amount by \$804,744. This decrease was primarily due to conservative spending in the police department, economic development and other general government. Final appropriations were \$674,748 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 \$41,654,597, which is \$2,383,296 higher than last year’s total of \$39,271,301.

The schedule below indicates the net position and the total change in net position as of December 31, 2020 and December 31, 2019 for all major business-type funds.

	<u>Net Position</u> <u>12/31/20</u>	<u>Net Position</u> <u>12/31/19</u>	<u>Change</u>
Major Funds:			
Water	\$ 32,538,057	\$ 30,642,612	\$ 1,895,445
Sewer	8,742,188	8,330,641	411,547
Garbage	<u>374,352</u>	<u>298,048</u>	<u>76,304</u>
Total	<u>\$ 41,654,597</u>	<u>\$ 39,271,301</u>	<u>\$ 2,383,296</u>

Water Fund

The water fund had \$6,726,958 in operating revenues and \$4,810,730 in operating expenses during 2020. The water fund also had \$209,391 in nonoperating expenses. The net position of the water fund increased \$1,895,445 from \$30,642,612 to \$32,538,057. This increase was the result of water rates being sufficient to cover the costs needing to operate the water department.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Sewer Fund

The sewer fund had \$3,559,866 in operating revenues and \$3,097,044 in operating expenses during 2020. The sewer fund also had \$51,275 in nonoperating expenses. The net position of the sewer fund increased \$411,547 from \$8,330,641 to \$8,742,188. This increase is the result of operating revenues exceeding operating expenses. The sewer fund showed an increase in personal service costs and increased spending in the area of contract services.

Garbage Fund

The garbage fund had \$1,132,120 in operating revenues and \$1,104,454 in operating expenses in 2020. The garbage fund also had non-operating revenues of \$48,638. The net position of the garbage fund increased \$76,304 from \$298,048 to \$374,352. The fund balance increased due primarily to a few waste and recycling grants received during the year.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2020, the City had \$88,655,290 (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, \$43,542,643 was reported in governmental activities and \$45,112,647 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, 2020 balances compared to December 31, 2019.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 6,740,849	\$ 5,117,189	\$ 1,023,702	\$ 1,023,702	\$ 7,764,551	\$ 6,140,891
Easements and right of ways	658,336	658,336	-	-	658,336	658,336
Construction in progress	2,977,084	92,027	3,421,033	2,795,950	6,398,117	2,887,977
Land improvements	1,851,485	1,800,254	301,027	320,703	2,152,512	2,120,957
Buildings	3,905,561	3,657,369	7,839,729	7,977,997	11,745,290	11,635,366
Equipment	3,775,902	3,136,550	2,691,881	2,399,948	6,467,783	5,536,498
Software	17,698	23,297	13,861	22,192	31,559	45,489
Sewer rights	-	-	748,927	783,058	748,927	783,058
Infrastructure	23,615,728	22,626,503	29,072,487	29,647,405	52,688,215	52,273,908
Totals	\$ 43,542,643	\$ 37,111,525	\$ 45,112,647	\$ 44,970,955	\$ 88,655,290	\$ 82,082,480

CITY OF NORTH CANTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Debt

The City had the following long-term obligations outstanding at December 31, 2020 and 2019.

	<u>Governmental Activities 2020</u>	<u>Governmental Activities 2019</u>
General obligation bonds	\$ 3,651,808	\$ 1,113,976
Various purpose notes	<u>4,400,000</u>	<u>-</u>
Total governmental activities long-term obligations	<u>\$ 8,051,808</u>	<u>\$ 1,113,976</u>
	<u>Business-type Activities 2020</u>	<u>Business-type Activities 2019</u>
OWDA loans	\$ 3,422,768	\$ 4,104,725
Intergovernmental loans	1,481,422	1,549,668
OPWC loans	1,311,251	1,311,251
General obligation bonds	<u>2,426,192</u>	<u>2,751,024</u>
Total business-type activities long-term obligations	<u>\$ 8,641,633</u>	<u>\$ 9,716,668</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.

2019 saw 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 will return 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 a new park shelter to the City at Dogwood Park. Construction has begun in 2021.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

2020 saw 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.

The City led on a land bank initiative in 2020 acquiring more than a dozen commercial properties for the purposes of controlled redevelopment that included 27 acres around the bankrupt Kmart property. 2021 portends to see the disposition of some of these properties and continued job development.

As the general economy continued to improve, the City's income tax revenue was slightly below its all-time high recorded in 2018. 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 demonstrate the City's commitment to keeping infrastructure well-maintained.

Other infrastructure projects were ongoing during 2020 such as street improvements on East Maple Street and Portage Street, storm sewer replacements on Butler Circle SE and Easthill Street SE, various parks improvements and interior buildout of City Hall to accommodate the relocation of the Engineering, Building, and Zoning Departments. 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 has completed a study of water and sewer rates in 2020, which required an adjustment to the rates to be effective January 1, 2022.

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.

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CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
Assets:				
Equity in pooled cash and investments	\$ 19,621,060	\$ 8,017,163	\$ 27,638,223	\$ -
Cash and cash equivalents				
In segregated accounts	134,464	-	134,464	-
With fiscal agents	-	-	-	473,098
Deposits	-	-	-	44,565
Receivables:				
Property taxes	2,675,894	-	2,675,894	-
Municipal income taxes	2,897,986	-	2,897,986	-
Accounts	149,858	991,287	1,141,145	-
Intergovernmental	850,193	12,616	862,809	-
Special assessments	-	26,691	26,691	-
Accrued interest	32,915	-	32,915	-
Notes	-	-	-	173,600
Materials and supplies inventory	304,852	923,230	1,228,082	-
Prepayments	106,648	35,934	142,582	-
Net pension asset	57,705	48,400	106,105	-
Assets held for resale	3,696,101	-	3,696,101	-
Internal balance	(328,789)	328,789	-	-
Capital assets:				
Non-depreciable capital assets	10,376,269	4,444,735	14,821,004	167,909
Depreciable capital assets, net	33,166,374	40,667,912	73,834,286	476,236
Total capital assets, net	43,542,643	45,112,647	88,655,290	644,145
Total assets	73,741,530	55,496,757	129,238,287	1,335,408
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	51,712	111,183	162,895	-
Pension	2,408,118	414,971	2,823,089	-
OPEB	1,498,571	249,409	1,747,980	-
Total deferred outflows of resources	3,958,401	775,563	4,733,964	-
Liabilities:				
Accounts payable	165,497	235,278	400,775	123
Contracts payable	233,521	31,733	265,254	-
Accrued wages and benefits payable	381,496	104,169	485,665	-
Intergovernmental payable	145,624	210,691	356,315	-
Accrued interest payable	71,614	65,529	137,143	-
Claims payable	94,876	-	94,876	-
Unearned revenue	100,526	-	100,526	-
Long-term liabilities:				
Due within one year	341,711	1,154,951	1,496,662	-
Due in more than one year:				
Net pension liability	9,662,814	2,078,511	11,741,325	-
Net OPEB liability	2,868,820	1,522,625	4,391,445	-
Other amounts	8,853,698	7,718,577	16,572,275	-
Total liabilities	22,920,197	13,122,064	36,042,261	123
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,599,887	-	2,599,887	-
Pension	1,736,582	781,150	2,517,732	-
OPEB	801,448	385,720	1,187,168	-
Total deferred inflows of resources	5,137,917	1,166,870	6,304,787	-
Net position:				
Net investment in capital assets	35,218,442	36,569,863	71,788,305	644,145
Restricted for:				
Capital projects	542,847	-	542,847	-
Computer systems	22,395	-	22,395	-
Security of persons and property - police	114,414	-	114,414	-
Public health and welfare	1,375	-	1,375	-
Transportation	1,437,641	-	1,437,641	-
Basic utilities	490,091	-	490,091	-
General trust	59,902	-	59,902	-
Other purposes	435	-	435	-
Unrestricted	11,754,275	5,413,523	17,167,798	691,140
Total net position	\$ 49,641,817	\$ 41,983,386	\$ 91,625,203	\$ 1,335,285

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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.	\$ 2,375,057	\$ 5,968	\$ 451,604	\$ -
Security of persons and property:				
Police	4,566,197	183,754	465,324	-
Fire	716,472	3,360	401,201	-
Public health and welfare	2,373,811	637,295	288,195	-
Transportation.	3,108,705	-	1,011,935	2,952,203
Community environment	583,626	316,466	13,499	-
Leisure time activities	860,473	49,121	-	342,493
Economic development	12,933	-	-	-
Basic utility services	506,068	-	-	-
Interest and fiscal charges.	207,598	-	-	-
Total governmental activities	<u>15,310,940</u>	<u>1,195,964</u>	<u>2,631,758</u>	<u>3,294,696</u>
Business-type activities:				
Water	5,054,397	6,589,633	-	188,608
Sewer	3,161,180	3,527,128	-	-
Garbage	1,105,483	1,128,095	48,638	-
Total business-type activities	<u>9,321,060</u>	<u>11,244,856</u>	<u>48,638</u>	<u>188,608</u>
Total primary government	<u>\$ 24,632,000</u>	<u>\$ 12,440,820</u>	<u>\$ 2,680,396</u>	<u>\$ 3,483,304</u>
Component Unit:				
North Canton Community Improvement Corporation	<u>\$ 57,661</u>	<u>\$ 2,092</u>	<u>\$ 7,547</u>	<u>\$ -</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	
\$ (1,917,485)	\$ -	\$ (1,917,485)	\$ -
(3,917,119)	-	(3,917,119)	-
(311,911)	-	(311,911)	-
(1,448,321)	-	(1,448,321)	-
855,433	-	855,433	-
(253,661)	-	(253,661)	-
(468,859)	-	(468,859)	-
(12,933)	-	(12,933)	-
(506,068)	-	(506,068)	-
(207,598)	-	(207,598)	-
<u>(8,188,522)</u>	<u>-</u>	<u>(8,188,522)</u>	<u>-</u>
-	1,723,844	1,723,844	-
-	365,948	365,948	-
-	71,250	71,250	-
-	<u>2,161,042</u>	<u>2,161,042</u>	-
<u>(8,188,522)</u>	<u>2,161,042</u>	<u>(6,027,480)</u>	-
-	-	-	(48,022)
927,485	-	927,485	-
169,535	-	169,535	-
847,673	-	847,673	-
339,070	-	339,070	-
339,399	-	339,399	-
6,753,195	-	6,753,195	-
2,724,129	-	2,724,129	-
709,899	-	709,899	-
586,196	-	586,196	6,181
-	-	-	11,424
262,245	174,088	436,333	-
<u>13,658,826</u>	<u>174,088</u>	<u>13,832,914</u>	<u>17,605</u>
5,470,304	2,335,130	7,805,434	(30,417)
44,171,513	39,648,256	83,819,769	1,365,702
<u>\$ 49,641,817</u>	<u>\$ 41,983,386</u>	<u>\$ 91,625,203</u>	<u>\$ 1,335,285</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 11,679,580	\$ 416,664	\$ 2,834,447	\$ 3,419,147	\$ 18,349,838
Cash and cash equivalents:					
In segregated accounts	-	-	-	134,464	134,464
Receivables:					
Property taxes	946,963	864,449	-	864,482	2,675,894
Municipal income taxes	1,971,976	-	926,010	-	2,897,986
Accounts	4,727	144,726	-	405	149,858
Intergovernmental	259,451	54,991	-	535,751	850,193
Interfund loans	378,000	-	-	-	378,000
Accrued interest	32,915	-	-	-	32,915
Materials and supplies inventory	43,654	10,981	-	250,217	304,852
Prepayments	72,821	20,575	-	13,252	106,648
Assets held for resale	-	-	3,696,101	-	3,696,101
Total assets	<u>\$ 15,390,087</u>	<u>\$ 1,512,386</u>	<u>\$ 7,456,558</u>	<u>\$ 5,217,718</u>	<u>\$ 29,576,749</u>
Liabilities:					
Accounts payable	\$ 107,670	\$ 14,437	\$ -	\$ 43,390	\$ 165,497
Contracts payable	-	-	40,435	193,086	233,521
Accrued wages and benefits payable	265,662	86,225	-	29,609	381,496
Interfund loans payable	-	-	-	378,000	378,000
Intergovernmental payable	96,830	38,324	-	10,470	145,624
Unearned revenue	30,388	-	-	70,138	100,526
Total liabilities	<u>500,550</u>	<u>138,986</u>	<u>40,435</u>	<u>724,693</u>	<u>1,404,664</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	918,109	840,873	-	840,905	2,599,887
Delinquent property tax revenue not available	28,854	23,576	-	23,577	76,007
Accrued interest not available	25,347	-	-	-	25,347
Miscellaneous revenue not available	-	88,286	-	-	88,286
Income tax revenue not available	1,636,464	-	768,936	-	2,405,400
Intergovernmental revenues not available	212,160	54,991	-	456,733	723,884
Total deferred inflows of resources	<u>2,820,934</u>	<u>1,007,726</u>	<u>768,936</u>	<u>1,321,215</u>	<u>5,918,811</u>
Fund balances:					
Nonspendable	121,044	31,556	-	263,469	416,069
Restricted	-	334,118	-	2,730,330	3,064,448
Committed	6,045,140	-	6,647,187	224,000	12,916,327
Assigned	2,166,377	-	-	-	2,166,377
Unassigned (deficit)	3,736,042	-	-	(45,989)	3,690,053
Total fund balances	<u>12,068,603</u>	<u>365,674</u>	<u>6,647,187</u>	<u>3,171,810</u>	<u>22,253,274</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,390,087</u>	<u>\$ 1,512,386</u>	<u>\$ 7,456,558</u>	<u>\$ 5,217,718</u>	<u>\$ 29,576,749</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, 2020

Total governmental fund balances		\$	22,253,274
<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.			43,542,643
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	76,007	
Municipal income taxes receivable		2,405,400	
Accounts receivable		88,286	
Intergovernmental receivable		723,884	
Accrued interest receivable		25,347	
Total			3,318,924
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.			1,176,346
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.			(328,789)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(71,614)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			51,712
Unamortized premiums on bond issuances are not recognized in the funds.			(90,584)
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		57,705	
Deferred outflows of resources		2,408,118	
Deferred inflows of resources		(1,736,582)	
Net pension liability		(9,662,814)	
Total			(8,933,573)
The net OPEB liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			
Deferred outflows of resources		1,498,571	
Deferred inflows of resources		(801,448)	
Net OPEB liability		(2,868,820)	
Total			(2,171,697)
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		(1,053,017)	
General obligation bonds payable		(3,651,808)	
Notes payable		(4,400,000)	
Total			(9,104,825)
Net position of governmental activities		\$	<u>49,641,817</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 914,534	\$ 837,514	\$ -	\$ 837,844	\$ 2,589,892
Municipal income taxes	6,335,089	-	2,456,529	-	8,791,618
Charges for services.	495	648,640	-	3,360	652,495
Licenses and permits	316,466	-	-	-	316,466
Fines and forfeitures	189,765	-	-	9,724	199,489
Intergovernmental.	511,481	127,883	1,621,945	4,147,732	6,409,041
Interest	596,009	-	-	-	596,009
Rentals	48,626	-	-	-	48,626
Contributions and donations.	-	-	-	208,281	208,281
Other	262,245	20,270	-	56,997	339,512
Total revenues	<u>9,174,710</u>	<u>1,634,307</u>	<u>4,078,474</u>	<u>5,263,938</u>	<u>20,151,429</u>
Expenditures:					
Current:					
General government	2,099,210	-	-	451,304	2,550,514
Security of persons and property:					
Police	3,373,085	-	-	442,074	3,815,159
Fire	-	-	-	879,516	879,516
Public health and welfare.	96,408	1,742,654	-	252,756	2,091,818
Transportation	-	-	-	1,620,188	1,620,188
Community environment	584,534	-	-	-	584,534
Leisure time activities	974,026	-	-	-	974,026
Economic development.	-	-	-	12,933	12,933
Basic utility services.	25,895	-	-	278,437	304,332
Capital outlay	-	-	6,770,675	1,218,665	7,989,340
Debt service:					
Principal retirement.	85,000	-	277,168	-	362,168
Interest and fiscal charges	4,675	-	69,315	-	73,990
Bond issuance costs	-	-	73,613	-	73,613
Total expenditures	<u>7,242,833</u>	<u>1,742,654</u>	<u>7,190,771</u>	<u>5,155,873</u>	<u>21,332,131</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,931,877</u>	<u>(108,347)</u>	<u>(3,112,297)</u>	<u>108,065</u>	<u>(1,180,702)</u>
Other financing sources (uses):					
Issuance of bond proceeds.	-	-	2,900,000	-	2,900,000
Note issuance	-	-	4,400,000	-	4,400,000
Sale of capital assets.	22,086	-	-	33,693	55,779
Transfers in	-	250,000	500,000	300,000	1,050,000
Transfers out.	(1,050,000)	-	-	-	(1,050,000)
Total other financing sources (uses)	<u>(1,027,914)</u>	<u>250,000</u>	<u>7,800,000</u>	<u>333,693</u>	<u>7,355,779</u>
Net change in fund balances	903,963	141,653	4,687,703	441,758	6,175,077
Fund balance at beginning of year	11,164,640	224,021	1,959,484	2,730,052	16,078,197
Fund balances at end of year . . .	<u>\$ 12,068,603</u>	<u>\$ 365,674</u>	<u>\$ 6,647,187</u>	<u>\$ 3,171,810</u>	<u>\$ 22,253,274</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, 2020

Net change in fund balances - total governmental funds	\$	6,175,077
<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	\$ 9,326,243	
Current year depreciation	<u>(2,690,417)</u>	
Total		6,635,826
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(204,708)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	33,270	
Municipal income taxes	685,706	
Charges for services	(11,345)	
Special assessments	(43)	
Intergovernmental	(67,960)	
Interest	<u>(9,813)</u>	
Total		629,815
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.		
		362,168
The issuance of general obligation bonds is recorded as an other financing source in the governmental funds; however, the proceeds increase long-term liabilities on the statement of net assets.		
Bonds	(2,900,000)	
Notes	<u>(4,400,000)</u>	
Total		(7,300,000)
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	(65,297)	
Amortization of deferred amounts on refunding	10,516	
Amortization of bond premiums	<u>(5,214)</u>	
Total		(59,995)
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.		
		47,400
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	964,514	
OPEB	<u>18,832</u>	
		983,346
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the Statement of Activities.		
Pension	(1,386,665)	
OPEB	<u>(316,770)</u>	
		(1,703,435)
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>(95,190)</u>
Change in net position of governmental activities	\$	<u>5,470,304</u>

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 915,000	\$ 914,500	\$ 914,534	\$ 34
Municipal income taxes	5,320,000	5,320,000	5,320,000	-
Charges for services.	80,200	5,600	5,245	(355)
Licenses and permits	365,000	313,300	316,466	3,166
Fines and forfeitures	228,000	197,300	197,120	(180)
Intergovernmental.	442,050	509,850	509,674	(176)
Interest	250,000	352,000	361,177	9,177
Rentals	99,500	72,800	72,843	43
Other	50,000	200,500	210,849	10,349
Total revenues	7,749,750	7,885,850	7,907,908	22,058
Expenditures:				
Current:				
General government	2,046,309	1,853,065	1,730,866	122,199
Security of persons and property:				
Police	4,135,566	3,460,917	3,307,832	153,085
Public health and welfare.	103,000	96,500	96,408	92
Community environment	946,098	686,677	666,986	19,691
Leisure time activities	935,181	1,141,880	984,895	156,985
Debt service:				
Principal retirement.	85,000	85,000	85,000	-
Interest and fiscal charges	5,000	4,700	4,675	25
Total expenditures	8,256,154	7,328,739	6,876,662	452,077
Excess (deficiency) of revenues over (under) expenditures.	(506,404)	557,111	1,031,246	474,135
Other financing sources (uses):				
Sale of capital assets.	-	22,100	22,086	(14)
Advances in	1,248,000	1,397,667	1,045,000	(352,667)
Advances out	-	(352,667)	-	352,667
Transfers out.	(1,150,000)	(1,050,000)	(1,050,000)	-
Total other financing sources (uses)	98,000	17,100	17,086	(14)
Net change in fund balances	(408,404)	574,211	1,048,332	474,121
Fund balances at beginning of year	3,813,344	3,813,344	3,813,344	-
Prior year encumbrances appropriated . . .	310,704	310,704	310,704	-
Fund balance at end of year	\$ 3,715,644	\$ 4,698,259	\$ 5,172,380	\$ 474,121

