

City of Canal Fulton, Ohio

Annual Comprehensive Financial Report



For the Year Ended December 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Members of Council
City of Canal Fulton
155 East Market Street
Canal Fulton, Ohio 44614

We have reviewed the *Independent Auditors' Report* of the City of Canal Fulton, Stark County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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Keith Faber
Auditor of State
Columbus, Ohio

July 27, 2023

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Introductory Section

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CITY OF CANAL FULTON, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2022

Prepared by The Department of Finance

William Rouse
Director of Finance

City of Canal Fulton, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022
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City of Canal Fulton

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June 27, 2023

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

I am pleased to present our 2022 Annual Comprehensive Financial Report for the City of Canal Fulton for your review. This report, for the year ended December 31, 2022, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Canal Fulton (the City). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every general purpose local government prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have an annual audit. This report is published to fulfill that requirement for the year ended December 31, 2022.

Responsibility for both the accuracy of the data and completeness and fairness of the entire presentation rests with the management of the City, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require the City to be subjected to an annual audit by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. Clark, Schaefer, Hackett was selected to perform these services and has issued unmodified (“clean”) opinions on the City’s financial statements for the year ended December 31, 2022. The Independent Auditors’ Report on the basic financial statements is included in the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditors’ Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

History of Canal Fulton

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

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

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

Profile of the City

The City of Canal Fulton, encompassing an area of approximately 3.3 square miles, is located in the northwest portion of Stark County, Ohio. The City has a population of 5,325 as reported in 2020 by the Bureau of Census. Canal Fulton is a “home-rule” city as defined by the State of Ohio Revised Code and operates pursuant to its Charter under a Mayor, City Council, and City Manager form of government. The representative branch of the City’s government consists of the Mayor and six City Council members who are elected at large to staggered four-year terms. The Mayor presides over all meetings of City Council and appoints the City Manager, upon confirmation of City Council, who serves as the Chief Administrative Officer of the City. The Mayor also appoints the Director of Law, the Director of Finance, the Police Chief, the Fire Chief, and members to a number of boards and commissions, upon confirmation of City Council. The Mayor does not have the authority to vote on ordinances or resolutions unless there is a tie among City Council members, nor does the Mayor have the power to veto legislation passed by City Council. City Council establishes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes.

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

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

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

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

Economic Condition

Summary of Local Economy

While there is some commercial property within the City, Canal Fulton is generally classified as a bedroom community with most residents commuting to work outside the City. As a result, the City's local economy is dependent on conditions throughout Stark County and the surrounding areas. The economic conditions in Stark County have been steadily improving since the start of the COVID-19 pandemic in 2020. For example, the Stark County unemployment rate reached a high of 14.9 percent in April, 2020, but has now declined to 3.8 percent in December, 2022, which is now lower than any time in 2018 and 2019 before the pandemic. The local economic conditions have a significant impact on the City's income tax collections, which accounts for over 59 percent of the funding for the City's general government operations. The following table shows the City's income tax collections the last seven years by component:

Income Tax Collections

Year of Collection	Collections from Individual Returns	Collections from Business Net Profit Returns	Collections from Payroll Withholdings	Total Collections
2015	\$902,118	\$216,211	\$1,300,300	\$2,418,629
2016	842,049	168,704	1,424,034	2,434,787
2017	763,713	176,184	1,380,269	2,320,166
2018	728,448	170,562	1,434,264	2,333,274
2019	758,368	194,279	1,481,923	2,434,570
2020	589,430	335,091	1,830,459	2,754,980
2021	475,948	403,012	1,940,206	2,819,166
2022	509,095	388,758	2,219,691	3,117,544

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

The table above shows that the City’s total income tax collections achieved an average annual growth rate of over four percent between 2015 and 2022. Although some of the fluctuations can be attributed to the local economy, it is important to note that the State of Ohio also passed House Bill 5 in 2014, which changed the laws governing municipal income tax collections for the 2016 tax year (2017 collection year for individuals). Some of the changes include revisions to the due dates for submitting payroll withholdings, higher thresholds for requiring individuals and businesses to submit estimated tax payments, and uniform rules for processing business net profit/loss returns. The City also passed a tax reform in 2019 that raised the tax rate from 1.5 percent to 2.0 percent, while giving the citizens full credit for taxes paid to other cities, taking effect January 1, 2020. Prior to the recent tax reform, the City only gave Citizens credit for 50 percent of taxes paid to other cities. The new laws, the City’s tax reform, and the improving economy contribute to the variances shown in the table.