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 826,000	\$ 837,500	\$ 837,514	\$ 14
Charges for services.	707,500	631,700	629,811	(1,889)
Intergovernmental.	116,000	128,000	127,883	(117)
Other	3,500	-	-	-
Total revenues	<u>1,653,000</u>	<u>1,597,200</u>	<u>1,595,208</u>	<u>(1,992)</u>
Expenditures:				
Current:				
Public health and welfare.	2,100,865	1,794,026	1,709,056	84,970
Total expenditures	<u>2,100,865</u>	<u>1,794,026</u>	<u>1,709,056</u>	<u>84,970</u>
Excess of expenditures over revenues.	<u>(447,865)</u>	<u>(196,826)</u>	<u>(113,848)</u>	<u>82,978</u>
Other financing sources (uses):				
Advances in and not repaid	-	86,000	-	(86,000)
Advances (out) and not repaid	-	(86,000)	-	86,000
Transfers in	250,000	250,000	250,000	-
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balances	(197,865)	53,174	136,152	82,978
Fund balance at beginning of year	254,528	254,528	254,528	-
Prior year encumbrances appropriated	19,165	19,165	19,165	-
Fund balance at end of year	<u>\$ 75,828</u>	<u>\$ 326,867</u>	<u>\$ 409,845</u>	<u>\$ 82,978</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage	Total	
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 5,547,594	\$ 1,917,191	\$ 552,378	\$ 8,017,163	\$ 1,271,222
Receivables:					
Accounts	679,457	304,641	7,189	991,287	-
Special assessments	18	26,673	-	26,691	-
Intergovernmental	-	-	12,616	12,616	-
Materials and supplies inventory	906,294	16,936	-	923,230	-
Prepayments	23,097	10,702	2,135	35,934	-
Total current assets	<u>7,156,460</u>	<u>2,276,143</u>	<u>574,318</u>	<u>10,006,921</u>	<u>1,271,222</u>
Noncurrent assets:					
Net pension asset	36,147	11,173	1,080	48,400	-
Capital assets:					
Non-depreciable capital assets	2,504,471	1,940,264	-	4,444,735	-
Depreciable capital assets, net	33,122,886	7,545,026	-	40,667,912	-
Total capital assets, net	<u>35,627,357</u>	<u>9,485,290</u>	<u>-</u>	<u>45,112,647</u>	<u>-</u>
Total noncurrent assets	<u>35,663,504</u>	<u>9,496,463</u>	<u>1,080</u>	<u>45,161,047</u>	<u>-</u>
Total assets	<u>42,819,964</u>	<u>11,772,606</u>	<u>575,398</u>	<u>55,167,968</u>	<u>1,271,222</u>
Deferred outflows of resources:					
Unamortized deferred charges on debt refunding	111,183	-	-	111,183	-
Pension	311,397	94,236	9,338	414,971	-
OPEB	186,257	57,568	5,584	249,409	-
Total deferred outflows of resources	<u>608,837</u>	<u>151,804</u>	<u>14,922</u>	<u>775,563</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable	106,269	23,130	105,879	235,278	-
Contracts payable	31,733	-	-	31,733	-
Accrued wages and benefits payable	79,504	24,665	-	104,169	-
Intergovernmental payable	28,650	181,612	429	210,691	-
Accrued interest payable	63,898	1,631	-	65,529	-
General obligation bonds payable	332,180	-	-	332,180	-
OWDA loans payable	698,049	8,822	-	706,871	-
OPWC loans payable	100,932	14,968	-	115,900	-
Claims and judgements payable	-	-	-	-	94,876
Total current liabilities	<u>1,441,215</u>	<u>254,828</u>	<u>106,308</u>	<u>1,802,351</u>	<u>94,876</u>
Long-term liabilities:					
General obligation bonds payable	2,325,907	-	-	2,325,907	-
OWDA loans payable	2,627,454	88,443	-	2,715,897	-
OPWC loans payable	1,015,741	179,610	-	1,195,351	-
Intergovernmental loans payable	-	1,481,422	-	1,481,422	-
Net pension liability	1,552,291	479,832	46,388	2,078,511	-
Net OPEB liability	1,137,140	351,504	33,981	1,522,625	-
Total long-term liabilities	<u>8,658,533</u>	<u>2,580,811</u>	<u>80,369</u>	<u>11,319,713</u>	<u>-</u>
Total liabilities	<u>10,099,748</u>	<u>2,835,639</u>	<u>186,677</u>	<u>13,122,064</u>	<u>94,876</u>
Deferred inflows of resources:					
Pension	533,325	228,419	19,406	781,150	-
OPEB	257,671	118,164	9,885	385,720	-
Total deferred inflows of resources	<u>790,996</u>	<u>346,583</u>	<u>29,291</u>	<u>1,166,870</u>	<u>-</u>
Net position:					
Net investment in capital assets	28,857,838	7,712,025	-	36,569,863	-
Unrestricted	3,680,219	1,030,163	374,352	5,084,734	1,176,346
Total net position	<u>\$ 32,538,057</u>	<u>\$ 8,742,188</u>	<u>\$ 374,352</u>	<u>41,654,597</u>	<u>\$ 1,176,346</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				328,789	
Net position of business-type activities				<u>\$ 41,983,386</u>	

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, 2020

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 6,556,584	\$ 3,471,568	\$ 1,128,095	\$ 11,156,247	\$ 1,311,937
Tap-in fees.	33,049	55,560	-	88,609	-
Other operating revenues	137,325	32,738	4,025	174,088	-
Total operating revenues.	<u>6,726,958</u>	<u>3,559,866</u>	<u>1,132,120</u>	<u>11,418,944</u>	<u>1,311,937</u>
Operating expenses:					
Personal services	1,893,078	565,497	42,572	2,501,147	-
Contract services.	551,530	2,120,834	1,041,981	3,714,345	314,476
Materials and supplies.	540,328	29,759	19,901	589,988	-
Depreciation.	1,825,717	380,954	-	2,206,671	-
Other	77	-	-	77	-
Total operating expenses.	<u>4,810,730</u>	<u>3,097,044</u>	<u>1,104,454</u>	<u>9,012,228</u>	<u>1,455,293</u>
Operating income (loss)	<u>1,916,228</u>	<u>462,822</u>	<u>27,666</u>	<u>2,406,716</u>	<u>(143,356)</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(176,741)	(51,275)	-	(228,016)	-
Loss on disposal of capital assets	(32,650)	-	-	(32,650)	-
Intergovernmental	-	-	48,638	48,638	-
Total nonoperating revenues (expenses).	<u>(209,391)</u>	<u>(51,275)</u>	<u>48,638</u>	<u>(212,028)</u>	<u>-</u>
Income (loss) before capital contributions.	1,706,837	411,547	76,304	2,194,688	(143,356)
Capital contributions.	<u>188,608</u>	<u>-</u>	<u>-</u>	<u>188,608</u>	<u>-</u>
Change in net position	1,895,445	411,547	76,304	2,383,296	(143,356)
Net position at beginning of year	<u>30,642,612</u>	<u>8,330,641</u>	<u>298,048</u>		<u>1,319,702</u>
Net position at end of year	<u>\$ 32,538,057</u>	<u>\$ 8,742,188</u>	<u>\$ 374,352</u>		<u>\$ 1,176,346</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(48,166)	
Change in net position of business-type activities.				<u>\$ 2,335,130</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, 2020

	<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>	
Cash flows from operating activities:					
Cash received from customers	\$ 6,806,046	\$ 3,467,077	\$ 1,124,764	\$ 11,397,887	\$ -
Cash received from interfund services	-	-	-	-	1,311,937
Cash received from tap-in fees	33,049	55,560	-	88,609	-
Cash received from other operations	111,262	23,765	3,560	138,587	-
Cash payments for personal services.	(1,867,186)	(581,373)	(51,600)	(2,500,159)	-
Cash payments for contractual services	(542,086)	(2,101,975)	(1,023,766)	(3,667,827)	(315,601)
Cash payments for materials and supplies	(550,982)	(48,136)	(20,339)	(619,457)	-
Cash payments for claims	-	-	-	-	(1,151,748)
Cash payments for other expenses	(77)	-	-	(77)	-
Net cash provided by (used in) operating activities	<u>3,990,026</u>	<u>814,918</u>	<u>32,619</u>	<u>4,837,563</u>	<u>(155,412)</u>
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies.	-	-	49,130	49,130	-
Net cash provided by noncapital financing activities.	<u>-</u>	<u>-</u>	<u>49,130</u>	<u>49,130</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Gain on sale of capital assets	7,610	-	-	7,610	-
Acquisition of capital assets	(1,737,899)	(599,012)	-	(2,336,911)	-
Intergovernmental loan proceeds	-	4,060	-	4,060	-
Principal payments - bonds	(324,832)	-	-	(324,832)	-
Principal payments - OWDA loans	(673,429)	(8,528)	-	(681,957)	-
Principal payments - intergovernmental loans	-	(72,306)	-	(72,306)	-
Interest and fiscal charges - bonds.	(89,828)	-	-	(89,828)	-
Interest and fiscal charges - OWDA loans.	(114,963)	(3,110)	-	(118,073)	-
Interest and fiscal charges - intergovernmental loans	-	(48,348)	-	(48,348)	-
Capital contributions	188,608	-	-	188,608	-
Net cash used in capital and related financing activities.	<u>(2,744,733)</u>	<u>(727,244)</u>	<u>-</u>	<u>(3,471,977)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,245,293	87,674	81,749	1,414,716	(155,412)
Cash and cash equivalents at beginning of year	4,302,301	1,829,517	470,629	6,602,447	1,426,634
Cash and cash equivalents at end of year	<u>\$ 5,547,594</u>	<u>\$ 1,917,191</u>	<u>\$ 552,378</u>	<u>\$ 8,017,163</u>	<u>\$ 1,271,222</u>

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CITY OF NORTH CANTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<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)	\$ 1,916,228	\$ 462,822	\$ 27,666	\$ 2,406,716	\$ (143,356)
Adjustments:					
Depreciation	1,825,717	380,954	-	2,206,671	-
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	238,904	(5,805)	(3,331)	229,768	-
Special assessments receivable	5,727	1,314	-	7,041	-
Materials and supplies inventory	(8,737)	(8,674)	-	(17,411)	-
Prepayments	6,078	(1,370)	503	5,211	-
Net pension asset	(14,583)	(3,435)	(373)	(18,391)	-
Deferred outflows - Pension	447,067	191,608	15,535	654,210	-
Deferred outflows - OPEB	(77,624)	(7,293)	(2,042)	(86,959)	-
Accounts payable	(19,783)	(334)	16,809	(3,308)	(1,125)
Accrued wages and benefits	22,166	11,815	-	33,981	-
Intergovernmental payable	4,661	3,890	(153)	8,398	-
Compensated absences payable	(5,347)	(2,674)	(2,673)	(10,694)	-
Net pension liability	(990,053)	(432,413)	(36,941)	(1,459,407)	-
Net OPEB liability	(101,968)	(93,113)	(6,633)	(201,714)	-
Deferred inflows - Pension	487,264	206,084	15,778	709,126	-
Deferred inflows - OPEB	254,309	111,542	8,474	374,325	-
Claims payable	-	-	-	-	(10,931)
Net cash provided by (used in) operating activities	<u>\$ 3,990,026</u>	<u>\$ 814,918</u>	<u>\$ 32,619</u>	<u>\$ 4,837,563</u>	<u>\$ (155,412)</u>

Noncash transactions:

During 2020 and 2019, the water fund purchased \$61,497 and \$22,088 in capital assets on account, respectively.

During 2020 and 2019, the sewer fund purchased \$15,415 and \$3,112 in capital assets on account, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

	Custodial
Assets:	
Equity in pooled cash and investments.	\$ 3,248
Accounts receivable.	3
Total assets	3,251
Liabilities:	
Due to other governments	136
Total liabilities	136
Net position:	
Restricted for individuals, organizations and other governments .	3,115
Total net position	\$ 3,115

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, 2020

	Custodial
Additions:	
Licenses, permits and fees for other governments	\$ 3,292
Total additions	3,292
Deductions:	
Licenses, permits and fees distributions to other governments	3,276
Fines and forfeitures distributions to other governments	1,070
Total deductions	4,346
Net change in fiduciary net position	(1,054)
Net position beginning of year	4,169
Net position end of year	\$ 3,115

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, 2020

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, 2020

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, 2020

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 include the permit fee fund and the Mayor's Court fund.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020

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.

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, 2020, but which were levied to finance 2021 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, 2020

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 2020, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, negotiable certificates of deposit, a City of Cincinnati municipal bond, commercial paper and State Treasury Asset Reserve of Ohio (STAR Ohio).

During 2020, 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, 2020

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

For 2020, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2020 amounted to \$596,009, which includes \$485,358 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, 2020, 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 expensed/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, 2020

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, 2020

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, 2020**

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, 2020

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 16.

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 2020.

U. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net pension 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, 2020

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

A. Change in Accounting Principles

For 2020, the City has applied GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*” to GASB Statement Nos. 87 and 89, which were 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 pronouncement is postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

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*

B. Deficit Fund Balances

Fund balances at December 31, 2020 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Municipal road fund	\$ 26,535
Issue II improvement fund	19,454

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2020, the carrying amount of all City deposits was \$9,572,289. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2020, \$9,998,009 of the City’s bank balance of \$10,273,314 was exposed to custodial risk as discussed below, while \$275,305 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 2020, 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, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2020, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>						
FHLMC	\$ 500,575	\$ -	\$ -	\$ -	\$ -	\$ 500,575
Negotiable CD's	11,219,715	352,582	1,823,057	865,060	1,744,028	6,434,988
City of Cincinnati bond	274,253	-	274,253	-	-	-
Commercial paper	719,417	719,417	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	5,489,686	5,489,686	-	-	-	-
Total	\$ 18,203,646	\$ 6,561,685	\$ 2,097,310	\$ 865,060	\$ 1,744,028	\$ 6,935,563

The weighted average of maturity of investments is 1.58 years.

The City's investments in federal agency securities (FHLMC), negotiable CD's, commercial paper, and City of Cincinnati bonds 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. The City's investment in the City of Cincinnati's bonds were rated AAA by Standards & Poor's. 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, 2020

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, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
FHLMC	\$ 500,575	2.75%
Negotiable CD's	11,219,715	61.63%
City of Cincinnati bond	274,253	1.51%
Commercial paper	719,417	3.95%
<i>Amortized cost:</i>		
STAR Ohio	<u>5,489,686</u>	<u>30.16%</u>
Total	<u>\$ 18,203,646</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, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 9,572,289
Investments	<u>18,203,646</u>
Total	<u>\$ 27,775,935</u>
 <u>Cash and investments per Statement of Net Position</u>	
Governmental activities	\$ 19,755,524
Business-type activities	8,017,163
Custodial funds	<u>3,248</u>
Total	<u>\$ 27,775,935</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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.

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. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 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, 2020 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 2020 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, 2020 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 331,258,360
Commercial/industrial/mineral	100,805,430
Public utility	<u>10,486,980</u>
Total assessed value	<u>\$ 442,550,770</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2020, 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 \$71,157 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 \$26,596. At December 31, 2020, the amount of delinquent special assessments was \$95.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 - RECEIVABLES - (Continued)

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental activities:

Local government	\$ 182,984
Homestead and rollback	170,255
Due from North Canton schools	15,719
Street construction, maintenance and repair	480,751
Miscellaneous	<u>484</u>
Total governmental activities	<u>\$ 850,193</u>

Business-type activities:

Garbage	<u>\$ 12,616</u>
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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, 2020

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 2020, 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 CompManagement 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 provides a medical/surgical plan with a \$100 single and \$200 family deductible for in-network providers and a \$500 single and \$1,000 family deductible for out-of-network providers. 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 \$50,000 per employee per year and an aggregate of \$1,000,000. The City pays into the self-insurance internal service fund \$1,316 for family coverage or \$506 for individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

The claims liability of \$94,876 reported in the internal service fund at December 31, 2020 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - RISK MANAGEMENT - (Continued)

Changes in the fund's claims liability amounts in 2020 and 2019 are:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2020	\$ 105,807	\$ 1,140,817	\$ (1,151,748)	\$ 94,876
2019	134,878	890,106	(919,177)	105,807

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. The City intends to keep the property operating as a golf course. The property is insured by the operating tenant with certificate of insurance provided to the City which is provided protection as an additional insured on the liability section and loss payee on the property section.

In January 2020, the City entered into a management agreement with North Canton Golf, LLC and Skyland Pines, Inc. (NCG) to manage The Fairways for a five year period expiring January 31, 2025. Under the agreement, the City will provide NCG with initial funding of \$50,000 for operations and be paid a Base Management Fee of \$6,000 per month as well as reimbursements. 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	1,832,037
Land improvements	661,047
Equipment	176,749
Subtotal	4,450,047
Less: accumulated depreciation	(1,499,598)
Total	<u>\$ 2,950,449</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 - CONTRACTUAL COMMITMENTS

The City had the following contractual commitments outstanding at December 31, 2020:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Core & Main LLP	\$ 1,300,000	\$ (1,152,993)	\$ 147,007
Burch Hydro Inc.	150,000	(125,697)	24,303
Calfee Halter & Griswold LLP	60,000	(50,782)	9,218
Morton Salt, Inc.	200,000	-	200,000
Tuscoat LLC	42,000	(22,143)	19,857
Central Allied Ent. Inc.	403,235	(243,909)	159,326
Superior Pavings/Materials Inc.	453,779	(54,240)	399,539
Omnipro Services LLC	63,235	(19,723)	43,512
Brandstetter Carrol Inc.	<u>250,000</u>	<u>(121,570)</u>	<u>128,430</u>
Total Contractual Commitments	<u>\$ 2,922,249</u>	<u>\$ (1,791,057)</u>	<u>\$ 1,131,192</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	\$ 53,827
Capital improvement fund	2,065,358
Issue II fund	7,000
Other governmental	<u>872,694</u>
Total	<u>\$ 2,998,879</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities

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

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/20</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,117,189	\$ 1,623,660	\$ -	\$ 6,740,849
Easements and rights-of-way	658,336	-	-	658,336
Construction in progress	<u>92,027</u>	<u>2,970,863</u>	<u>(85,806)</u>	<u>2,977,084</u>
Total capital assets, not being depreciated	<u>5,867,552</u>	<u>4,594,523</u>	<u>(85,806)</u>	<u>10,376,269</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,943,510	215,887	-	3,159,397
Buildings	9,684,040	380,292	-	10,064,332
Equipment	9,780,427	1,501,600	(1,820,551)	9,461,476
Software	163,666	-	-	163,666
Infrastructure - streets subsystem	41,424,391	2,199,631	-	43,624,022
Infrastructure - storm sewers subsystem	10,916,045	520,116	-	11,436,161
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated	<u>75,115,079</u>	<u>4,817,526</u>	<u>(1,820,551)</u>	<u>78,112,054</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,143,256)	(164,656)	-	(1,307,912)
Buildings	(6,026,671)	(132,100)	-	(6,158,771)
Equipment	(6,643,877)	(657,540)	1,615,843	(5,685,574)
Software	(140,369)	(5,599)	-	(145,968)
Infrastructure - streets subsystem	(23,877,577)	(1,487,372)	-	(25,364,949)
Infrastructure - storm sewers subsystem	(5,867,106)	(240,075)	-	(6,107,181)
Infrastructure - bridge subsystem	<u>(172,250)</u>	<u>(3,075)</u>	<u>-</u>	<u>(175,325)</u>
Total accumulated depreciation	<u>(43,871,106)</u>	<u>(2,690,417)</u>	<u>1,615,843</u>	<u>(44,945,680)</u>
Total capital assets, being depreciated, net	<u>31,243,973</u>	<u>2,127,109</u>	<u>(204,708)</u>	<u>33,166,374</u>
Governmental activities capital assets, net	<u>\$ 37,111,525</u>	<u>\$ 6,721,632</u>	<u>\$ (290,514)</u>	<u>\$ 43,542,643</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 235,412
Police	72,806
Fire	209,892
Transportation	1,686,195
Leisure time activities	242,954
Basic utility services	<u>243,158</u>
Total depreciation expense - governmental activities	<u>\$ 2,690,417</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - CAPITAL ASSETS - (Continued)

B. Business-Type Activities

Business-type activities capital asset activity for 2020 is as follows.

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/20</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>2,795,950</u>	<u>645,302</u>	<u>(20,219)</u>	<u>3,421,033</u>
Total capital assets, not being depreciated	<u>3,819,652</u>	<u>645,302</u>	<u>(20,219)</u>	<u>4,444,735</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	640,505	-	-	640,505
Buildings	18,221,660	287,309	-	18,508,969
Equipment	8,377,784	835,659	(248,758)	8,964,685
Software	46,778	-	-	46,778
Infrastructure - water lines	40,164,413	45,172	-	40,209,585
Infrastructure - sewer lines	15,265,636	595,400	-	15,861,036
Sewer rights	<u>3,578,153</u>	<u>-</u>	<u>-</u>	<u>3,578,153</u>
Total capital assets, being depreciated	<u>86,294,929</u>	<u>1,763,540</u>	<u>(248,758)</u>	<u>87,809,711</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(319,802)	(19,676)	-	(339,478)
Buildings	(10,243,663)	(425,577)	-	(10,669,240)
Equipment	(5,977,836)	(503,466)	208,498	(6,272,804)
Software	(24,586)	(8,331)	-	(32,917)
Infrastructure - water lines	(16,669,360)	(932,702)	-	(17,602,062)
Infrastructure - sewer lines	(9,113,284)	(282,788)	-	(9,396,072)
Sewer rights	<u>(2,795,095)</u>	<u>(34,131)</u>	<u>-</u>	<u>(2,829,226)</u>
Total accumulated depreciation	<u>(45,143,626)</u>	<u>(2,206,671)</u>	<u>208,498</u>	<u>(47,141,799)</u>
Total capital assets, being depreciated, net	<u>41,151,303</u>	<u>(443,131)</u>	<u>(40,260)</u>	<u>40,667,912</u>
Business-type activities capital assets, net	<u>\$ 44,970,955</u>	<u>\$ 202,171</u>	<u>\$ (60,479)</u>	<u>\$ 45,112,647</u>

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

Water	\$ 1,825,717
Sewer	<u>380,954</u>
Total depreciation expense - business-type activities:	<u>\$ 2,206,671</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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 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 liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial 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 32 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, 2020

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

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

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

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

* 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 \$636,593 for 2020. Of this amount, \$84,075 is reported as intergovernmental payable.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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 Comprehensive Annual 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.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3.00% of their base pension or disability benefit.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2020 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 \$618,306 for 2020. Of this amount, \$87,449 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 the OPERS were measured as of December 31, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability 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	0.02700400%	0.05565300%	0.02184900%	0.10369100%	
Proportion of the net pension liability/asset current measurement date	<u>0.02305300%</u>	<u>0.05032400%</u>	<u>0.03087200%</u>	<u>0.10665340%</u>	
Change in proportionate share	<u>-0.00395100%</u>	<u>-0.00532900%</u>	<u>0.00902300%</u>	<u>0.00296240%</u>	
Proportionate share of the net pension liability	\$ 4,556,582	\$ -	\$ -	\$ 7,184,743	\$ 11,741,325
Proportionate share of the net pension asset	-	(104,938)	(1,167)	-	(106,105)
Pension expense	343,751	12,022	(688)	1,207,594	1,562,679

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 3,902	\$ 271,966	\$ 275,868
Changes of assumptions	243,377	10,818	188	176,367	430,750
Changes in employer's proportionate percentage/difference between employer contributions	6,767	-	-	854,805	861,572
Contributions subsequent to the measurement date	588,097	31,669	16,827	618,306	1,254,899
Total deferred outflows of resources	<u>\$ 838,241</u>	<u>\$ 42,487</u>	<u>\$ 20,917</u>	<u>\$ 1,921,444</u>	<u>\$ 2,823,089</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 57,611	\$ 24,637	\$ -	\$ 370,547	\$ 452,795
Net difference between projected and actual earnings on pension plan investments	908,936	13,609	368	347,083	1,269,996
Changes in employer's proportionate percentage/difference between employer contributions	614,771	-	-	180,170	794,941
Total deferred inflows of resources	<u>\$ 1,581,318</u>	<u>\$ 38,246</u>	<u>\$ 368</u>	<u>\$ 897,800</u>	<u>\$ 2,517,732</u>

\$1,254,899 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, 2021.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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
2021	\$ (525,557)	\$ (6,685)	\$ 459	\$ 209,615	\$ (322,168)
2022	(482,347)	(6,431)	465	133,522	(354,791)
2023	37,637	(2,637)	558	340,846	376,404
2024	(360,907)	(7,618)	415	(164,886)	(532,996)
2025	-	(1,416)	502	(113,759)	(114,673)
Thereafter	-	(2,641)	1,323	-	(1,318)
Total	\$ (1,331,174)	\$ (27,428)	\$ 3,722	\$ 405,338	\$ (949,542)

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, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 1.40%, simple through 2020, 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 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 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-

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</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, 2019 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, 2020

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	\$ 7,515,278	\$ 4,556,582	\$ 1,896,801
Combined Plan	(63,408)	(104,938)	(134,868)
Member-Directed Plan	(617)	(1,167)	(1,544)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by 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, 2019, are presented below.

Valuation date	1/1/19 with actuarial liabilities rolled forward to 12/31/19
Actuarial cost method	Entry age normal
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	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

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, 2020

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, 2019 are summarized below:

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

Note: assumptions are geometric.

* levered 2x

** numbers 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 1.20 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, 2020

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	\$ 9,957,804	\$ 7,184,743	\$ 4,865,352

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS’ Annual 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 2020, 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$6,731 for 2020. Of this amount, \$889 is reported as intergovernmental payable.

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.

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

The Ohio Revised Code 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.50% 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 \$15,171 for 2020. Of this amount, \$2,146 is reported as intergovernmental payable.

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

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.02764800%	0.10369100%	
Proportion of the net OPEB liability current measurement date	<u>0.02416600%</u>	<u>0.10665340%</u>	
Change in proportionate share	<u>-0.00348200%</u>	<u>0.00296240%</u>	
Proportionate share of the net OPEB liability	\$ 3,337,951	\$ 1,053,494	\$ 4,391,445
OPEB expense	183,676	221,817	405,493

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 91	\$ -	\$ 91
Changes of assumptions	528,362	615,915	1,144,277
Changes in employer's proportionate percentage/difference between employer contributions	5,739	575,971	581,710
Contributions subsequent to the measurement date	6,731	15,171	21,902
Total deferred outflows of resources	\$ 540,923	\$ 1,207,057	\$ 1,747,980
	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 305,272	\$ 113,292	\$ 418,564
Net difference between projected and actual earnings on OPEB plan investments	169,968	48,478	218,446
Changes of assumptions	-	224,515	224,515
Changes in employer's proportionate percentage/difference between employer contributions	325,643	-	325,643
Total deferred inflows of resources	\$ 800,883	\$ 386,285	\$ 1,187,168

\$21,902 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, 2021.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Year Ending December 31:	OPERS	OP&F	Total
2021	\$ (125,622)	\$ 155,570	\$ 29,948
2022	(68,577)	155,570	86,993
2023	134	165,513	165,647
2024	(72,626)	149,841	77,215
2025	-	148,600	148,600
Thereafter	-	30,507	30,507
Total	\$ (266,691)	\$ 805,601	\$ 538,910

Actuarial Assumptions - OPERS

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

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

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.50% ultimate in 2030
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.70% for 2019.

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, 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 (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 4,368,246	\$ 3,337,951	\$ 2,513,022

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% 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 2020 is 10.50%. 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 liability	\$ 3,239,452	\$ 3,337,951	\$ 3,435,197

Changes between Measurement Date and Reporting Date

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by 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.

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

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%.

Age	Police	Fire
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, 2020

NOTE 13 - DEFINED BENEFIT OPEB 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 Conduent Modified 2016 Improvement Scale.

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

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.

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, 2019, are summarized below:

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

Note: assumptions are geometric.

* levered 2x

** numbers 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 1.20 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, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. For 2018, the total OPEB liability was calculated using the discount rate of 4.66%. 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 2.75% at December 31, 2019 and 4.13% at December 31, 2018, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 3.56% for 2019 and 4.66% for 2018. 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.

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 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%), or one percentage point higher (4.56%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,306,264	\$ 1,053,494	\$ 843,459

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 POSTEMPLOYMENT 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS - (Continued)

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 life insurance and accidental death and dismemberment insurance to its employees through Minnesota Life

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			
Real Estate Acquisition - Series 2011B	3.50 - 5.50	700,000	December 1, 2020
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 2020A	2.625	3,425,000	May 13, 2021
Various purpose notes - Series 2020B	1.79	975,000	May 13, 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, 2020

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

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

	<u>Balance</u> <u>12/31/2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Amounts Due</u> <u>in One Year</u>
Governmental activities:					
General obligation bonds					
Real Estate Acquisition - Series 2011B	\$ 85,000	\$ -	\$ (85,000)	\$ -	\$ -
Series 2016 Refunding	1,028,976	-	(90,168)	938,808	92,820
Real Estate Acquisition - Series 2020	-	2,900,000	(187,000)	2,713,000	173,000
Total GO bonds	<u>1,113,976</u>	<u>2,900,000</u>	<u>(362,168)</u>	<u>3,651,808</u>	<u>265,820</u>
Various purpose notes					
Various purpose notes - Series 2020A	\$ -	\$ 3,425,000	\$ -	\$ 3,425,000	\$ -
Various purpose notes - Series 2020B	-	975,000	-	975,000	-
Total GO bonds	<u>-</u>	<u>4,400,000</u>	<u>-</u>	<u>4,400,000</u>	<u>-</u>
Other long-term liabilities					
Compensated absences	1,100,417	291,261	(338,661)	1,053,017	75,891
Net pension liability	12,321,855	-	(2,659,041)	9,662,814	-
Net OPEB liability	<u>2,824,574</u>	<u>109,228</u>	<u>(64,982)</u>	<u>2,868,820</u>	<u>-</u>
Total governmental activities	<u>\$ 17,360,822</u>	<u>\$ 7,700,489</u>	<u>\$ (3,424,852)</u>	21,636,459	<u>\$ 341,711</u>
				Add: unamortized premiums	90,584
				Total on Statement of Net Position	<u>\$ 21,727,043</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 14, 2020, the City issued \$3,425,000 in bond anticipation notes for improvements related to the purchase of the former Kmart property. On July 8, 2020, the City issued \$975,000 in bond anticipation notes for the same purpose. The notes have been financed on a long-term basis prior to the issuance of the financial statements. See Note 23 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, 2020

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>12/31/2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Amounts Due</u> <u>in One Year</u>
Business-type activities:					
OWDA loans - direct borrowing					
Water treatment plant improvement	\$ 2,181,637	\$ -	\$ (405,347)	\$ 1,776,290	\$ 420,277
Water treatment plant improvement	1,152,562	-	(174,659)	977,903	181,288
Water treatment backwash tank	664,733	-	(93,423)	571,310	96,484
Portage St./W. Park sanitary	105,793	-	(8,528)	97,265	8,822
Total OWDA loans	<u>4,104,725</u>	<u>-</u>	<u>(681,957)</u>	<u>3,422,768</u>	<u>706,871</u>
Intergovernmental loans - direct borrowing					
Sewer rights - City of Canton #6699	1,034,180	4,060	(46,150)	992,090	-
Sewer rights - City of Canton #6556	515,488	-	(26,156)	489,332	-
Total intergovernmental loans	<u>1,549,668</u>	<u>4,060</u>	<u>(72,306)</u>	<u>1,481,422</u>	<u>-</u>
OPWC loans - direct borrowing					
Booster pump station	408,364	-	-	408,364	51,045
Applegrove waterline	265,418	-	-	265,418	13,970
North Main St. waterline	184,191	-	-	184,191	16,017
Water Tower #1 exterior painting	258,700	-	-	258,700	19,900
Lynbrook sanitary sewer	194,578	-	-	194,578	14,968
Total OPWC loans	<u>1,311,251</u>	<u>-</u>	<u>-</u>	<u>1,311,251</u>	<u>115,900</u>
General obligation bonds					
Series 2016 Refunding	911,024	-	(79,832)	831,192	82,180
Series 2016 Refunding	1,840,000	-	(245,000)	1,595,000	250,000
Total general obligation bonds	<u>2,751,024</u>	<u>-</u>	<u>(324,832)</u>	<u>2,426,192</u>	<u>332,180</u>
Compensated absences	10,694	-	(10,694)	-	-
Net pension liability	3,537,918	-	(1,459,407)	2,078,511	-
Net OPEB liability	1,724,339	-	(201,714)	1,522,625	-
Total business-type activities	<u>\$ 14,989,619</u>	<u>\$ 4,060</u>	<u>\$ (2,750,910)</u>	12,242,769	<u>\$ 1,154,951</u>
				Add: unamortized premiums	231,895
				Total on Statement of Net Position	<u>\$ 12,474,664</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 18.07% of net revenues and 8.03% of total revenues. The total principal and interest remaining to be paid on the loans is \$4,574,425. Principal and interest paid for the current year were \$824,038, total net revenues were \$4,559,639 and total revenues were \$10,261,102.

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, 2020 is \$1,481,412. These loans have not been completely disbursed, therefore, no amortization schedule is available at December 31, 2020. 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, 2020

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/Applegate 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, 2020, 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
2021	\$ 265,820	\$ 81,508	\$ 347,328
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 - 2029	1,428,492	233,932	1,662,424
2030	843,000	37,416	880,416
Total	<u>\$ 3,651,808</u>	<u>\$ 620,439</u>	<u>\$ 4,272,247</u>

Year Ending December 31,	Ohio Public Works Commission - Direct Borrowing			OWDA Loans - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 115,900	\$ -	\$ 115,900	\$ 706,871	\$ 117,166	\$ 824,037
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 - 2030	477,413	-	477,413	106,214	5,296	111,510
2031 - 2034	184,502	-	184,502	-	-	-
2035- 2039	69,842	-	69,842	-	-	-
Total	<u>\$ 1,311,258</u>	<u>\$ -</u>	<u>\$ 1,311,258</u>	<u>\$ 3,422,768</u>	<u>\$ 327,619</u>	<u>\$ 3,750,387</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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>
2021	\$ 332,180	\$ 83,340	\$ 415,520
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 - 2029	599,632	103,253	702,885
2030	<u>86,876</u>	<u>3,475</u>	<u>90,351</u>
Total	<u>\$ 2,426,192</u>	<u>\$ 424,953</u>	<u>\$ 2,851,145</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, 2020, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$1,481,422.

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, 2020, the City's total debt margin was \$42,816,023 and the unvoted debt margin was \$20,688,484.

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>\$ 250,000</u>	<u>\$ 500,000</u>	<u>\$ 300,000</u>	<u>\$ 1,050,000</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental fund	378,000
Total		<u>\$ 378,000</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, 2020

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>	<u>Emergency Medical Services Levy Fund</u>
Budget basis	\$ 1,048,332	\$ 136,152
Net adjustment for revenue accruals	111,218	39,099
Net adjustment for expenditure accruals	(101,873)	(40,417)
Net adjustment for other financing sources/uses	(1,045,000)	-
Funds budgeted elsewhere	729,789	-
Adjustment for encumbrances	<u>161,497</u>	<u>6,819</u>
GAAP basis	<u>\$ 903,963</u>	<u>\$ 141,653</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, 2020

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	\$ 43,654	\$ 10,981	\$ -	\$ 250,217	\$ 304,852
Prepays	72,821	20,575	-	13,252	106,648
Unclaimed monies	4,569	-	-	-	4,569
Total nonspendable	121,044	31,556	-	263,469	416,069
Restricted:					
Security of persons and property police	-	-	-	114,414	114,414
Security of persons and property fire	-	-	-	170,594	170,594
Public health and welfare	-	334,118	-	-	334,118
Computer systems	-	-	-	22,395	22,395
Transportation	-	-	-	1,361,514	1,361,514
Utility services	-	-	-	458,664	458,664
General trust	-	-	-	59,902	59,902
Capital Improvements	-	-	-	542,847	542,847
Total restricted	-	334,118	-	2,730,330	3,064,448
Committed:					
Capital improvements	-	-	6,647,187	224,000	6,871,187
Income tax	4,735,587	-	-	-	4,735,587
Compensated absences	1,309,553	-	-	-	1,309,553
Total committed	6,045,140	-	6,647,187	224,000	12,916,327
Assigned:					
General government	22,922	-	-	-	22,922
Community environment	27,724	-	-	-	27,724
Security of persons and property police	3,238	-	-	-	3,238
Utility services	-	-	-	-	-
Subsequent year appropriation	2,112,493	-	-	-	2,112,493
Total assigned	2,166,377	-	-	-	2,166,377
Unassigned (deficit)	3,736,042	-	-	(45,989)	3,690,053
Total fund balances (deficit)	\$ 12,068,603	\$ 365,674	\$ 6,647,187	\$ 3,171,810	\$ 22,253,274

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 \$96,408 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 2020, the City paid \$36,588 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, 2020**

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 2020 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 a legally separate entity and 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 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, 2020**

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, 2020, the carrying amount of the CIC's deposits was \$473,098. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, all of the bank balance of \$473,134 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, 2020

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

Capital Assets

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

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/20</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 201,669	\$ 96,470	\$ (130,230)	\$ 167,909
<i>Total capital assets, not being depreciated</i>	<u>201,669</u>	<u>96,470</u>	<u>(130,230)</u>	<u>167,909</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	44,200	-	-	44,200
Buildings and improvements	59,970	167,530	(59,970)	167,530
Equipment	<u>444,000</u>	<u>-</u>	<u>-</u>	<u>444,000</u>
<i>Total capital assets, being depreciated</i>	<u>548,170</u>	<u>167,530</u>	<u>(59,970)</u>	<u>655,730</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(44,200)	-	-	(44,200)
Buildings and improvements	(1,624)	(2,094)	1,624	(2,094)
Equipment	<u>(122,100)</u>	<u>(11,100)</u>	<u>-</u>	<u>(133,200)</u>
<i>Total accumulated depreciation</i>	<u>(167,924)</u>	<u>(13,194)</u>	<u>1,624</u>	<u>(179,494)</u>
Total capital assets, net	<u>\$ 581,915</u>	<u>\$ 250,806</u>	<u>\$ (188,576)</u>	<u>\$ 644,145</u>

Litigation

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

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, 2020 is \$173,600. The schedule below shows the future payments due on the note receivable by the purchaser:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 9,843	\$ 5,073	\$ 14,916
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>\$ 173,600</u>	<u>\$ 19,770</u>	<u>\$ 193,370</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the pension and other employee benefits plan in which the City participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 24 - SUBSEQUENT EVENT

On May 12, 2021, the City issued \$4,530,150 in Various Purpose Bond Anticipation Notes. The notes have an interest rate of 0.75% and will mature on May 11, 2022. Furthermore, \$4,504,443 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 SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.023053%	0.027004%	0.028288%	0.280710%
City's proportionate share of the net pension liability	\$ 4,556,582	\$ 7,395,848	\$ 4,437,839	\$ 6,374,447
City's covered payroll	\$ 3,095,071	\$ 3,624,036	\$ 3,826,369	\$ 3,617,467
City's proportionate share of the net pension liability as a percentage of its covered payroll	147.22%	204.08%	115.98%	176.21%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.050324%	0.055653%	0.071714%	0.658650%
City's proportionate share of the net pension asset	\$ 104,938	\$ 62,234	\$ 97,627	\$ 36,658
City's covered payroll	\$ 242,364	\$ 238,021	\$ 293,700	\$ 256,375
City's proportionate share of the net pension asset as a percentage of its covered payroll	43.30%	26.15%	33.24%	14.30%
Plan fiduciary net position as a percentage of the total pension asset	145.28%	126.64%	137.28%	116.55%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.030872%	0.021849%	0.019983%	0.016979%
City's proportionate share of the net pension asset	\$ 1,167	\$ 498	\$ 697	\$ 71
City's covered payroll	\$ 199,010	\$ 124,890	\$ 142,380	\$ 88,142
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.59%	0.40%	0.49%	0.08%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	103.40%