The City’s residential tax base consists of approximately 2,400 housing units and includes new construction as well as a collection of century homes located in the historic district. Property values inside the City increased roughly 25 percent from 2021 to 2022 due to continued commercial and residential development and a strong housing market within the City. The U.S. Census Bureau reports that the City’s homeowner vacancy rate was 4.7 percent during the 2020 census, which was the same as the 2010 census. This is further illustrated by the City’s total population reported in the 2020 census (5,325) and the 2010 census (5,479) remaining relatively stable when compared to the 2000 census (5,061). Given the City’s status as a bedroom community, this stability has been important in ensuring consistent tax revenues and the overall health of the community.

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

Long-Term Financial Planning

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

With the recent growth in income tax revenues, the City has made it a priority to set aside resources to help maintain long-term financial stability. Specifically, the City established the capital projects reserve fund to be used in accumulating resources to replace vehicles and equipment in the future. The City had \$439,108 unencumbered balances available in this fund, on a cash basis, as of December 31, 2022. Similarly, the City had \$221,274 unencumbered balances, on a cash basis, set aside for emergencies as of December 31, 2022.

Relevant Financial Policies

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

- Section 182.01 of the City's administrative code specifies that 95.0 percent of income tax collections be distributed to the general fund and the remaining 5.0 percent be placed in the police fund.
- Ordinance 35-19 stipulates that 70.0 percent of water utility charges be used for water operations, 17.0 percent for water debt service, and 13.0 percent for water capital projects.
- Ordinance 36-19 stipulates that 83.0 percent of sewer utility charges be used for sewer operations, 6.5 percent for sewer debt service, and 10.5 percent for sewer capital projects.
- Ordinance 40-21 establishes employee pay rates and allocates personnel costs among the various governmental and enterprise funds.

Major Initiatives

The City worked on the following initiatives in 2022:

- The City spent over \$300,000 on road improvements that include resurfacing Erie avenue leading to Northwest High School, finalizing plans to resurface all of State Route 93/Cherry Street inside the City limits in 2022, and performing various asphalt, concrete and other road repairs throughout the City.
- The City made a significant investment in its parks in 2022, which included constructing a walking trail at the new community park (approximately \$235,000); building an amphitheater at St. Helena Park to host seven concerts and numerous car shows (approximately \$75,000); and rehabilitating the St. Helena II, a replica canal boat (approximately \$63,000) that serves as a museum.
- The City spent approximately \$540,000 replacing the Market Street waterline in 2022.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William Rouse', with a long, sweeping horizontal line extending to the right.