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

	2016	2015	2014
	0.030226%	0.031691%	0.031691%
\$	5,235,523	\$ 3,822,289	\$ 3,735,956
\$	3,503,758	\$ 3,935,808	\$ 3,898,908
	149.43%	97.12%	95.82%
	81.08%	86.45%	86.36%
	0.074670%	0.075345%	0.075345%
\$	36,337	\$ 29,010	\$ 7,906
\$	271,733	\$ 264,817	\$ 254,254
	13.37%	10.95%	3.11%
	116.90%	114.83%	104.56%
	0.020418%	n/a	n/a
\$	78	n/a	n/a
\$	113,708	n/a	n/a
	0.07%	n/a	n/a
	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 SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net pension liability	0.10665340%	0.10369100%	0.09438800%	0.08695100%
City's proportionate share of the net pension liability	\$ 7,184,743	\$ 8,463,925	\$ 5,793,004	\$ 5,507,346
City's covered payroll	\$ 2,298,107	\$ 2,438,943	\$ 2,251,083	\$ 1,983,744
City's proportionate share of the net pension liability as a percentage of its covered payroll	312.64%	347.03%	257.34%	277.62%
Plan fiduciary net position as a percentage of the total pension liability	69.89%	63.07%	70.91%	68.36%

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>2016</u>	<u>2015</u>	<u>2014</u>
0.09668200%	0.07778590%	0.07778590%
\$ 6,219,582	\$ 4,029,634	\$ 3,788,418
\$ 1,825,891	\$ 1,835,351	\$ 1,689,819
340.63%	219.56%	224.19%
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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 588,097	\$ 433,310	\$ 509,885	\$ 497,428
Contributions in relation to the contractually required contribution	<u>(588,097)</u>	<u>(433,310)</u>	<u>(509,885)</u>	<u>(497,428)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,200,693	\$ 3,095,071	\$ 3,642,036	\$ 3,826,369
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 31,669	\$ 33,931	\$ 33,323	\$ 38,181
Contributions in relation to the contractually required contribution	<u>(31,669)</u>	<u>(33,931)</u>	<u>(33,323)</u>	<u>(38,181)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 226,207	\$ 242,364	\$ 238,021	\$ 293,700
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 16,827	\$ 19,901	\$ 12,489	\$ 14,238
Contributions in relation to the contractually required contribution	<u>(16,827)</u>	<u>(19,901)</u>	<u>(12,489)</u>	<u>(14,238)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 168,270	\$ 199,010	\$ 124,890	\$ 142,380
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 434,096	\$ 420,451	\$ 472,297	\$ 506,858	\$ 402,329	\$ 444,536
<u>(434,096)</u>	<u>(420,451)</u>	<u>(472,297)</u>	<u>(506,858)</u>	<u>(402,329)</u>	<u>(444,536)</u>
<u>\$ -</u>					
\$ 3,617,467	\$ 3,503,758	\$ 3,935,808	\$ 3,898,908	\$ 4,023,290	\$ 4,445,360
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
\$ 30,765	\$ 32,608	\$ 31,778	\$ 33,053	\$ 17,994	\$ 13,377
<u>(30,765)</u>	<u>(32,608)</u>	<u>(31,778)</u>	<u>(33,053)</u>	<u>(17,994)</u>	<u>(13,377)</u>
<u>\$ -</u>					
\$ 256,375	\$ 271,733	\$ 264,817	\$ 254,254	\$ 226,340	\$ 168,264
12.00%	12.00%	12.00%	13.00%	7.95%	7.95%
\$ 10,577	\$ 13,645				
<u>(10,577)</u>	<u>(13,645)</u>				
<u>\$ -</u>	<u>\$ -</u>				
\$ 88,142	\$ 113,708				
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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Police:</i>				
Contractually required contribution	\$ 400,120	\$ 303,046	\$ 320,993	\$ 311,340
Contributions in relation to the contractually required contribution	<u>(400,120)</u>	<u>(303,046)</u>	<u>(320,993)</u>	<u>(311,340)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,105,895	\$ 1,594,979	\$ 1,689,437	\$ 1,638,632
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 218,186	\$ 165,235	\$ 176,134	\$ 143,926
Contributions in relation to the contractually required contribution	<u>(218,186)</u>	<u>(165,235)</u>	<u>(176,134)</u>	<u>(143,926)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 928,451	\$ 703,128	\$ 749,506	\$ 612,451
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 286,727	\$ 274,092	\$ 297,289	\$ 243,196	\$ 193,970	\$ 190,999
<u>(286,727)</u>	<u>(274,092)</u>	<u>(297,289)</u>	<u>(243,196)</u>	<u>(193,970)</u>	<u>(190,999)</u>
<u>\$ -</u>					
\$ 1,509,089	\$ 1,442,589	\$ 1,564,679	\$ 1,531,140	\$ 1,521,333	\$ 1,498,031
19.00%	19.00%	19.00%	15.88%	12.75%	12.75%
\$ 111,544	\$ 90,076	\$ 63,608	\$ 32,344	\$ 29,567	\$ 25,556
<u>(111,544)</u>	<u>(90,076)</u>	<u>(63,608)</u>	<u>(32,344)</u>	<u>(29,567)</u>	<u>(25,556)</u>
<u>\$ -</u>					
\$ 474,655	\$ 383,302	\$ 270,672	\$ 158,679	\$ 171,403	\$ 148,151
23.50%	23.50%	23.50%	20.38%	17.25%	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
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.024166%	0.027648%	0.029240%	0.028650%
City's proportionate share of the net OPEB liability	\$ 3,337,952	\$ 3,604,647	\$ 3,175,249	\$ 2,893,697
City's covered payroll	\$ 3,536,445	\$ 4,004,947	\$ 4,262,449	\$ 3,961,984
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	94.39%	90.00%	74.49%	73.04%
Plan fiduciary net position as a percentage of the total OPEB liability	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 FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.10665340%	0.10369100%	0.09438800%	0.08695100%
City's proportionate share of the net OPEB liability	\$ 1,053,494	\$ 944,266	\$ 5,347,886	\$ 4,127,368
City's covered payroll	\$ 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	45.84%	38.72%	237.57%	208.06%
Plan fiduciary net position as a percentage of the total OPEB liability	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 6,731	\$ 7,960	\$ 8,447	\$ 42,296
Contributions in relation to the contractually required contribution	<u>(6,731)</u>	<u>(7,960)</u>	<u>(8,447)</u>	<u>(42,296)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,595,170	\$ 3,536,445	\$ 4,004,947	\$ 4,262,449
Contributions as a percentage of covered payroll	0.15%	0.23%	0.21%	0.99%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 79,240	\$ 77,784	\$ 82,759	\$ 41,532	\$ 174,625	\$ 187,995
<u>(79,240)</u>	<u>(77,784)</u>	<u>(82,759)</u>	<u>(41,532)</u>	<u>(174,625)</u>	<u>(187,995)</u>
<u>\$ -</u>	<u>\$ -</u>				
\$ 3,961,984	\$ 3,889,199	\$ 4,200,625	\$ 4,153,162	\$ 4,249,630	\$ 4,613,624
2.00%	2.00%	1.97%	1.00%	4.11%	4.07%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Police:</i>				
Contractually required contribution	\$ 10,529	\$ 7,975	\$ 8,193	\$ 7,749
Contributions in relation to the contractually required contribution	<u>(10,529)</u>	<u>(7,975)</u>	<u>(8,193)</u>	<u>(7,749)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,105,895	\$ 1,594,979	\$ 1,689,437	\$ 1,638,632
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
 <i>Fire:</i>				
Contractually required contribution	\$ 4,642	\$ 3,516	\$ 3,748	\$ 3,062
Contributions in relation to the contractually required contribution	<u>(4,642)</u>	<u>(3,516)</u>	<u>(3,748)</u>	<u>(3,062)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 928,451	\$ 703,128	\$ 749,506	\$ 612,451
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 7,408	\$ 7,760	\$ 51,825	\$ 102,690	\$ 101,117	\$ 107,493
<u>(7,408)</u>	<u>(7,760)</u>	<u>(51,825)</u>	<u>(102,690)</u>	<u>(101,117)</u>	<u>(107,493)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,509,089	\$ 1,442,589	\$ 1,564,679	\$ 1,531,140	\$ 1,521,333	\$ 1,498,031
0.50%	0.50%	0.50%	3.62%	6.75%	6.75%
\$ 2,373	\$ 1,917	\$ 1,413	\$ 5,358	\$ 11,570	\$ 10,000
<u>(2,373)</u>	<u>(1,917)</u>	<u>(1,413)</u>	<u>(5,358)</u>	<u>(11,570)</u>	<u>(10,000)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 474,655	\$ 383,302	\$ 270,672	\$ 158,679	\$ 171,403	\$ 148,151
0.50%	0.50%	0.50%	3.62%	6.75%	6.75%

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2020.

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.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2020.

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 2019-2020.

(Continued)

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

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 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.

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 for 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) 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%.

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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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 915,000	\$ 914,500	\$ 914,534	\$ 34
Municipal income taxes	5,320,000	5,320,000	5,320,000	-
Charges for services	80,200	5,600	5,245	(355)
Licenses and permits	365,000	313,300	316,466	3,166
Fines and forfeitures	228,000	197,300	197,120	(180)
Intergovernmental	442,050	509,850	509,674	(176)
Interest	250,000	352,000	361,177	9,177
Rentals	99,500	72,800	72,843	43
Other	50,000	200,500	210,849	10,349
Total revenues	<u>7,749,750</u>	<u>7,885,850</u>	<u>7,907,908</u>	<u>22,058</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Personal services	77,284	71,702	68,638	3,064
Contract services	25,550	17,729	10,698	7,031
Materials and supplies	1,500	800	755	45
Total mayor	<u>104,334</u>	<u>90,231</u>	<u>80,091</u>	<u>10,140</u>
Director of Administration:				
Personal services	192,425	190,100	189,698	402
Contract services	30,166	24,250	17,939	6,311
Materials and supplies	2,688	1,400	1,272	128
Capital outlay	12,500	13,400	13,215	185
Total director of administration	<u>237,779</u>	<u>229,150</u>	<u>222,124</u>	<u>7,026</u>
Director of Finance:				
Personal services	195,587	211,000	196,100	14,900
Contract services	35,514	35,082	33,595	1,487
Materials and supplies	1,500	1,500	1,131	369
Capital outlay	11,000	9,000	8,637	363
Total director of finance	<u>243,601</u>	<u>256,582</u>	<u>239,463</u>	<u>17,119</u>
Electronic Data Processing:				
Contract services	185,000	178,300	177,272	1,028
Capital outlay	12,912	8,400	533	7,867
Total electronic data processing	<u>197,912</u>	<u>186,700</u>	<u>177,805</u>	<u>8,895</u>
Director of Law:				
Personal services	91,133	95,225	95,147	78
Contract services	47,026	93,129	77,858	15,271
Materials and supplies	3,100	3,000	3,000	-
Capital outlay	2,000	-	-	-
Total director of law	<u>143,259</u>	<u>191,354</u>	<u>176,005</u>	<u>15,349</u>
City Council:				
Personal services	157,907	143,825	143,414	411
Contract services	46,987	29,747	26,259	3,488
Materials and supplies	1,000	800	755	45
Capital outlay	3,500	1,000	919	81
Total city council	<u>209,394</u>	<u>175,372</u>	<u>171,347</u>	<u>4,025</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Civil Service Commission:				
Personal services	\$ 6,398	\$ 4,500	\$ 3,949	\$ 551
Contract services	13,477	5,350	4,144	1,206
Materials and supplies.	500	-	-	-
Total civil service commission	<u>20,375</u>	<u>9,850</u>	<u>8,093</u>	<u>1,757</u>
City Hall Maintenance:				
Contract services	166,440	152,201	122,308	29,893
Materials and supplies.	5,124	4,800	3,996	804
Capital outlay	10,000	10,000	10,000	-
Total city hall maintenance.	<u>181,564</u>	<u>167,001</u>	<u>136,304</u>	<u>30,697</u>
Department of Engineering:				
Personal services	208,335	209,700	205,841	3,859
Contract services	57,274	55,342	47,528	7,814
Materials and supplies.	11,678	6,325	4,909	1,416
Capital outlay	12,000	4,900	4,892	8
Total department of engineering	<u>289,287</u>	<u>276,267</u>	<u>263,170</u>	<u>13,097</u>
Other General Government:				
Personal services	107,269	14,001	6,003	7,998
Contract services	205,035	158,057	151,989	6,068
Capital outlay	1,500	-	-	-
Other.	105,000	98,500	98,472	28
Total other general government	<u>418,804</u>	<u>270,558</u>	<u>256,464</u>	<u>14,094</u>
Total General Government	<u>2,046,309</u>	<u>1,853,065</u>	<u>1,730,866</u>	<u>122,199</u>
Security of Persons and Property:				
Police:				
Personal services	3,175,000	2,649,200	2,566,900	82,300
Contract services	408,612	278,039	247,381	30,658
Materials and supplies.	92,401	69,665	53,622	16,043
Capital outlay	45,500	45,500	45,496	4
Total police	<u>3,721,513</u>	<u>3,042,404</u>	<u>2,913,399</u>	<u>129,005</u>
Police Administration:				
Contract services	700	700	578	122
Materials and supplies.	7,687	6,800	6,726	74
Capital outlay	500	500	500	-
Total police administration.	<u>8,887</u>	<u>8,000</u>	<u>7,804</u>	<u>196</u>
School Patrol:				
Personal services	257,100	264,800	249,277	15,523
Contract services	4,000	-	-	-
Materials and supplies.	2,066	3,713	3,505	208
Total school patrol	<u>263,166</u>	<u>268,513</u>	<u>252,782</u>	<u>15,731</u>
Street lighting:				
Contract services	142,000	142,000	133,847	8,153
Total street lighting	<u>142,000</u>	<u>142,000</u>	<u>133,847</u>	<u>8,153</u>
Total Security of Persons and Property.	<u>4,135,566</u>	<u>3,460,917</u>	<u>3,307,832</u>	<u>153,085</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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Public Health and Welfare:				
County Health Department:				
Contract services	\$ 103,000	\$ 96,500	\$ 96,408	\$ 92
Total county health department	103,000	96,500	96,408	92
Total Public Health and Welfare	103,000	96,500	96,408	92
Community Environment:				
Permits and Inspections:				
Personal services	63	-	-	-
Contract services	523,845	429,258	427,912	1,346
Total permits and inspections.	523,908	429,258	427,912	1,346
Planning Commission:				
Contract services	7,683	5,335	2,179	3,156
Materials and supplies.	400	400	44	356
Total planning commission	8,083	5,735	2,223	3,512
Zoning and Building:				
Contract services	8,534	5,180	1,770	3,410
Materials and supplies.	400	400	10	390
Total zoning and building	8,934	5,580	1,780	3,800
Economic Development:				
Personal services	49,100	22,100	20,173	1,927
Contract services	352,973	224,004	214,898	9,106
Materials and supplies.	3,100	-	-	-
Total economic development.	405,173	246,104	235,071	11,033
Total Community Environment.	946,098	686,677	666,986	19,691
Leisure Time Activities:				
Dogwood Shelter:				
Contract services	30,115	29,425	17,678	11,747
Materials and supplies.	3,000	1,200	1,170	30
Total dogwood shelter	33,115	30,625	18,848	11,777
Swimming Pool:				
Contract services	74,961	70,599	45,109	25,490
Capital outlay	5,000	5,000	4,202	798
Total swimming pool	79,961	75,599	49,311	26,288
Parks Department:				
Personal services	286,180	286,000	276,842	9,158
Contract services	218,641	195,830	180,043	15,787
Materials and supplies.	21,199	21,000	14,386	6,614
Capital outlay	3,500	3,500	3,384	116
Total parks department.	529,520	506,330	474,655	31,675

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civic Center:				
Contract services	\$ 113,293	\$ 80,359	\$ 52,977	\$ 27,382
Materials and supplies.	4,000	2,100	2,024	76
Capital outlay	29,000	14,000	13,950	50
Total civic center	<u>146,293</u>	<u>96,459</u>	<u>68,951</u>	<u>27,508</u>
Recreation Department:				
Personal services	43,131	43,600	41,607	1,993
Contract services	23,387	11,993	7,274	4,719
Materials and supplies.	4,774	2,174	973	1,201
Total recreation department.	<u>71,292</u>	<u>57,767</u>	<u>49,854</u>	<u>7,913</u>
Golf Course:				
Contract services	72,000	372,100	321,479	50,621
Total golf course	<u>72,000</u>	<u>372,100</u>	<u>321,479</u>	<u>50,621</u>
Recreation Program:				
Contract services	3,000	3,000	1,797	1,203
Total recreation program	<u>3,000</u>	<u>3,000</u>	<u>1,797</u>	<u>1,203</u>
Total Leisure Time Activities.	<u>935,181</u>	<u>1,141,880</u>	<u>984,895</u>	<u>156,985</u>
Debt Service:				
Principal retirement	85,000	85,000	85,000	-
Interest and fiscal charges	5,000	4,700	4,675	25
Total debt service.	<u>90,000</u>	<u>89,700</u>	<u>89,675</u>	<u>25</u>
Total expenditures	<u>8,256,154</u>	<u>7,328,739</u>	<u>6,876,662</u>	<u>452,077</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(506,404)</u>	<u>557,111</u>	<u>1,031,246</u>	<u>474,135</u>
Other financing sources (uses):				
Sale of capital assets	-	22,100	22,086	(14)
Advances in	1,248,000	1,397,667	1,045,000	(352,667)
Advances out	-	(352,667)	-	352,667
Transfers out	(1,150,000)	(1,050,000)	(1,050,000)	-
Total other financing (sources) uses	<u>98,000</u>	<u>17,100</u>	<u>17,086</u>	<u>(14)</u>
Net change in fund balance	(408,404)	574,211	1,048,332	474,121
Fund balance at beginning of year	<u>3,813,344</u>	<u>3,813,344</u>	<u>3,813,344</u>	<u>-</u>
Prior year encumbrances appropriated	<u>310,704</u>	<u>310,704</u>	<u>310,704</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,715,644</u>	<u>\$ 4,698,259</u>	<u>\$ 5,172,380</u>	<u>\$ 474,121</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 826,000	\$ 837,500	\$ 837,514	\$ 14
Charges for services	707,500	631,700	629,811	(1,889)
Intergovernmental	116,000	128,000	127,883	(117)
Other	3,500	-	-	-
Total revenues	<u>1,653,000</u>	<u>1,597,200</u>	<u>1,595,208</u>	<u>(1,992)</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Personal services	1,771,074	1,507,798	1,470,344	37,454
Contract services	239,344	205,976	170,009	35,967
Materials and supplies	56,047	47,252	35,765	11,487
Capital outlay	34,400	33,000	32,938	62
Total expenditures	<u>2,100,865</u>	<u>1,794,026</u>	<u>1,709,056</u>	<u>84,970</u>
Excess of expenditures over revenues	<u>(447,865)</u>	<u>(196,826)</u>	<u>(113,848)</u>	<u>82,978</u>
Other financing sources (uses):				
Advances in	-	86,000	-	(86,000)
Advances out	-	(86,000)	-	86,000
Transfers in	250,000	250,000	250,000	-
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	(197,865)	53,174	136,152	82,978
Fund balance at beginning of year	254,528	254,528	254,528	-
Prior year encumbrances appropriated .	<u>19,165</u>	<u>19,165</u>	<u>19,165</u>	<u>-</u>
Fund balance at end of year	<u>\$ 75,828</u>	<u>\$ 326,867</u>	<u>\$ 409,845</u>	<u>\$ 82,978</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 2,779,000	\$ 2,999,750	\$ 2,999,750	\$ -
Total revenues	2,779,000	2,999,750	2,999,750	-
Expenditures:				
Current:				
Capital Outlay:				
Contract services	2,044,637	2,708,943	2,708,671	272
Capital outlay	2,137,076	8,228,961	8,221,552	7,409
Total capital outlay	4,181,713	10,937,904	10,930,223	7,681
Debt service:				
Principal retirement	91,000	277,200	277,174	26
Interest and fiscal charges	36,000	69,350	69,309	41
Bond issuance costs	-	73,613	73,613	-
Total debt service.	127,000	420,163	420,096	67
Total expenditures	4,308,713	11,358,067	11,350,319	7,748
Excess of expenditures over revenues . .	(1,529,713)	(8,358,317)	(8,350,569)	7,748
Other financing sources:				
Bond issuance	-	7,300,000	7,300,000	-
Total other financing sources	-	7,300,000	7,300,000	-
Net change in fund balance	(1,529,713)	(1,058,317)	(1,050,569)	7,748
Fund balance at beginning of year	553,150	553,150	553,150	-
Prior year encumbrances appropriated .	1,246,015	1,246,015	1,246,015	-
Fund balance at end of year	\$ 269,452	\$ 740,848	\$ 748,596	\$ 7,748

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 7,000,000	\$ 6,831,000	\$ 6,806,046	\$ (24,954)
Tap-in fees	35,000	33,000	33,049	49
Other.	52,500	115,075	111,262	(3,813)
Total operating revenues.	7,087,500	6,979,075	6,950,357	(28,718)
Operating expenses:				
Personal services.	1,942,157	1,936,399	1,889,430	46,969
Contract services	2,162,737	1,475,250	1,257,671	217,579
Materials and supplies	719,977	652,846	550,982	101,864
Capital outlay	2,153,604	1,772,012	1,732,462	39,550
Other.	-	100	77	23
Total operating expenses.	6,978,475	5,836,607	5,430,622	405,985
Operating income.	109,025	1,142,468	1,519,735	377,267
Nonoperating revenues (expenses):				
Sale of capital assets	-	7,625	7,610	(15)
Debt service:				
Principal retirement	(1,100,000)	(1,099,400)	(1,099,186)	214
Interest and fiscal charges.	(205,000)	(204,900)	(204,797)	103
Total nonoperating revenues (expenses). . .	(1,305,000)	(1,296,675)	(1,296,373)	302
Net change in fund equity	(1,195,975)	(154,207)	223,362	377,569
Fund equity at beginning of year.	2,865,278	2,865,278	2,865,278	-
Prior year encumbrances appropriated . . .	1,437,023	1,437,023	1,437,023	-
Fund equity at end of year	\$ 3,106,326	\$ 4,148,094	\$ 4,525,663	\$ 377,569

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 3,400,000	\$ 3,450,700	\$ 3,467,077	\$ 16,377
Tap-in fees	42,500	55,500	55,560	60
Other.	7,500	23,800	23,765	(35)
Total operating revenues	3,450,000	3,530,000	3,546,402	16,402
Operating expenses:				
Personal services.	581,096	604,050	583,916	20,134
Contract services	2,846,366	2,384,318	2,353,252	31,066
Materials and supplies	35,622	29,174	20,295	8,879
Capital outlay	1,334,614	759,709	759,566	143
Total operating expenses	4,797,698	3,777,251	3,717,029	60,222
Operating loss	(1,347,698)	(247,251)	(170,627)	76,624
Nonoperating expenses:				
Debt service:				
Principal retirement	(23,500)	(23,500)	(23,496)	4
Interest and fiscal charges.	(3,500)	(3,200)	(3,110)	90
Total nonoperating expenses	(27,000)	(26,700)	(26,606)	94
Change in fund equity	(1,374,698)	(273,951)	(197,233)	76,718
Fund equity at beginning of year.	1,263,479	1,263,479	1,263,479	-
Prior year encumbrances appropriated . . .	566,038	566,038	566,038	-
Fund equity at end of year	\$ 454,819	\$ 1,555,566	\$ 1,632,284	\$ 76,718

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,067,000	\$ 1,104,000	\$ 1,124,764	\$ 20,764
Other	3,900	3,900	3,560	(340)
Total operating revenues	1,070,900	1,107,900	1,128,324	20,424
Operating expenses:				
Personal services	46,234	53,624	51,660	1,964
Contract services	1,044,104	1,033,630	1,023,766	9,864
Materials and supplies	27,500	20,400	20,339	61
Capital outlay	1,000	-	-	-
Total operating expenses	1,118,838	1,107,654	1,095,765	11,889
Operating income (loss)	(47,938)	246	32,559	32,313
Nonoperating revenues:				
Intergovernmental	49,100	49,100	49,130	30
Total nonoperating revenues	49,100	49,100	49,130	30
Net change in fund equity	1,162	49,346	81,689	32,343
Fund equity at beginning of year	468,691	468,691	468,691	-
Prior year encumbrances appropriated	1,938	1,938	1,938	-
Fund equity at end of year	\$ 471,791	\$ 519,975	\$ 552,318	\$ 32,343

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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 federal funding as a result of the COVID-19 pandemic. The fund balance of this fund is restricted for various purposes.

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

This 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 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.

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments.	\$ 2,451,389	\$ 967,758	\$ 3,419,147
Cash and cash equivalents:			
In segregated accounts	134,464	-	134,464
Receivables:			
Property taxes.	864,482	-	864,482
Accounts	405	-	405
Due from other governments	535,751	-	535,751
Materials and supplies inventory	250,217	-	250,217
Prepayments	13,252	-	13,252
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 4,249,960</u>	<u>\$ 967,758</u>	<u>\$ 5,217,718</u>
Liabilities:			
Accounts payable	\$ 43,390	\$ -	\$ 43,390
Contracts payable	147,721	45,365	193,086
Accrued wages and benefits payable.	29,609	-	29,609
Interfund loans payable	203,000	175,000	378,000
Due to other governments.	10,470	-	10,470
Unearned revenue	70,138	-	70,138
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>504,328</u>	<u>220,365</u>	<u>724,693</u>
Deferred Inflows of Resources:			
Property taxes levied for the next fiscal year	840,905	-	840,905
Delinquent property tax revenue not available	23,577	-	23,577
Intergovernmental revenues not available.	456,733	-	456,733
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources.	<u>1,321,215</u>	<u>-</u>	<u>1,321,215</u>
Fund Balances:			
Nonspendable	263,469	-	263,469
Restricted	2,187,483	542,847	2,730,330
Committed.	-	224,000	224,000
Unassigned (deficit).	(26,535)	(19,454)	(45,989)
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>2,424,417</u>	<u>747,393</u>	<u>3,171,810</u>
Total liabilities, deferred inflows of resources and fund balance.	<u>\$ 4,249,960</u>	<u>\$ 967,758</u>	<u>\$ 5,217,718</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 837,844	\$ -	\$ 837,844
Charges for services	3,360	-	3,360
Fines and forfeitures	9,724	-	9,724
Intergovernmental	3,921,623	226,109	4,147,732
Contributions and donations	33,281	175,000	208,281
Other	56,997	-	56,997
	<hr/>	<hr/>	<hr/>
Total revenues	4,862,829	401,109	5,263,938
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	451,304	-	451,304
Security of persons and property:			
Police	442,074	-	442,074
Fire	879,516	-	879,516
Public health and welfare	252,756	-	252,756
Transportation	1,620,188	-	1,620,188
Economic development	12,933	-	12,933
Basic utility services	278,437	-	278,437
Capital outlay	977,628	241,037	1,218,665
	<hr/>	<hr/>	<hr/>
Total expenditures	4,914,836	241,037	5,155,873
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	(52,007)	160,072	108,065
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Sale of capital assets.	33,693	-	33,693
Transfers in.	300,000	-	300,000
Total other financing sources	333,693	-	333,693
	<hr/>	<hr/>	<hr/>
Net change in fund balances	281,686	160,072	441,758
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	2,142,731	587,321	2,730,052
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 2,424,417	\$ 747,393	\$ 3,171,810
	<hr/>	<hr/>	<hr/>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	<u>Fire Operating Levy</u>	<u>Computer</u>	<u>Enforcement and Education</u>	<u>Street Construction, Maintenance and Repair</u>
Assets:				
Equity in pooled cash and investments	\$ 191,653	\$ 22,395	\$ 30,317	\$ 1,049,552
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
Receivables:				
Property taxes	172,896	-	-	-
Accounts	10	-	-	-
Due from other governments	10,998	-	-	480,761
Materials and supplies inventory	-	-	-	250,217
Prepayments	4,587	-	-	8,230
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 380,144</u>	<u>\$ 22,395</u>	<u>\$ 30,317</u>	<u>\$ 1,788,760</u>
 Liabilities:				
Accounts payable	\$ 2,609	\$ -	\$ -	\$ 23,978
Contracts payable	-	-	-	-
Accrued wages and benefits	14,725	-	-	14,884
Interfund loans payable	-	-	-	-
Due to other governments	5,110	-	-	5,360
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>22,444</u>	<u>-</u>	<u>-</u>	<u>44,222</u>
 Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	168,181	-	-	-
Delinquent property tax revenue not available	4,715	-	-	-
Intergovernmental revenues not available	10,998	-	-	401,743
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u>183,894</u>	<u>-</u>	<u>-</u>	<u>401,743</u>
 Fund Balances:				
Nonspendable	4,587	-	-	258,447
Restricted	169,219	22,395	30,317	1,084,348
Unassigned (deficit)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>173,806</u>	<u>22,395</u>	<u>30,317</u>	<u>1,342,795</u>
 Total liabilities, deferred inflows of resources and fund balance				
	<u>\$ 380,144</u>	<u>\$ 22,395</u>	<u>\$ 30,317</u>	<u>\$ 1,788,760</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust	Continuing Professional Education
\$ 475,467	\$ 276,771	\$ 324,186	\$ -	\$ -	\$ 9,535
-	-	-	59,902	74,562	-
345,793	345,793	-	-	-	-
-	395	-	-	-	-
21,996	21,996	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 843,256</u>	<u>\$ 644,955</u>	<u>\$ 324,186</u>	<u>\$ 59,902</u>	<u>\$ 74,562</u>	<u>\$ 9,535</u>
\$ 16,803	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	147,721	-	-	-
-	-	-	-	-	-
-	-	203,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,803</u>	<u>-</u>	<u>350,721</u>	<u>-</u>	<u>-</u>	<u>-</u>
336,362	336,362	-	-	-	-
9,431	9,431	-	-	-	-
21,996	21,996	-	-	-	-
<u>367,789</u>	<u>367,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
458,664	277,166	-	59,902	74,562	9,535
-	-	(26,535)	-	-	-
<u>458,664</u>	<u>277,166</u>	<u>(26,535)</u>	<u>59,902</u>	<u>74,562</u>	<u>9,535</u>
<u>\$ 843,256</u>	<u>\$ 644,955</u>	<u>\$ 324,186</u>	<u>\$ 59,902</u>	<u>\$ 74,562</u>	<u>\$ 9,535</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2020

	Community Disaster Relief	Required Deposits	COVID-19 Relief	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 1,375	\$ 70,138	\$ -	\$ 2,451,389
Cash and cash equivalents:				
In segregated accounts	-	-	-	134,464
Receivables:				
Property taxes	-	-	-	864,482
Accounts	-	-	-	405
Due from other governments	-	-	-	535,751
Materials and supplies inventory	-	-	-	250,217
Prepayments	-	-	435	13,252
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Total assets	\$ 1,375	\$ 70,138	\$ 435	\$ 4,249,960
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 43,390
Contracts payable	-	-	-	147,721
Accrued wages and benefits	-	-	-	29,609
Interfund loans payable	-	-	-	203,000
Due to other governments	-	-	-	10,470
Unearned revenue	-	70,138	-	70,138
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	-	70,138	-	504,328
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	-	-	-	840,905
Delinquent property tax revenue not available	-	-	-	23,577
Intergovernmental revenues not available	-	-	-	456,733
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Total deferred inflows of resources	-	-	-	1,321,215
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances:				
Nonspendable	-	-	435	263,469
Restricted	1,375	-	-	2,187,483
Unassigned (deficit)	-	-	-	(26,535)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	1,375	-	435	2,424,417
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 1,375	\$ 70,138	\$ 435	\$ 4,249,960
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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, 2020

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Revenues:				
Property taxes	\$ 167,503	\$ -	\$ -	\$ -
Charges for services	3,360	-	-	-
Fines and forfeitures	-	-	6,057	10
Intergovernmental	324,000	-	-	1,030,798
Contributions and donations	-	-	-	-
Other	40,927	-	-	16,070
Total revenues	<u>535,790</u>	<u>-</u>	<u>6,057</u>	<u>1,046,878</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property:				
Police	-	-	-	-
Fire	811,163	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	962,214
Economic development	-	-	-	-
Basic utility services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>811,163</u>	<u>-</u>	<u>-</u>	<u>962,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(275,373)</u>	<u>-</u>	<u>6,057</u>	<u>84,664</u>
Other financing sources:				
Sale of capital assets	7,918	-	-	25,775
Transfers in	300,000	-	-	-
Total other financing sources	<u>307,918</u>	<u>-</u>	<u>-</u>	<u>25,775</u>
Net change in fund balances	32,545	-	6,057	110,439
Fund balances at beginning of year	<u>141,261</u>	<u>22,395</u>	<u>24,260</u>	<u>1,232,356</u>
Fund balances (deficit) at end of year	<u>\$ 173,806</u>	<u>\$ 22,395</u>	<u>\$ 30,317</u>	<u>\$ 1,342,795</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 335,006	\$ 335,335	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	3,657
44,068	44,068	1,282,341	-	-
-	395	-	32,886	-
-	-	-	-	-
<u>379,074</u>	<u>379,798</u>	<u>1,282,341</u>	<u>32,886</u>	<u>3,657</u>
-	-	-	3,126	-
-	-	-	-	-
-	-	-	12,814	-
-	-	-	2,634	-
-	316,845	341,129	-	-
-	-	-	12,933	-
278,437	-	-	-	-
-	-	977,628	-	-
<u>278,437</u>	<u>316,845</u>	<u>1,318,757</u>	<u>31,507</u>	<u>-</u>
100,637	62,953	(36,416)	1,379	3,657
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
100,637	62,953	(36,416)	1,379	3,657
358,027	214,213	9,881	58,523	70,905
<u>\$ 458,664</u>	<u>\$ 277,166</u>	<u>\$ (26,535)</u>	<u>\$ 59,902</u>	<u>\$ 74,562</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, 2020

	Continuing Professional Education	Community Disaster Relief	COVID-19 Relief	Total Nonmajor Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 837,844
Charges for services	-	-	-	3,360
Fines and forfeitures	-	-	-	9,724
Intergovernmental	-	-	1,196,348	3,921,623
Contributions and donations	-	-	-	33,281
Other	-	-	-	56,997
Total revenues	-	-	1,196,348	4,862,829
Expenditures:				
Current:				
General government	-	-	448,178	451,304
Security of persons and property:				
Police	-	-	442,074	442,074
Fire	-	-	55,539	879,516
Public health and welfare	-	-	250,122	252,756
Transportation	-	-	-	1,620,188
Economic development	-	-	-	12,933
Basic utility services	-	-	-	278,437
Capital outlay.	-	-	-	977,628
Total expenditures	-	-	1,195,913	4,914,836
Excess (deficiency) of revenues over (under) expenditures	-	-	435	(52,007)
Other financing sources:				
Sale of capital assets	-	-	-	33,693
Transfers in.	-	-	-	300,000
Total other financing sources	-	-	-	333,693
Net change in fund balances.	-	-	435	281,686
Fund balances at beginning of year	9,535	1,375	-	2,142,731
Fund balances (deficit) at end of year . . .	\$ 9,535	\$ 1,375	\$ 435	\$ 2,424,417

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 165,000	\$ 167,500	\$ 167,503	\$ 3
Charges for services	3,000	3,375	3,350	(25)
Intergovernmental	314,667	323,900	324,000	100
Other	2,000	46,100	36,401	(9,699)
Total revenues	<u>484,667</u>	<u>540,875</u>	<u>531,254</u>	<u>(9,621)</u>
Expenditures:				
Current:				
Security of Person and Property:				
Fire:				
Personal services	367,551	339,541	293,474	46,067
Contract services	206,888	203,932	197,707	6,225
Materials and supplies.	37,020	27,380	25,394	1,986
Capital outlay	289,267	289,067	288,987	80
Total expenditures.	<u>900,726</u>	<u>859,920</u>	<u>805,562</u>	<u>54,358</u>
Excess of expenditures over revenues . . .	<u>(416,059)</u>	<u>(319,045)</u>	<u>(274,308)</u>	<u>44,737</u>
Other financing sources (uses):				
Proceeds from sale of bonds	-	7,925	7,918	(7)
Advances in	-	266,667	-	(266,667)
Advances out	-	(266,667)	-	266,667
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses) . . .	<u>300,000</u>	<u>307,925</u>	<u>307,918</u>	<u>(7)</u>
Net change in fund balance	(116,059)	(11,120)	33,610	44,730
Fund balance at beginning of year	114,830	114,830	114,830	-
Prior year encumbrances appropriated .	<u>33,909</u>	<u>33,909</u>	<u>33,909</u>	<u>-</u>
Fund balance at end of year	<u>\$ 32,680</u>	<u>\$ 137,619</u>	<u>\$ 182,349</u>	<u>\$ 44,730</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, 2020

	<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	\$ 1,500	\$ -	\$ -	\$ -
Materials and supplies.	200	-	-	-
Total expenditures.	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,700)	-	-	-
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>\$ 20,695</u>	<u>\$ 22,395</u>	<u>\$ 22,395</u>	<u>\$ -</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, 2020

	<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	\$ 2,500	\$ 6,000	\$ 6,257	\$ 257
Total revenues	<u>2,500</u>	<u>6,000</u>	<u>6,257</u>	<u>257</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Capital outlay	4,000	-	-	-
Total expenditures.	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,500)	6,000	6,257	257
Fund balance at beginning of year	<u>24,060</u>	<u>24,060</u>	<u>24,060</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 22,560</u></u>	<u><u>\$ 30,060</u></u>	<u><u>\$ 30,317</u></u>	<u><u>\$ 257</u></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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 943,200	\$ 1,038,200	\$ 1,042,150	\$ 3,950
Other	8,025	8,025	7,962	(63)
Total revenues	<u>951,225</u>	<u>1,046,225</u>	<u>1,050,112</u>	<u>3,887</u>
Expenditures:				
Current:				
Transportation:				
Personal services	472,609	408,060	399,597	8,463
Contract services	523,593	315,302	283,268	32,034
Materials and supplies.	634,604	482,368	442,716	39,652
Total expenditures.	<u>1,630,806</u>	<u>1,205,730</u>	<u>1,125,581</u>	<u>80,149</u>
Excess expenditures over revenues	<u>(679,581)</u>	<u>(159,505)</u>	<u>(75,469)</u>	<u>84,036</u>
Other financing sources:				
Sale of capital assets	<u>25,775</u>	<u>25,775</u>	<u>25,775</u>	<u>-</u>
Total other financing sources	<u>25,775</u>	<u>25,775</u>	<u>25,775</u>	<u>-</u>
Net change in fund balance	(653,806)	(133,730)	(49,694)	84,036
Fund balance at beginning of year	570,277	570,277	570,277	-
Prior year encumbrances appropriated .	<u>287,006</u>	<u>287,006</u>	<u>287,006</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 203,477</u>	<u>\$ 723,553</u>	<u>\$ 807,589</u>	<u>\$ 84,036</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 331,900	\$ 335,000	\$ 335,006	\$ 6
Intergovernmental	44,100	44,100	44,068	(32)
Total revenues	376,000	379,100	379,074	(26)
Expenditures:				
Current:				
Basic Utility Services:				
Storm Sewers:				
Contract services	328,796	306,998	285,886	21,112
Materials and supplies	18,000	10,903	10,480	423
Capital outlay	20,000	18,200	18,200	-
Total expenditures	366,796	336,101	314,566	21,535
Net change in fund balance	9,204	42,999	64,508	21,509
Fund balance at beginning of year	301,363	301,363	301,363	-
Prior year encumbrances appropriated .	77,596	77,596	77,596	-
Fund balance at end of year	\$ 388,163	\$ 421,958	\$ 443,467	\$ 21,509