William Rouse
Finance Director
City of Canal Fulton

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

*Principal Officials
December 31, 2022*

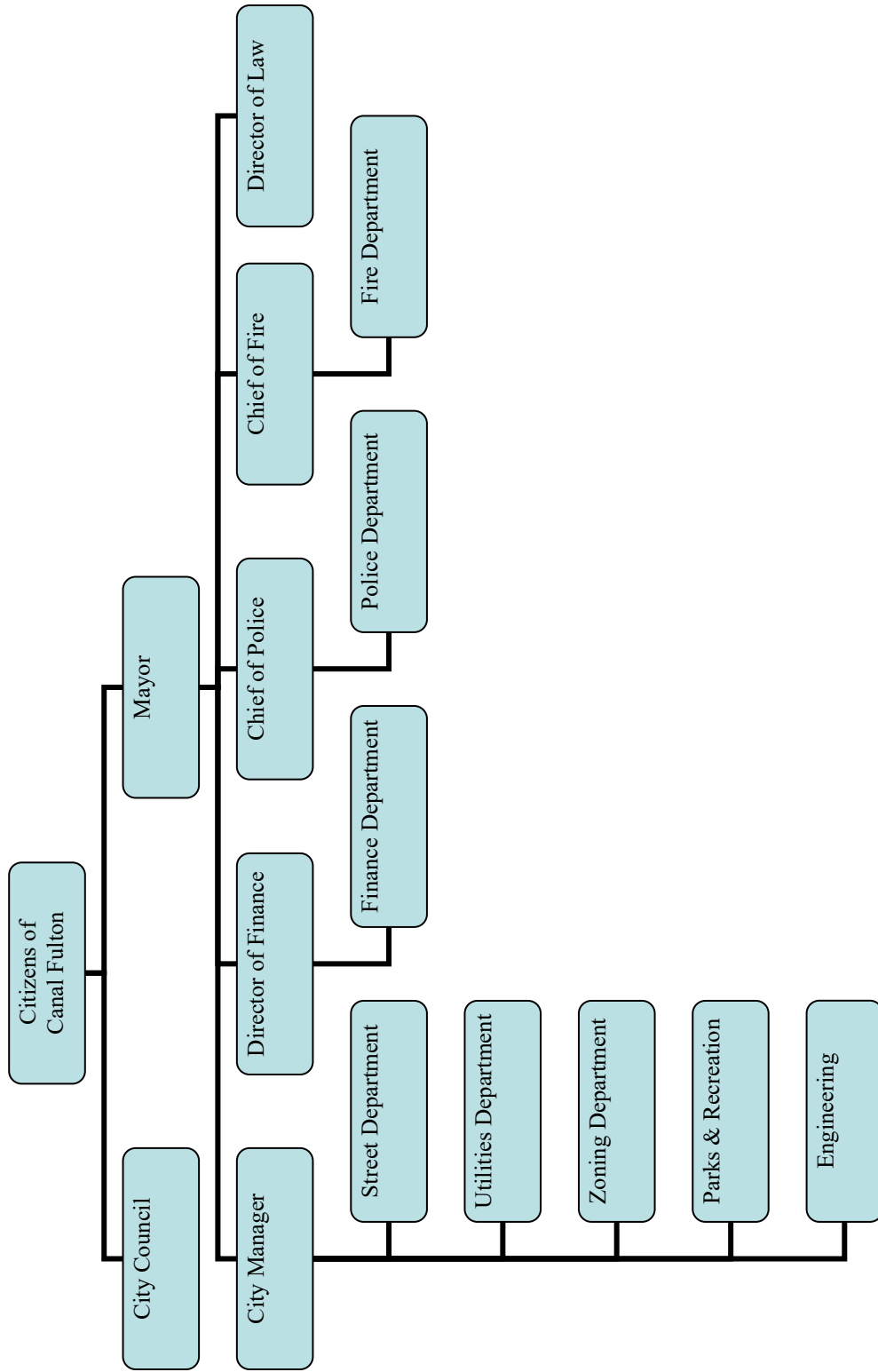
Elected Officials

Mayor Joseph Schultz
City Council President Susan Mayberry
City Council Member Mark Cozy
City Council Member Scott Svab
City Council Member Eric Whittington
City Council Member Jeanann VanDenberg
City Council Member Doug Morgan

Appointed Officials

City Manager Dan Bucher Jr
Director of Finance William Rouse
Director of Law Alex McCallion
Chief of Police Sara Wilson
Chief of Fire Shawn Yerian

**City of Canal Fulton
Organization Chart – December 31, 2022**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Canal Fulton
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

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Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have 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 Canal Fulton, Ohio (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general, street maintenance, police, and fire/ems funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 27, 2023