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 331,900	\$ 335,300	\$ 335,335	\$ 35
Intergovernmental	44,100	44,100	44,068	(32)
Total revenues	<u>376,000</u>	<u>379,400</u>	<u>379,403</u>	<u>3</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	522,945	362,262	331,855	30,407
Materials and supplies.	15,000	5,000	4,847	153
Total expenditures.	<u>537,945</u>	<u>367,262</u>	<u>336,702</u>	<u>30,560</u>
Net change in fund balance	(161,945)	12,138	42,701	30,563
Fund balance at beginning of year	173,268	173,268	173,268	-
Prior year encumbrances appropriated .	40,945	40,945	40,945	-
Fund balance at end of year	<u>\$ 52,268</u>	<u>\$ 226,351</u>	<u>\$ 256,914</u>	<u>\$ 30,563</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 327,998	\$ 512,998	\$ 360,786	\$ (152,212)
Total revenues	<u>327,998</u>	<u>512,998</u>	<u>360,786</u>	<u>(152,212)</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	328,000	423,000	380,533	42,467
Total expenditures.	<u>328,000</u>	<u>423,000</u>	<u>380,533</u>	<u>42,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2)</u>	<u>89,998</u>	<u>(19,747)</u>	<u>(109,745)</u>
Other financing uses:				
Advances out	(203,000)	-	-	-
Total other financing uses	<u>(203,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(203,002)	89,998	(19,747)	(109,745)
Fund balance at beginning of year	9,881	9,881	9,881	-
Prior year encumbrances appropriated	<u>203,000</u>	<u>203,000</u>	<u>203,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,879</u>	<u>\$ 302,879</u>	<u>\$ 193,134</u>	<u>\$ (109,745)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 1,250	\$ 30,450	\$ 32,886	\$ 2,436
Total revenues	<u>1,250</u>	<u>30,450</u>	<u>32,886</u>	<u>2,436</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Contract services	27,216	27,256	3,124	24,132
Total legislative and executive	<u>27,216</u>	<u>27,256</u>	<u>3,124</u>	<u>24,132</u>
Total General Government	<u>27,216</u>	<u>27,256</u>	<u>3,124</u>	<u>24,132</u>
Security of Persons and Property:				
Police:				
Contract services	3,773	3,773	1,002	2,771
Total police	<u>3,773</u>	<u>3,773</u>	<u>1,002</u>	<u>2,771</u>
Fire:				
Contract services	12,814	12,814	12,814	-
Total fire	<u>12,814</u>	<u>12,814</u>	<u>12,814</u>	<u>-</u>
Total Security of Persons and Property	<u>16,587</u>	<u>16,587</u>	<u>13,816</u>	<u>2,771</u>
Public Health and Welfare:				
E.M.S.:				
Contract services	5,997	5,997	2,634	3,363
Total E.M.S.	<u>5,997</u>	<u>5,997</u>	<u>2,634</u>	<u>3,363</u>
Total Public Health and Welfare	<u>5,997</u>	<u>5,997</u>	<u>2,634</u>	<u>3,363</u>
Leisure Time Activities:				
Park Maintenance:				
Contract services	8,900	8,900	-	8,900
Total Park maintenance	<u>8,900</u>	<u>8,900</u>	<u>-</u>	<u>8,900</u>
Park Department:				
Contract services	230	230	-	230
Total Park department	<u>230</u>	<u>230</u>	<u>-</u>	<u>230</u>
Total Leisure Time Activities	<u>9,130</u>	<u>9,130</u>	<u>-</u>	<u>9,130</u>
Economic Development:				
Contract services	-	28,611	12,933	15,678
Total Economic development	<u>-</u>	<u>28,611</u>	<u>12,933</u>	<u>15,678</u>
Total expenditures	<u>58,930</u>	<u>87,581</u>	<u>32,507</u>	<u>39,396</u>
Net change in fund balance	(57,680)	(57,131)	379	41,832
Fund balance at beginning of year	54,463	54,463	54,463	-
Prior year encumbrances appropriated	<u>4,060</u>	<u>4,060</u>	<u>4,060</u>	<u>-</u>
Fund balance at end of year	<u>\$ 843</u>	<u>\$ 1,392</u>	<u>\$ 58,902</u>	<u>\$ 41,832</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, 2020

	<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	\$ 15,000	\$ 17,815	\$ 2,815
Total revenues	<u>1,000</u>	<u>15,000</u>	<u>17,815</u>	<u>2,815</u>
Net change in fund balance	1,000	15,000	17,815	2,815
Fund balance at beginning of year	<u>56,747</u>	<u>56,747</u>	<u>56,747</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 57,747</u></u>	<u><u>\$ 71,747</u></u>	<u><u>\$ 74,562</u></u>	<u><u>\$ 2,815</u></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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,500	\$ -	\$ -	\$ -
Total revenues	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	8,195	-	-	-
Total Police	<u>8,195</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,195</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,695)	-	-	-
Fund balance at beginning of year	6,840	6,840	6,840	-
Prior year encumbrances appropriated .	<u>2,695</u>	<u>2,695</u>	<u>2,695</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,840</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, 2020

	<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:				
Income Tax Division:				
Contract services	\$ 1,375	\$ 1,375	\$ -	\$ 1,375
Total expenditures	<u>1,375</u>	<u>1,375</u>	<u>-</u>	<u>1,375</u>
Net change in fund balance	(1,375)	(1,375)	-	1,375
Fund balance at beginning of year	<u>1,375</u>	<u>1,375</u>	<u>1,375</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,375</u></u>	<u><u>\$ 1,375</u></u>

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, 2020

	<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	\$ 25,000	\$ -	\$ (25,000)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Expenditures:				
Current:				
Fire:				
Other.	-	-	14,814	(14,814)
Total Fire	<u>-</u>	<u>-</u>	<u>14,814</u>	<u>(14,814)</u>
Total Security of Persons and Property	<u>-</u>	<u>-</u>	<u>14,814</u>	<u>(14,814)</u>
Transportation:				
Streets, Sidewalks, and Maintenance:				
Other.	-	-	13,543	(13,543)
Total transportation	<u>-</u>	<u>-</u>	<u>13,543</u>	<u>(13,543)</u>
Total Transportation	<u>-</u>	<u>-</u>	<u>13,543</u>	<u>(13,543)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>28,357</u>	<u>(28,357)</u>
Net change in fund balance	25,000	25,000	(28,357)	(53,357)
Fund balance at beginning of year	<u>98,495</u>	<u>98,495</u>	<u>98,495</u>	<u>-</u>
Fund balance at end of year	<u>\$ 123,495</u>	<u>\$ 123,495</u>	<u>\$ 70,138</u>	<u>\$ (53,357)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 1,196,350	\$ 1,196,348	\$ (2)
Total revenues	-	1,196,350	1,196,348	(2)
Expenditures:				
Current:				
General Government:				
Other:				
Contract services	-	448,613	448,613	-
Total legislative and executive	-	448,613	448,613	-
Total General Government	-	448,613	448,613	-
Security of Persons and Property:				
Police:				
Personal services	-	442,074	442,074	-
Total Police	-	442,074	442,074	-
Fire:				
Personal services	-	55,540	55,539	1
Total Fire	-	55,540	55,539	1
Total Security of Persons and Property	-	497,614	497,613	1
Public Health and Welfare:				
E.M.S.:				
Personal services	-	250,123	250,122	1
Total E.M.S.	-	250,123	250,122	1
Total Public Health and Welfare	-	250,123	250,122	1
Total expenditures	-	1,196,350	1,196,348	2
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 295,300	\$ 1,013,750	\$ 1,149,933	\$ 136,183
Other	5,700	5,700	5,699	(1)
Total revenues	<u>301,000</u>	<u>1,019,450</u>	<u>1,155,632</u>	<u>136,182</u>
Expenditures:				
Current:				
General Government:				
Personal services	62,180	47,847	45,953	1,894
Contract services	332,255	313,898	298,248	15,650
Materials and supplies	100	-	-	-
Total expenditures	<u>394,535</u>	<u>361,745</u>	<u>344,201</u>	<u>17,544</u>
Net change in fund balance	(93,535)	657,705	811,431	153,726
Fund balance at beginning of year	3,829,744	3,829,744	3,829,744	-
Prior year encumbrances appropriated .	<u>93,535</u>	<u>93,535</u>	<u>93,535</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,829,744</u>	<u>\$ 4,580,984</u>	<u>\$ 4,734,710</u>	<u>\$ 153,726</u>

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 100,000	\$ -	\$ -	\$ -
Total revenues	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General Government:				
Personal services	81,000	6,700	6,611	89
Total General Government.	<u>81,000</u>	<u>6,700</u>	<u>6,611</u>	<u>89</u>
Security of Persons and Property:				
Police:				
Personal services	44,000	40,800	40,693	107
Total Police	<u>44,000</u>	<u>40,800</u>	<u>40,693</u>	<u>107</u>
Total Security of Persons and Property	<u>44,000</u>	<u>40,800</u>	<u>40,693</u>	<u>107</u>
Basic Utilities Services:				
Storm Sewer:				
Personal services	104,000	26,000	25,895	105
Total Basic Utility Services.	<u>104,000</u>	<u>26,000</u>	<u>25,895</u>	<u>105</u>
Leisure Time Activities:				
Park Department:				
Personal services	27,000	-	-	-
Total Park Department	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Leisure Time Activities.	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community Environment:				
Building Department:				
Personal services	-	4,200	4,183	17
Total Building Department	<u>-</u>	<u>4,200</u>	<u>4,183</u>	<u>17</u>
Total Community Environment.	<u>-</u>	<u>4,200</u>	<u>4,183</u>	<u>17</u>
Total expenditures	<u>256,000</u>	<u>77,700</u>	<u>77,382</u>	<u>301</u>
Net change in fund balance	(156,000)	(77,700)	(77,382)	301
Fund balance at beginning of year	<u>1,386,935</u>	<u>1,386,935</u>	<u>1,386,935</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,230,935</u>	<u>\$ 1,309,235</u>	<u>\$ 1,309,553</u>	<u>\$ 301</u>

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, 2020

	<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	\$ 500	\$ 467	\$ (33)
Total revenues	<u>2,000</u>	<u>500</u>	<u>467</u>	<u>(33)</u>
Expenditures:				
Current:				
General Government:				
Other	7,000	3,000	2,902	98
Total expenditures	<u>7,000</u>	<u>3,000</u>	<u>2,902</u>	<u>98</u>
Net change in fund balance	(5,000)	(2,500)	(2,435)	65
Fund balance at beginning of year	<u>7,004</u>	<u>7,004</u>	<u>7,004</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 2,004</u></u>	<u><u>\$ 4,504</u></u>	<u><u>\$ 4,569</u></u>	<u><u>\$ 65</u></u>

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CITY OF NORTH CANTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Indoor Firearms Training Range Improvement	Park Development	Issue II	Total Nonmajor Capital Projects Funds
Assets:				
Equity in pooled cash and investments.	\$ 224,000	\$ 588,212	\$ 155,546	\$ 967,758
Total assets.	\$ 224,000	\$ 588,212	\$ 155,546	\$ 967,758
Liabilities:				
Contracts payable	\$ -	\$ 45,365	\$ -	\$ 45,365
Interfund loans payable	-	-	175,000	175,000
Total liabilities.	-	45,365	175,000	220,365
Fund Balances:				
Restricted	-	542,847	-	542,847
Committed	224,000	-	-	224,000
Unassigned (deficit)	-	-	(19,454)	(19,454)
Total fund balances	224,000	542,847	(19,454)	747,393
Total liabilities, deferred inflows of resources and fund balance.	\$ 224,000	\$ 588,212	\$ (19,454)	\$ 967,758

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, 2020

	Indoor Firearms Training Range Improvement	Park Development	Issue II	Total Nonmajor Capital Projects Funds
Revenues:				
Intergovernmental	\$ -	\$ 167,493	\$ 58,616	\$ 226,109
Contributions and donations	-	175,000	-	175,000
Total revenues	-	342,493	58,616	401,109
Expenditures:				
Capital outlay	-	176,341	64,696	241,037
Total expenditures	-	176,341	64,696	241,037
Net change in fund balances	-	166,152	(6,080)	160,072
Fund balances at beginning of year	224,000	376,695	(13,374)	587,321
Fund balances at end of year	\$ 224,000	\$ 542,847	\$ (19,454)	\$ 747,393

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, 2020

	<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	\$ 224,000	\$ 4,000	\$ 4,000	\$ -
Total capital outlay	<u>224,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total expenditures	<u>224,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance	(224,000)	(4,000)	(4,000)	-
Fund balance at beginning of year	220,000	220,000	220,000	660,000
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>	<u>\$ 220,000</u>	<u>\$ 220,000</u>	<u>\$ 660,000</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 842,495	\$ 1,017,495	\$ 167,493	\$ (850,002)
Contributions and donations	175,000	175,000	175,000	-
Total revenues	<u>1,017,495</u>	<u>1,192,495</u>	<u>342,493</u>	<u>(850,002)</u>
Expenditures:				
Capital Outlay:				
Capital outlay	1,362,495	1,362,495	714,000	648,495
Total capital outlay	<u>1,362,495</u>	<u>1,362,495</u>	<u>714,000</u>	<u>648,495</u>
Total expenditures	<u>1,362,495</u>	<u>1,362,495</u>	<u>714,000</u>	<u>648,495</u>
Net change in fund balance	(345,000)	(170,000)	(371,507)	(201,507)
Fund balance at beginning of year	141,120	141,120	141,120	-
Prior year encumbrances appropriated .	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 46,120</u>	<u>\$ 221,120</u>	<u>\$ 19,613</u>	<u>\$ (201,507)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,767,440	\$ 1,986,000	\$ -	\$ (1,986,000)
Total revenues	<u>2,767,440</u>	<u>1,986,000</u>	<u>-</u>	<u>(1,986,000)</u>
Expenditures:				
Capital Outlay:				
Contract services	3,852,264	2,012,454	26,454	1,986,000
Total capital outlay	<u>3,852,264</u>	<u>2,012,454</u>	<u>26,454</u>	<u>1,986,000</u>
Total expenditures	<u>3,852,264</u>	<u>2,012,454</u>	<u>26,454</u>	<u>1,986,000</u>
Excess of expenditures over revenues	<u>(1,084,824)</u>	<u>(26,454)</u>	<u>(26,454)</u>	<u>-</u>
Other financing sources (uses):				
OPWC loans	1,045,000	1,045,000	-	(1,045,000)
Advances out	<u>(1,045,000)</u>	<u>(1,045,000)</u>	<u>(1,045,000)</u>	<u>-</u>
Total other financing sources (uses).	<u>-</u>	<u>-</u>	<u>(1,045,000)</u>	<u>(1,045,000)</u>
Net change in fund balance	(1,084,824)	(26,454)	(1,071,454)	(1,045,000)
Fund balance at beginning of year	135,176	135,176	135,176	-
Prior year encumbrances appropriated	<u>1,084,824</u>	<u>1,084,824</u>	<u>1,084,824</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 135,176</u>	<u>\$ 1,193,546</u>	<u>\$ 148,546</u>	<u>\$ (1,045,000)</u>

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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, 2020

	<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	\$ 1,441,000	\$ 1,305,000	\$ 1,311,937	\$ 6,937
Total operating revenues	<u>1,441,000</u>	<u>1,305,000</u>	<u>1,311,937</u>	<u>6,937</u>
Operating Expenses:				
Contract services	450,851	322,000	316,601	5,399
Claims	<u>1,494,100</u>	<u>1,172,915</u>	<u>1,166,802</u>	<u>6,113</u>
Total operating expenses	<u>1,944,951</u>	<u>1,494,915</u>	<u>1,483,403</u>	<u>11,512</u>
Operating loss/ change in fund equity	(503,951)	(189,915)	(171,466)	18,449
Fund equity at beginning of year	1,156,683	1,156,683	1,156,683	-
Prior year encumbrances appropriated .	<u>269,951</u>	<u>269,951</u>	<u>269,951</u>	-
Fund equity at end of year	<u>\$ 922,683</u>	<u>\$ 1,236,719</u>	<u>\$ 1,255,168</u>	<u>\$ 18,449</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 the City's custodial fund:

Permit Fee Fund

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

Mayor's Court

This fund accounts for activity in the City's Mayor's Court.

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

	<u>Permit Fee</u>
Assets:	
Equity in pooled cash and cash investments	\$ 3,248
Accounts receivable	<u>3</u>
Total assets	<u>3,251</u>
Liabilities:	
Due to other governments	<u>136</u>
Total liabilities	<u>136</u>
Net position:	
Restricted for individuals, organizations and other governments .	<u>3,115</u>
Total net position	<u>\$ 3,115</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Permit Fee</u>	<u>Mayor's Court</u>	<u>Total</u>
Additions:			
Licenses, permits and fees for other governments	\$ 3,292	\$ -	\$ 3,292
Total additions	<u>3,292</u>	<u>-</u>	<u>3,292</u>
Deductions:			
Licenses, permits and fees distributions to other governments .	3,276	-	3,276
Fines and forfeitures distributions to other governments	<u>-</u>	<u>1,070</u>	<u>1,070</u>
Total deductions	<u>3,276</u>	<u>1,070</u>	<u>4,346</u>
Net change in fiduciary net position	16	(1,070)	(1,054)
Net position beginning of year	<u>3,099</u>	<u>1,070</u>	<u>4,169</u>
Net position end of year	<u><u>\$ 3,115</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,115</u></u>

Statistical Section



CITY OF NORTH CANTON, OHIO

**STATISTICAL SECTION
TABLE OF CONTENTS**

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

<u>Contents</u>	<u>Page</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.	168-179
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.	180-187
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.	188-193
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.	194-197
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.	198-203

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

CITY OF NORTH CANTON, OHIO

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

	<u>2020</u>	<u>2019</u>	<u>2018 (4)</u>	<u>2017</u>
Governmental Activities				
Net investment in capital assets	\$ 35,218,442	\$ 35,953,375	\$ 35,525,631	\$ 33,955,258
Restricted for:				
Capital projects	542,847	376,695	44,788	219,188
Computer systems	22,395	22,395	25,800	30,484
Security of persons and property - police	114,414	104,700	91,861	86,654
Security of persons and property - fire	-	-	-	194,168
Public health and welfare	1,375	1,375	3,229	217,191
Transportation	1,437,641	1,193,603	1,338,449	1,548,496
Basic utilities	490,091	385,399	437,168	655,354
General trust	59,902	58,523	117,353	212,165
Mayors Court	-	-	-	23,280
Other purposes	435	-	-	-
Unrestricted	<u>11,754,275</u>	<u>6,075,448</u>	<u>2,752,106</u>	<u>8,132,845</u>
Total governmental activities net position	<u>\$ 49,641,817</u>	<u>\$ 44,171,513</u>	<u>\$ 40,336,385</u>	<u>\$ 45,275,083</u>
Business-type Activities				
Net investment in capital assets	\$ 36,569,863	\$ 35,380,099	\$ 33,212,578	\$ 31,587,314
Unrestricted	<u>5,413,523</u>	<u>4,268,157</u>	<u>5,056,950</u>	<u>6,794,126</u>
Total business-type activities net position	<u>\$ 41,983,386</u>	<u>\$ 39,648,256</u>	<u>\$ 38,269,528</u>	<u>\$ 38,381,440</u>
Total Primary Government				
Net investment in capital assets	\$ 71,788,305	\$ 71,333,474	\$ 68,738,209	\$ 65,542,572
Restricted	2,669,100	2,142,690	2,058,648	3,186,980
Unrestricted	<u>17,167,798</u>	<u>10,343,605</u>	<u>7,809,056</u>	<u>14,926,971</u>
Total primary government net position	<u>\$ 91,625,203</u>	<u>\$ 83,819,769</u>	<u>\$ 78,605,913</u>	<u>\$ 83,656,523</u>

Source: City financial records.