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City of Canal Fulton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The discussion and analysis for the City of Canal Fulton's (the City) financial statements provide an overall review of the financial activity of the City for the twelve months ended December 31, 2022. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Financial highlights for 2022 are as follows:

- The 2022 income tax collections on a cash basis were \$3,117,544, which was 10.6 percent higher than the prior year. The higher income tax collections are primarily due to growth in employment and wages inside the City during 2022.
- In 2022, the City used its general fund emergency reserve fund to provide up-front cash resources to build a walking trail at the new community park. The City spent approximately \$234,000 on the walking trail in 2022, and received approximately \$211,000 in reimbursements from a State capital grant. The balance in the general fund emergency reserve fund at the conclusion of 2022 was approximately \$225,000. The City is on track to restore the balance in the general fund emergency reserve fund to the original \$250,000 by the conclusion of 2023.
- The income tax collections exceeded the projections in the general fund in 2022, which allowed the City to process a year-end transfer to the capital projects fund. As a result, the fund balance in the capital projects fund saw an increase from \$189,283 to \$439,108, which is being held in reserve for future road improvements.
- The City's 2022 water and sewer charges for services, on a cash basis, increased by 7.7 percent and 10.1 percent, respectively. The changes were due to the City's utility billing ordinances, which tie annual rate increases to changes in the consumer price index.
- The City started a comprehensive water meter replacement program in 2019. The intent of the program is to replace every residential and commercial meter in the City with automated meter reading technology. The program is estimated to be completed in 2023 and will significantly improve the efficiency of the City utility billing function.

Using this Annual Financial Report

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

The statement of net position and the statement of activities provide information from a summary perspective showing the effects of the operations for the year 2022 and how they affected the operations of the City as a whole.

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

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Reporting the City of Canal Fulton as a Whole

Statement of Net Position and Statement of Activities

The statement of net position and the statement of activities provide summary information concerning the financial position and operations of the City as an entity. They provide a good resource for an overall evaluation of the City's financial performance. These statements include all assets, deferred outflows or resources, liabilities, and deferred inflows of resources using the accrual basis of accounting.

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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and emergency medical service protection, as well as improving and maintaining the City's streets. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds is reconciled in the financial statements.

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

The City of Canal Fulton as a Whole

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2022 as it compares to 2021.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$5,767,506	\$5,399,842	\$2,597,359	\$2,449,441	\$8,364,865	\$7,849,283
Net Pension Asset	40,505	42,992	55,936	54,710	96,441	97,702
Net OPEB Asset	93,548	56,733	129,180	72,200	222,728	128,933
Capital Assets, Net	13,461,096	12,891,015	11,227,893	11,043,198	24,688,989	23,934,213
<i>Total Assets</i>	<u>19,362,655</u>	<u>18,390,582</u>	<u>14,010,368</u>	<u>13,619,549</u>	<u>33,373,023</u>	<u>32,010,131</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	1,604	1,738	6,450	6,986	8,054	8,724
Pension	540,864	297,298	200,514	103,610	737,101	400,908
OPEB	125,274	174,752	3,331	40,974	127,400	215,726
<i>Total Deferred Outflows of Resources</i>	<u>667,742</u>	<u>473,788</u>	<u>210,295</u>	<u>151,570</u>	<u>872,555</u>	<u>625,358</u>
Liabilities						
Current and Other Liabilities	495,482	478,170	145,226	82,414	640,708	560,584
Long-Term Liabilities:						
Due Within One Year	133,456	257,579	211,567	234,463	345,023	492,042
Due in More than One Year:						
Net Pension Liability	1,644,838	2,044,681	346,726	555,594	1,991,564	2,600,275
Net OPEB Liability	244,532	249,940	0	0	244,532	249,940
Other Amounts	533,242	658,497	1,559,768	1,754,405	2,093,010	2,412,902
<i>Total Liabilities</i>	<u>3,051,550</u>	<u>3,688,867</u>	<u>2,263,287</u>	<u>2,626,876</u>	<u>5,314,837</u>	<u>6,315,743</u>
Deferred Inflows of Resources						
Property Taxes	529,903	462,307	0	0	529,903	462,307
Pension	961,793	534,440	440,541	272,808	1,398,057	807,248
OPEB	209,758	291,914	133,470	228,034	342,023	519,948
<i>Total Deferred Inflows of Resources</i>	<u>1,701,454</u>	<u>1,288,661</u>	<u>574,011</u>	<u>500,842</u>	<u>2,269,983</u>	<u>1,789,503</u>
Net Position						
Net Investment in Capital Assets	12,826,786	12,012,038	9,484,334	9,076,475	22,311,120	21,088,513
Restricted for:						
Debt Service	40,073	39,338	0	0	40,073	39,338
Capital Projects	758,864	776,354	0	0	758,864	776,354
Street Repair and Maintenance	584,204	593,610	0	0	584,204	593,610
Police Protection	528,895	492,595	0	0	528,895	492,595
St Helena II Canal Boat	38,679	32,768	0	0	38,679	32,768
Pension Plan	43,818	36,570	57,250	45,740	101,068	82,310
Other Purposes	3,591	3,591	0	0	3,591	3,591
Unclaimed Monies	8,085	8,085	0	0	8,085	8,085
Unrestricted (Deficit)	444,398	(108,107)	1,841,781	1,521,186	2,286,179	1,413,079
<i>Total Net Position</i>	<u>\$15,277,393</u>	<u>\$13,886,842</u>	<u>\$11,383,365</u>	<u>\$10,643,401</u>	<u>\$26,660,758</u>	<u>\$24,530,243</u>