- (1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.
- (2) Amounts have been restated to reflect a restatement.
- (3) Amounts have been restated to reflect a restatement related to GASB Statement No. 68 & 71.
- (4) Amounts have been restated to reflect a restatement related to GASB Statement No. 84

<u>2016</u>	<u>2015</u>	<u>2014 (3)</u>	<u>2013 (2)</u>	<u>2012</u>	<u>2011 (1)</u>
\$ 32,868,204	\$ 31,398,690	\$ 31,628,172	\$ 30,087,393	\$ 30,162,804	\$ 28,206,677
368,468	302,578	713,158	202,578	202,578	164,021
20,593	7,856	2,243	9,249	12,430	15,834
70,044	57,373	46,564	41,790	41,628	95,411
278,879	150,299	211,861	116,726	17,036	-
1,375	1,370	530,811	572,499	296,690	-
1,473,127	1,183,270	1,580,377	1,215,859	1,207,215	1,304,606
760,292	875,885	430,153	536,338	535,373	479,041
225,669	221,262	194,378	190,613	48,884	15,951
10,424	7,357	10,269	12,038	13,957	1,840
-	-	-	-	-	-
7,877,344	8,810,236	6,443,087	9,267,304	7,644,922	6,461,011
<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>	<u>\$ 36,744,392</u>
\$ 29,398,761	\$ 28,680,671	\$ 27,533,121	\$ 26,626,707	\$ 26,042,734	\$ 25,897,087
7,896,552	7,300,889	7,074,176	7,952,328	7,523,687	6,580,867
<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>	<u>\$ 32,477,954</u>
\$ 62,266,965	\$ 60,079,361	\$ 59,161,293	\$ 56,714,100	\$ 56,205,538	\$ 54,103,764
3,208,871	2,807,250	3,719,814	2,897,690	2,375,791	2,076,704
15,773,896	16,111,125	13,517,263	17,219,632	15,168,609	13,041,878
<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>	<u>\$ 69,222,346</u>

CITY OF NORTH CANTON, OHIO

CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 5,968	\$ 19,821	\$ 122,045	\$ 420,751
Security of persons and property:				
Police	183,754	210,362	20,792	18,316
Fire	3,360	3,740	1,600	-
Public health and welfare	637,295	636,315	637,739	624,130
Community environment	316,466	369,095	346,327	325,414
Leisure time activities	49,121	191,602	161,288	143,365
Subtotal - charges for services	<u>1,195,964</u>	<u>1,430,935</u>	<u>1,289,791</u>	<u>1,531,976</u>
Operating grants and contributions				
General government	451,604	1,263	872	2
Security of persons and property:				
Police	465,324	16,911	572	16,113
Fire	401,201	3,374	56,346	3,391
Public health and welfare	288,195	340	36	1,449
Transportation	1,011,935	1,061,985	878,454	767,210
Leisure time activities	-	8,762	12,471	-
Economic development	13,499	-	-	-
Basic utility services	-	-	-	-
Subtotal - operating grants and contributions	<u>2,631,758</u>	<u>1,092,635</u>	<u>948,751</u>	<u>788,165</u>
Capital grants and contributions				
Transportation	2,952,203	181,611	786,219	192,500
Leisure time activities	342,493	375,000	30,000	-
Economic development	-	-	-	-
Subtotal - capital grants and contributions	<u>3,294,696</u>	<u>556,611</u>	<u>816,219</u>	<u>192,500</u>
Total governmental activities program revenues	<u>7,122,418</u>	<u>3,080,181</u>	<u>3,054,761</u>	<u>2,512,641</u>
Business-type activities:				
Charges for services:				
Water	6,589,633	6,907,153	7,112,496	7,009,035
Sewer	3,527,128	3,527,129	3,004,204	3,024,104
Garbage	1,128,095	1,030,729	978,744	975,832
Subtotal - charges for services	<u>11,244,856</u>	<u>11,465,011</u>	<u>11,095,444</u>	<u>11,008,971</u>
Operating grants and contributions:				
Garbage	48,638	43,449	59,964	62,960
Subtotal - operating grants and contributions	<u>48,638</u>	<u>43,449</u>	<u>59,964</u>	<u>62,960</u>
Capital grants and contributions:				
Water	188,608	-	-	-
Subtotal - capital grants and contributions	<u>188,608</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>11,482,102</u>	<u>11,508,460</u>	<u>11,155,408</u>	<u>11,071,931</u>
Total primary government	<u>\$ 18,604,520</u>	<u>\$ 14,588,641</u>	<u>\$ 14,210,169</u>	<u>\$ 13,584,572</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>
\$ 448,431	\$ 349,591	\$ 389,409	\$ 461,653	\$ 381,444	\$ 316,780
17,508	17,119	13,069	18,814	11,298	23,934
-	100	430	-	-	-
580,315	470,156	551,809	599,043	498,983	528,999
352,345	467,586	397,787	304,774	261,986	194,781
85,268	134,058	301,977	288,350	355,269	376,177
<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>	<u>1,440,671</u>
8,887	6	5	6	8	6
5,500	2,080	2,608	134,370	10,296	3,818
9	38,934	16,854	12,686	29,619	92,010
140	26,693	54,123	12,798	286,753	24
961,922	784,987	780,991	878,888	869,781	740,998
1,768	-	1,282	31,918	-	198
-	-	-	-	-	-
-	-	702	670	335	-
<u>978,226</u>	<u>852,700</u>	<u>856,565</u>	<u>1,071,336</u>	<u>1,196,792</u>	<u>837,054</u>
-	1,127,854	994,073	1,793,398	3,102,193	1,089,922
-	-	-	-	-	-
-	65,920	2,331,548	-	-	-
<u>-</u>	<u>1,193,774</u>	<u>3,325,621</u>	<u>1,793,398</u>	<u>3,102,193</u>	<u>1,089,922</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>	<u>3,367,647</u>
7,065,818	6,818,684	6,404,161	6,150,482	6,051,273	5,891,652
3,048,897	2,910,360	2,830,415	2,854,520	2,773,669	2,729,854
927,769	895,826	897,523	883,742	881,780	845,184
<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>	<u>9,466,690</u>
76,277	66,227	56,867	28,371	39,998	38,498
<u>76,277</u>	<u>66,227</u>	<u>56,867</u>	<u>28,371</u>	<u>39,998</u>	<u>38,498</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,118,761	10,691,097	10,188,966	9,917,115	9,746,720	9,505,188
<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>	<u>\$ 12,872,835</u>

(Continued)

CITY OF NORTH CANTON, OHIO

**CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses:				
Governmental Activities				
General government	\$ 2,375,057	\$ 1,618,201	\$ 1,841,378	\$ 2,139,358
Security of persons and property:				
Police	4,566,197	1,451,731	4,069,125	3,623,736
Fire	716,472	634,018	980,977	610,936
Public health and welfare	2,373,811	685,161	1,959,758	1,812,729
Transportation	3,108,705	4,338,738	2,654,652	2,808,748
Community environment	583,626	620,455	579,143	559,672
Leisure time activities	860,473	1,080,159	912,839	702,842
Economic development	12,933	-	-	-
Basic utility services	506,068	619,636	567,192	553,272
Interest and fiscal charges	207,598	43,539	46,714	50,163
Total governmental activities expenses	<u>15,310,940</u>	<u>11,091,638</u>	<u>13,611,778</u>	<u>12,861,456</u>
Business-type activities:				
Water	\$ 5,054,397	\$ 5,686,769	\$ 5,730,748	\$ 5,472,143
Sewer	3,161,180	3,454,932	3,316,532	3,584,577
Garbage	1,105,483	1,043,913	1,011,766	1,006,131
Total business-type activities expenses	<u>9,321,060</u>	<u>10,185,614</u>	<u>10,059,046</u>	<u>10,062,851</u>
Total primary government program expenses	<u>\$ 24,632,000</u>	<u>\$ 21,277,252</u>	<u>\$ 23,670,824</u>	<u>\$ 22,924,307</u>
Net (Expense) Revenue				
Governmental activities	(8,188,522)	(8,011,457)	(10,557,017)	(10,348,815)
Business-type activities	<u>2,161,042</u>	<u>1,322,846</u>	<u>1,096,362</u>	<u>1,009,080</u>
Total primary government net expense	<u>\$ (6,027,480)</u>	<u>\$ (6,688,611)</u>	<u>\$ (9,460,655)</u>	<u>\$ (9,339,735)</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>
\$ 1,858,413	\$ 1,820,019	\$ 1,797,198	\$ 1,916,122	\$ 1,914,208	\$ 1,882,729
3,639,343	3,346,255	3,026,167	3,209,466	3,184,475	3,027,294
750,133	637,260	561,489	663,161	731,977	797,998
1,600,200	1,584,397	1,660,454	1,500,576	1,690,461	1,657,395
2,182,339	3,180,380	1,936,292	3,574,374	3,333,527	2,210,572
520,582	541,360	442,474	402,156	416,531	404,088
674,203	754,631	867,399	789,887	791,895	808,252
-	313,143	1,110,772	-	-	-
1,006,385	516,290	615,934	607,310	542,450	672,814
77,397	80,997	85,052	89,725	94,829	171,435
<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>	<u>11,632,577</u>
\$ 5,577,703	\$ 5,321,422	\$ 5,261,976	\$ 6,223,675	\$ 5,349,166	\$ 5,236,367
3,169,297	3,017,885	2,626,109	2,594,504	2,432,758	2,306,528
947,836	922,038	991,279	936,462	860,061	856,923
<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>8,399,818</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>	<u>\$ 20,032,395</u>
(9,846,902)	(9,289,648)	(6,266,564)	(8,215,409)	(6,892,388)	(8,264,930)
<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>1,105,370</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>	<u>\$ (7,159,560)</u>

(Continued)

CITY OF NORTH CANTON, OHIO

CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 927,485	\$ 888,465	\$ 872,168	\$ 811,683
Fire operating levy	169,535	161,693	171,411	158,730
Emergency medical services levy	847,673	808,486	857,106	793,789
Storm sewer levy	339,070	323,537	342,874	317,592
Street levy	339,399	323,534	342,873	317,589
Municipal income taxes levied for:				
General purposes	6,753,195	5,652,354	5,734,156	5,885,948
Capital improvement	2,724,129	2,212,770	2,118,837	2,539,225
Grants and entitlements not restricted to				
Specific programs	709,899	744,167	476,600	641,490
Interest	586,196	676,448	293,553	143,590
Miscellaneous	262,245	55,131	108,911	59,843
Transfers	-	-	-	-
Total governmental activities	<u>13,658,826</u>	<u>11,846,585</u>	<u>11,318,489</u>	<u>11,669,479</u>
Business-type activities				
Miscellaneous	\$ 174,088	\$ 55,882	\$ 62,596	\$ 77,047
Transfers	-	-	-	-
Total business-type activities	<u>174,088</u>	<u>55,882</u>	<u>62,596</u>	<u>77,047</u>
Total primary government	<u>\$ 13,832,914</u>	<u>\$ 11,902,467</u>	<u>\$ 11,381,085</u>	<u>\$ 11,746,526</u>
Change in Net Position				
Governmental activities	\$ 5,470,304	\$ 3,835,128	\$ 761,472	\$ 1,320,664
Business-type activities	2,335,130	1,378,728	1,158,958	1,086,127
Total primary government	<u>\$ 7,805,434</u>	<u>\$ 5,213,856</u>	<u>\$ 1,920,430</u>	<u>\$ 2,406,791</u>

Source: City financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>
\$ 787,147	\$ 735,637	\$ 710,411	\$ 721,721	\$ 764,213	\$ 764,958
155,937	156,092	151,838	153,665	84,705	84,094
779,929	781,171	760,211	771,523	642,001	631,196
312,171	317,120	313,045	318,334	344,947	349,384
312,162	317,098	313,008	318,261	339,593	353,000
5,956,308	6,064,347	5,822,946	5,504,737	5,098,669	4,871,528
1,459,218	1,213,821	1,096,040	1,227,730	1,124,278	944,577
659,166	695,530	1,766,623	1,036,416	1,839,867	2,958,944
102,615	70,740	61,894	15,322	16,185	7,767
71,487	43,195	91,727	129,570	2,055	69,615
189,005	120,000	65,000	87,000	75,000	75,000
<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>	<u>11,110,063</u>
\$ 78,833	\$ 64,511	\$ 87,661	\$ 104,237	\$ 58,732	\$ 45,342
<u>(189,005)</u>	<u>(120,000)</u>	<u>(65,000)</u>	<u>(87,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>
<u>(110,172)</u>	<u>(55,489)</u>	<u>22,661</u>	<u>17,237</u>	<u>(16,268)</u>	<u>(29,658)</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>	<u>\$ 11,080,405</u>
\$ 938,243	\$ 1,225,103	\$ 4,886,179	\$ 2,068,870	\$ 3,439,125	\$ 2,845,133
<u>1,313,753</u>	<u>1,374,263</u>	<u>1,332,263</u>	<u>179,711</u>	<u>1,088,467</u>	<u>1,075,712</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>	<u>\$ 3,920,845</u>

CITY OF NORTH CANTON, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 121,044	\$ 124,210	\$ 118,328	\$ 70,950
Committed	6,045,140	5,312,810	5,108,426	4,703,664
Assigned	2,166,377	272,798	298,783	427,008
Unassigned	<u>3,736,042</u>	<u>5,454,822</u>	<u>4,449,575</u>	<u>3,721,998</u>
Total general fund	<u>\$ 12,068,603</u>	<u>\$ 11,164,640</u>	<u>\$ 9,975,112</u>	<u>\$ 8,923,620</u>
All Other Governmental Funds				
Nonspendable	\$ 295,025	\$ 347,410	\$ 306,559	\$ 271,938
Restricted	3,064,448	2,396,037	2,602,722	2,945,276
Committed	6,871,187	2,183,484	2,154,679	3,159,736
Unassigned (deficit)	<u>(45,989)</u>	<u>(13,374)</u>	<u>(530,495)</u>	<u>(9,500)</u>
Total all other governmental funds	<u>\$ 10,184,671</u>	<u>\$ 4,913,557</u>	<u>\$ 4,533,465</u>	<u>\$ 6,367,450</u>
Total governmental funds	<u>\$ 22,253,274</u>	<u>\$ 16,078,197</u>	<u>\$ 14,508,577</u>	<u>\$ 15,291,070</u>

Source: City financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 84

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 61,766	\$ 36,379	\$ 24,071	\$ 12,344	\$ 19,469	\$ 24,826
4,358,353	4,791,066	3,949,413	2,973,122	2,310,330	1,839,023
222,789	771,645	1,793,923	1,521,722	1,455,511	2,365,977
<u>3,000,044</u>	<u>1,674,309</u>	<u>828,334</u>	<u>641,364</u>	<u>872,443</u>	<u>503,206</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>	<u>\$ 4,733,032</u>
\$ 364,284	\$ 286,638	\$ 24,383	\$ 9,283	\$ 26,015	\$ 84,851
2,819,372	2,660,012	3,421,318	2,779,437	2,154,328	2,683,823
4,044,728	5,605,860	4,637,231	4,141,798	3,249,558	1,951,833
-	-	-	(114,848)	(189,231)	(303,360)
<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>\$ 4,417,147</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>	<u>\$ 9,150,179</u>

CITY OF NORTH CANTON, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues				
Taxes	\$ 11,381,510	\$ 10,587,143	\$ 10,538,135	\$ 10,481,211
Charges for services	652,495	669,883	722,089	667,432
Licenses and permits	316,466	369,095	346,327	325,414
Fines and forfeitures	199,489	240,824	68,077	319,908
Intergovernmental	6,409,041	2,333,695	1,647,571	1,584,149
Interest	596,009	677,989	269,411	144,194
Rentals	48,626	135,731	163,844	204,375
Contributions and donations	208,281	386,120	44,065	6,499
Other	339,512	60,481	117,611	87,808
Total revenues	<u>20,151,429</u>	<u>15,460,961</u>	<u>13,917,130</u>	<u>13,820,990</u>
Expenditures				
Current:				
General government	2,550,514	1,714,820	1,748,457	1,904,224
Security of persons and property:				
Police	3,815,159	3,523,667	3,309,333	3,242,360
Fire	879,516	484,900	528,205	466,266
Public health and welfare	2,091,818	1,907,818	1,816,815	1,644,628
Transportation	1,620,188	1,386,728	1,224,303	1,186,241
Community environment	584,534	615,389	561,002	514,138
Leisure time activities	974,026	850,062	704,490	505,092
Basic utility services	304,332	479,015	587,327	502,788
Economic development	12,933	-	-	-
Capital outlay	7,989,340	2,709,947	3,997,984	3,210,397
Debt service:				
Principal retirement	362,168	172,483	165,558	165,721
Interest and fiscal charges	73,990	46,512	52,623	59,401
Bond issuance costs	73,613	-	-	-
Total expenditures	<u>21,332,131</u>	<u>13,891,341</u>	<u>14,696,097</u>	<u>13,401,256</u>
Excess (deficiency) of revenues over (under) expenditures	(1,180,702)	1,569,620	(778,967)	419,734
Other Financing Sources (Uses)				
Sale of capital assets	55,779	-	-	-
Notes issuance	4,400,000	-	-	-
Issuance of bond proceeds	2,900,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issuance	-	-	-	-
Inception of capital lease	-	-	-	-
Transfers in	1,050,000	650,000	600,000	877,578
Transfers out	<u>(1,050,000)</u>	<u>(650,000)</u>	<u>(600,000)</u>	<u>(877,578)</u>
Total other financing sources (uses)	<u>7,355,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 6,175,077</u>	<u>\$ 1,569,620</u>	<u>\$ (778,967)</u>	<u>\$ 419,734</u>
Capital expenditures	\$ 9,326,243	\$ 2,332,653	\$ 4,674,920	\$ 3,394,861
Debt service as a percentage of noncapital expenditures	3.63%	1.89%	2.18%	2.25%

Source: City financial records.

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	8,996,634	\$ 9,509,514	\$ 9,042,284	\$ 8,888,544	\$ 8,385,266	\$ 8,025,579
	582,091	598,194	756,126	760,933	809,929	768,067
	352,345	467,586	397,787	304,774	261,986	194,781
	352,768	279,305	283,297	331,760	262,870	178,961
	1,639,257	2,635,791	5,886,372	4,170,149	5,707,775	4,991,646
	105,255	61,649	63,556	10,033	13,135	7,773
	186,421	203,316	181,267	195,880	215,402	243,282
	10,787	54,421	11,417	168,186	62,514	3,500
	76,339	87,825	137,983	189,133	87,254	79,090
	<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>	<u>14,492,679</u>
	1,771,834	1,677,122	1,706,095	1,810,499	1,810,943	1,832,330
	3,219,499	3,234,260	3,269,463	3,167,527	3,102,962	3,195,293
	464,986	529,909	504,635	581,231	617,881	721,363
	1,678,460	1,566,294	1,658,889	1,421,456	1,612,523	1,600,747
	1,317,497	1,572,808	937,326	1,426,291	1,584,937	1,191,111
	539,291	557,799	447,225	404,055	437,425	422,242
	560,245	616,280	754,214	678,926	684,494	764,555
	823,967	307,912	467,576	384,518	347,093	482,492
	-	313,143	1,706,120	-	-	-
	2,728,298	2,341,247	2,458,593	2,971,567	4,623,693	2,269,727
	181,673	145,831	159,427	185,283	214,952	401,315
	58,120	86,423	91,075	95,922	101,984	83,223
	28,732	-	-	-	-	86,340
	<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>	<u>13,050,738</u>
	(1,070,705)	948,573	2,599,451	1,892,117	667,244	1,441,941
	-	56,601	-	86,682	6,000	-
	-	-	-	-	-	-
	1,233,180	-	-	-	-	2,500,000
	(1,337,277)	-	-	-	-	-
	132,829	-	-	-	-	79,340
	-	22,062	-	-	-	-
	1,207,600	2,138,757	1,679,400	1,815,000	2,665,122	952,692
	<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>	<u>(877,692)</u>
	<u>116,132</u>	<u>198,663</u>	<u>115,000</u>	<u>173,682</u>	<u>81,000</u>	<u>2,654,340</u>
\$	<u>(954,573)</u>	<u>\$ 1,147,236</u>	<u>\$ 2,714,451</u>	<u>\$ 2,065,799</u>	<u>\$ 748,244</u>	<u>\$ 4,096,281</u>
\$	3,466,510	\$ 2,108,678	\$ 3,497,103	\$ 1,811,647	\$ 4,085,424	\$ 2,256,845
	2.42%	2.14%	2.35%	2.49%	2.87%	4.49%

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
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
2011	294,828,710	75,981,140	1,059,456,714	7,086,110	8,052,398

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
\$ 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
377,895,960	1,067,509,112	35.40%	7.40

CITY OF NORTH CANTON, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</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	\$ 41.2439	\$ 43.3701	\$ 40.2684	\$ 40.4147
Commercial/Industrial and Public Utility Real	48.8563	49.7442	47.7678	48.0005
General Business and Public Utility	85.1000	85.1000	78.7000	78.7000
Stark County				
Residential/Agricultural Real	8.0589	8.0803	8.6772	8.7202
Commercial/Industrial and Public Utility Real	8.8684	8.7898	9.6375	9.6085
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	1.9040	1.9108	2.0939	2.1053
Commercial/Industrial and Public Utility Real	1.9931	1.9538	2.1779	2.1814
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

2016	2015	2014	2013	2012	2011
\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
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
5.0000	5.0000	5.0000	5.0000	5.0000	5.0000
\$ 7.4000	\$ 7.4000	\$ 7.4000	\$ 7.4000	\$ 7.4000	\$ 7.4000

\$ 40.5638	\$ 43.6119	\$ 46.6432	\$ 38.9173	\$ 38.9173	\$ 45.4133
48.4004	50.7375	52.0007	47.0395	47.0395	53.7905
78.7000	78.8000	78.8000	76.0000	76.0000	83.4000
8.7441	9.2924	9.3007	8.9180	8.9180	8.7993
9.6342	10.0762	10.0757	9.5912	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
2.1141	2.2986	2.3009	2.3031	1.7797	1.7797
2.1970	2.3222	2.3612	2.3606	1.8370	1.8370
2.5000	2.5000	2.5000	2.5000	2.0000	2.0000

CITY OF NORTH CANTON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
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
2011	2,461,163	2,400,180	97.52%	80,727	2,480,907

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>
100.35%	\$ 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%
100.80%	79,766	3.24%

CITY OF NORTH CANTON, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO

2020			
<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	1.67%
McKinley Development Leasing Co LTD	6,523,820	2	1.51%
Versailles Gardens LTD	5,431,450	3	1.26%
West Tuscarawas Property Management, LLC	3,569,780	4	0.83%
Sanctuary Grande Senior Living LLC	2,712,500	5	0.63%
Albrecht Incorporated	2,503,420	6	0.58%
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>8.45%</u>
Total Assessed Valuation	<u>\$ 432,063,790</u>		

2011			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
Versailles Gardens LTD	\$ 4,899,730	1	1.32%
McKinley Development Leasing Co. Ltd.	3,885,610	2	1.05%
Albrecht Incorporated	2,548,410	3	0.69%
Potsdamer Platz LLC	2,299,360	4	0.62%
Waterford at St. Luke	2,056,580	5	0.55%
Berlin Commons LTD	1,801,710	6	0.49%
Williamsburg Apartments LTD	1,617,140	7	0.44%
CETA Group Limited Partnership	1,552,870	8	0.42%
Winsor Medical Center Inc.	1,047,210	9	0.28%
Euro Development, LTD	1,011,790	10	0.27%
Total	<u>\$ 22,720,410</u>		<u>6.13%</u>
Total Assessed Valuation	<u>\$ 370,809,850</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
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%
2011	1.50%	5,942,112	3,970,865	66.83%	524,170	8.82%	1,447,077	24.35%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Assessed Property Value	\$ 442,550,770	\$ 435,255,470	\$ 401,740,590	\$ 394,385,350
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	46,467,831	45,701,824	42,182,762	41,410,462
Debt Outstanding				
Various Improvement Note	4,400,000	-	-	-
Governmental General Obligation Bonds	3,651,808	1,113,976	1,281,492	1,441,356
Water System Bonds	2,426,192	2,751,024	3,078,508	3,388,644
OPWC Loans	1,311,251	1,311,251	1,427,151	1,543,051
OWDA Loans	3,422,768	4,104,725	4,762,646	5,397,382
Intergovernmental Loans	1,481,422	1,549,668	1,637,538	1,627,081
Total gross indebtedness	<u>16,693,441</u>	<u>10,830,644</u>	<u>12,187,335</u>	<u>13,397,514</u>
Less:				
Various Improvement Note	4,400,000	-	-	-
Water System Bonds	2,426,192	2,751,024	3,078,508	3,388,644
OPWC Loans	1,311,251	1,311,251	1,427,151	1,543,051
OWDA Loans	3,422,768	4,104,725	4,762,646	5,397,382
Intergovernmental Loans	1,481,422	1,549,668	1,637,538	1,627,081
Total net debt applicable to debt limit	<u>3,651,808</u>	<u>1,113,976</u>	<u>1,281,492</u>	<u>1,441,356</u>
Legal debt margin within 10 1/2 % limitation	\$ <u>42,816,023</u>	\$ <u>44,587,848</u>	\$ <u>40,901,270</u>	\$ <u>39,969,106</u>
Legal debt margin as a percentage of the debt limit	92.14%	97.56%	96.96%	96.52%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>24,340,292</u>	<u>23,939,051</u>	<u>22,095,732</u>	<u>21,691,194</u>
Total gross indebtedness	16,693,441	10,830,644	12,187,335	13,397,514
Less:				
Various Improvement Note	4,400,000	-	-	-
Water System Bonds	2,426,192	2,751,024	3,078,508	3,388,644
OPWC Loans	1,311,251	1,311,251	1,427,151	1,543,051
OWDA Loans	3,422,768	4,104,725	4,762,646	5,397,382
Intergovernmental Loans	1,481,422	1,549,668	1,637,538	1,627,081
Net debt within 5 1/2 % limitations	<u>3,651,808</u>	<u>1,113,976</u>	<u>1,281,492</u>	<u>1,441,356</u>
Unvoted legal debt margin within 5 1/2 % limitations	\$ <u>20,688,484</u>	\$ <u>22,825,075</u>	\$ <u>20,814,240</u>	\$ <u>20,249,838</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	85.00%	95.35%	94.20%	93.36%

Source: City financial records.

2016	2015	2014	2013	2012	2011
<u>\$ 389,315,570</u>	<u>\$ 359,197,060</u>	<u>\$ 354,410,510</u>	<u>\$ 353,748,300</u>	<u>\$ 377,029,310</u>	<u>\$ 377,895,960</u>
<u>40,878,135</u>	<u>37,715,691</u>	<u>37,213,104</u>	<u>37,143,572</u>	<u>39,588,078</u>	<u>39,679,076</u>
-	-	-	-	-	-
1,601,660	1,765,000	1,910,000	2,055,000	2,195,000	2,335,000
3,683,340	4,075,000	4,335,000	4,585,000	4,845,000	5,080,000
1,658,951	1,774,851	1,890,751	2,006,651	1,917,980	1,506,229
6,009,749	6,600,537	7,170,509	7,720,400	8,250,917	8,760,422
1,330,599	1,108,156	528,923	-	-	-
<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>	<u>17,681,651</u>
-	-	-	-	-	-
3,683,340	4,075,000	4,335,000	4,585,000	4,845,000	5,080,000
1,658,951	1,774,851	1,890,751	2,006,651	1,917,980	1,506,229
6,009,749	6,600,537	7,170,509	7,720,400	8,250,917	8,760,422
1,330,599	1,108,156	528,923	-	-	-
<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>2,335,000</u>
<u>\$ 39,276,475</u>	<u>\$ 35,950,691</u>	<u>\$ 35,303,104</u>	<u>\$ 35,088,572</u>	<u>\$ 37,393,078</u>	<u>\$ 37,344,076</u>
96.08%	95.32%	94.87%	94.47%	94.46%	94.12%
<u>21,412,356</u>	<u>19,755,838</u>	<u>19,492,578</u>	<u>19,456,157</u>	<u>20,736,612</u>	<u>20,784,278</u>
14,284,299	15,323,544	15,835,183	16,367,051	17,208,897	17,681,651
-	-	-	-	-	-
3,683,340	4,075,000	4,335,000	4,585,000	4,845,000	5,080,000
1,658,951	1,774,851	1,890,751	2,006,651	1,917,980	1,506,229
6,009,749	6,600,537	7,170,509	7,720,400	8,250,917	8,760,422
1,330,599	1,108,156	528,923	-	-	-
<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>2,335,000</u>
<u>\$ 19,810,696</u>	<u>\$ 17,990,838</u>	<u>\$ 17,582,578</u>	<u>\$ 17,401,157</u>	<u>\$ 18,541,612</u>	<u>\$ 18,449,278</u>
92.52%	91.07%	90.20%	89.44%	89.41%	88.77%

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			
2020	\$ -	\$ 8,142,392	\$ 2,658,087	\$ 3,422,768	\$ 1,481,422	\$ 1,311,251	\$ 17,015,920	#VALUE!	#VALUE!
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
2011	134,662	2,410,960	5,136,887	8,760,422	-	1,506,229	17,949,160	3.60%	1,019

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, 2020

<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	\$ 1,215,076	100.00%	\$ 1,215,076
	<u>1,215,076</u>		<u>1,215,076</u>
Overlapping debt:			
North Canton City School District	6,078,000	45.45%	2,762,451
Jackson Local School District	30,300,000	0.27%	81,810
Plain Local School District	2,610,000	6.57%	171,477
Stark County	16,236,726	5.23%	849,181
	<u>63,116,726</u>		<u>3,864,919</u>
Total direct and overlapping debt	<u>\$ 64,331,802</u>		<u>\$ 5,079,995</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	
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
2011	5,929,810	3,004,923	2,924,887	593,050	324,435	3.19

(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	
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
2011	2,737,038	1,994,658	742,380	7,841	7,249	49.20

(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>
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%
2011	17,610	499,278,720	28,352	47,300	43.4	35.8%

(1) Source: U.S. Census

(a) Year 2010 Federal Census and Years 2011-2020 Estimated by U.S. Census Bureau

(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
4,253	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
4,738	7.9%	177,900	377,895,960

CITY OF NORTH CANTON, OHIO

PRINCIPAL EMPLOYERS
BY TOTAL INCOME TAX WITHHOLDING
CURRENT YEAR AND NINE YEARS AGO

		2020
Employer	Description	Rank
Walsh University	Education	1
North Canton City School District	Education	2
Trubridge Inc	Insurance	3
Brookwood Management Co LLC	Real Estate	4
The Tamarkin Co	Retail	5
St. Lukes Home for the Aged	Medical	6
City of North Canton	Government	7
Aultman North Medical	Medical	8
Mullinax Ford North Canton Inc	Retail	9
State of Ohio ODOT	Government	10
		2011
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
Stark County DD	County Government	6
Myers Control Power LLC	Design Building Mfg.	7
Mullinas Ford	Car Dealer	8
Aultman Hospital Association	Medical Center	9
Altercare	Home Care Service	10

Source: Income Tax Department and the Regional Income Tax Agency (RITA)

CITY OF NORTH CANTON, OHIO

PRINCIPAL EMPLOYERS
BY NUMBER OF EMPLOYEES
2020 AND NINE YEARS AGO

2020			
Employer	Employees	Rank	Percentage of Total City Employment
Walsh University	1,200	1	11.66%
North Canton City School District	786	2	7.64%
Trubridge Inc	642	3	6.24%
Brookwood Management Company	606	4	5.89%
The Tamarkin Co	364	5	3.54%
St Luke Lutheran Home	360	6	3.50%
Myers Controlled Power LLC	192	7	1.87%
City of North Canton	164	8	1.59%
Aultman North Canton Medical	132	9	1.28%
Mullinax Ford North Canton Inc	101	10	0.98%
Total	4,547		44.17%
Total City Employment	10,294		
2011			
Employer	Employees	Rank	Percentage of Total City Employment
Walsh University	1,562	1	9.69%
North Canton City School District	933	2	5.79%
Schroer Group	763	3	4.73%
Lagacy Staffing LLC	727	4	4.51%
St. Lukes Home for the Aged	391	5	2.43%
YMCA of Central Stark County	338	6	2.10%
Absolute Rehabilitation	284	7	1.76%
Northeast Professional Home Care	266	8	1.65%
City of North Canton	257	9	1.59%
North Canton Medical Foundation	253	10	1.57%
Total	5,774		35.83%
Total City Employment	16,117		

Source: 2020 - Data from Regional Income Tax Agency; 2011 - 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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Council	4.50	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Mayor's office	0.50	0.50	0.50	1.50	1.00	1.00	1.50	1.50	1.50	1.50
Law	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	3.00	4.00	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	1.00	1.00	1.00	1.00	1.00
Administration	5.00	4.50	3.00	3.00	2.00	2.00	2.00	2.00	3.00	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	5.00	6.00	6.50	5.50	5.50	5.50	5.50	5.50	6.00	6.00
Security of Persons and Property										
Police - administration	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Police - officers	26.00	25.50	25.00	24.00	24.50	24.00	24.50	23.50	25.00	25.00
Police - crossing guards	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00	4.50	6.00
Dispatchers/Chief Dispatcher	10.00	9.00	9.00	8.50	8.50	8.50	8.50	8.50	7.00	7.00
Fire Inspectors	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00	3.00
Public Health Services										
Fire Fighters/Emergency										
Medical Services	24.50	26.50	26.50	26.00	26.00	25.00	37.00	34.00	33.50	35.00
Leisure Time Activities										
Municipal Pool	0.00	0.00	0.00	0.00	0.00	0.00	24.50	20.50	20.50	22.00
Civic Center	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	1.00	2.00
Recreation	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	1.50
Park Maintenance	2.00	2.00	2.00	2.00	2.00	3.00	4.00	5.00	6.00	7.00
Community Development										
Permits & Inspections	0.00	0.00	0.50	4.00	4.00	6.00	6.00	5.50	4.50	3.50
Economic Development	0.00	0.00	0.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50
Transportation										
Street M&R	3.50	4.00	4.00	5.00	5.00	6.00	8.50	9.00	4.50	9.00
Basic Utility Services										
Water Administration	2.00	2.00	2.50	3.00	3.00	3.00	3.00	3.00	2.00	4.00
Water Distribution	8.00	9.00	8.00	8.00	8.00	8.00	11.00	10.00	0.00	6.00
Water Treatment Plant	10.00	10.00	10.00	10.00	10.00	10.00	10.50	9.00	9.00	10.00
Sewer Collection	6.00	6.00	6.00	4.00	4.00	3.00	3.00	2.00	2.00	2.00
Total	117.50	119.50	119.50	121.50	120.00	125.00	169.00	158.50	147.00	165.50

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	2020	2019	2018	2017
General Government				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	-	5	7	15
Police				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	15	15	15	13
Fire				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	10	11	10	11
Emergency Medical Service				
Stations	1	1	1	1
Square footage of building	9,399	9,399	9,399	9,399
Vehicles	4	4	5	5
Recreation				
Number of parks	11	11	11	11
Number of pools	2	2	1	1
Number of tennis courts	9	9	11	11
Number of pickleball courts	4	4	-	-
Number of basketball courts	7	7	7	7
Number of park shelters	9	9	9	9
Vehicles	12	12	13	8
Public Service Department				
Streets (miles)	94.48	94.48	94.28	94.28
Vehicles	20	21	20	21
Water Department				
Water lines (miles)	160.00	160.00	146.43	146.43
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	25	22	13	14
Wastewater				
Sanitary sewers (miles)	80.81	80.81	80.58	80.58
Storm sewers (miles)	73.08	73.08	72.58	72.58
Vehicles	4	5	9	5

Source: City of North Canton departments

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
31,517 15	31,517 10	31,517 10	31,517 9	31,517 9	31,517 10
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 9	1 8,989 10	1 8,989 10	1 8,989 11	1 8,989 11
1 8,970 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 10	11 1 11 - 7 9 11	11 1 11 - 7 9 12	11 1 11 - 7 9 12	11 1 11 - 7 9 11
94.28 21	94.28 18	97.52 18	97.50 17	97.50 17	97.50 15
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	144.00 32,125 17
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	74.64 72.59 15

CITY OF NORTH CANTON, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Government				
Number of ordinances passed	79	85	74	108
Number of planning commission agenda items	12	20	11	11
Number of zoning board of appeals agenda items	5	5	28	17
Number of checks/vouchers issued	2,558	2,434	2,561	2,434
Interest earnings for fiscal year (cash basis)	\$361,177	\$450,834	\$421,757	\$173,283
General fund receipts (cash basis in thousands)	\$9,328	\$7,984	\$7,460	\$7,224
General fund expenditures (cash basis in thousands)	\$8,118	\$8,439	\$6,800	\$6,219
General fund cash balances (in thousands)	\$5,334	\$4,124	\$4,580	\$3,920
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	1,391	1,518	1,094	813
Estimated value of construction	\$ 49,340,387	\$ 35,566,956	\$ 23,553,956	\$ 24,568,448
Inspections conducted	2,432	2,242	1,889	1,516
Security of Persons & Property				
Police				
Total calls for services	15,854	19,487	18,967	19,896
Traffic violations	800	1,480	1,538	2,165
Motor vehicle accidents	317	443	519	523
Written warnings	2,756	3,703	3,482	4,537
Total criminal arrests	321	277	340	378
Fire/Emergency Medical Services				
EMS calls	2,311	2,683	2,683	2,664
EMS transports	1,586	1,849	1,924	1,854
Ambulance billing collections	\$564,304	\$614,738	\$652,389	\$586,089
Fire calls	499	509	556	494
Fire safety inspections	2,089	1,926	2,300	413
Leisure Time Activities				
Recreation				
Swimming pool memberships	2,563	2,722	2,824	2,617
Civic center rentals	95	156	96	119
Dogwood shelter rentals	153	359	369	379
Transportation				
Asphalt resurfacing (miles)	15.98	11.48	20.03	13.68
Asphalt usage for pothole repairs (tons)	240	40	35	30
Salt usage (tons)	2,798	3,113	2,567	2,372
Liquid de-icer used (gallons)	18,791	12,432	10,609	7,864
Cost of salt purchased	\$12,250	\$231,108	\$99,372	\$118,474
Water Department				
Number of customers	9,490	9,230	8,981	9,337
Annual water collections	\$6,452,086	\$6,845,135	\$7,026,667	\$7,113,175
Water main breaks	12	16	11	7
Number of wells	9	9	9	9
Gallons of water treated (millions of gallons)	1,022	1,128,500	991	972
Wastewater Department				
Residential sewer rate (flat monthly rate)	\$32.32	\$32.32	\$26.83	\$26.83
Number of customers	6,569	6,454	6,283	6,422

Source: City of North Canton departments

2016	2015	2014	2013	2012	2011
83	85	95	81	111	111
9	7	20	18	15	8
4	6	-	1	6	1
2,813	3,079	3,016	3,362	3,289	3,356
\$95,905	\$60,586	\$58,067	\$20,339	\$14,974	\$32,364
\$7,613	\$7,370	\$8,078	\$7,262	\$7,755	\$9,161
\$6,774	\$8,033	\$7,592	\$7,553	\$8,382	\$7,382
\$2,915	\$1,839	\$2,285	\$1,667	\$1,894	\$2,418
N/A	7,723	7,930	7,281	4,260	7,267
N/A	1,366	1,327	1,270	1,305	1,231
N/A	1,249	1,397	1,329	1,426	1,144
782	252	627	727	664	1,327
\$ 23,219,555	\$ 71,120,103	\$ 26,491,592	\$ 11,456,887	\$ 12,102,168	\$ 5,754,751
1,252	1,121	917	789	663	712
18,929	17,922	16,746	18,049	26,503	28,172
4,386	1,546	1,571	1,901	1,805	1,139
533	529	546	429	558	527
2,032	3,847	3,912	3,998	3,706	1,891
345	348	406	552	404	504
2,426	2,152	2,416	2,292	2,223	2,377
1,718	1,631	1,510	1,934	1,502	1,509
\$557,457	\$552,430	\$496,107	\$538,763	\$501,956	\$489,060
437	573	430	559	470	493
555	995	980	215	1,527	1,694
2,386	2,304	1,033	936	2,079	2,404
55	55	46	21	90	254
265	267	265	372	154	159
0	0	2.92	0	5.16	3.75
368	292	0	454	511.73	413.85
1,700	2,500	4,600	4,003	2,800	5,200
N/A	N/A	N/A	N/A	N/A	N/A
\$230,575	\$330,421	\$258,290	\$153,088	\$310,960	\$359,814
9,043	8,993	8,970	9,102	9,063	9,044
\$6,972,033	\$6,806,063	\$6,229,831	\$6,006,676	\$6,051,273	\$5,874,591
12	19	14	13	23	18
9	9	9	9	9	7
955	998	1,029	1,008	1,106	1,211
\$26.83	\$25.41	\$25.41	\$25.41	\$25.41	\$25.41
6,379	6,356	6,342	6,334	6,308	6,310

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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 8/17/2021

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

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www.ohioauditor.gov