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2022. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total net position increased during the year due to increases in cash and cash equivalents and capital assets, with decreases in long-term liabilities. Because of the COVID-19 pandemic continuing to subside, income taxes and investment earnings/interest have both seen increases during the year, directly affecting cash and cash equivalents. Capital assets increased as a result of current year additions outpacing current year depreciation, with additions including a new waterline and various department vehicles. The decrease in long-term liabilities was mainly caused by a decrease in net pension liability. Not only were there changes of assumptions and benefit terms in both retirement systems, the City's portion of Ohio Police and Fire was reduced based on the employer contributions made during 2021.

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

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Table 2 shows the change in net position for 2022 as it compares to 2021.

Table 2
Change in Net Position

	Governmental		Business - Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Sales	\$252,250	\$259,630	\$2,313,605	\$2,112,227	\$2,565,855	\$2,371,857
Operating Grants and Contributions	703,420	837,583	0	0	703,420	837,583
Capital Grants and Contributions	68,643	41,293	394,671	44,200	463,314	85,493
Total Program Revenues	1,024,313	1,138,506	2,708,276	2,156,427	3,732,589	3,294,933
General Revenues:						
Property Taxes	524,978	460,571	0	0	524,978	460,571
Income Taxes	3,119,754	2,937,575	0	0	3,119,754	2,937,575
Grants and Entitlements	405,126	319,214	0	0	405,126	319,214
Unrestricted Contributions	2,161	600	0	0	2,161	600
Investment Earnings/Interest	105,293	4,381	0	2,229	105,293	6,610
Gain on Sale of Capital Assets	17,353	2,952	0	4,906	17,353	7,858
Other	86,980	69,431	94,894	88,894	181,874	158,325
Total General Revenues	4,261,645	3,794,724	94,894	96,029	4,356,539	3,890,753
Total Revenues	5,285,958	4,933,230	2,803,170	2,252,456	8,089,128	7,185,686
Program Expenses						
General Government	536,499	644,608	0	0	536,499	644,608
Security of Persons and Property	2,099,135	2,141,061	0	0	2,099,135	2,141,061
Transportation	1,050,790	777,193	0	0	1,050,790	777,193
Leisure Time Activities	178,163	99,825	0	0	178,163	99,825
Interest	30,820	42,531	0	0	30,820	42,531
Water	0	0	896,545	741,574	896,545	741,574
Sewer	0	0	1,042,114	887,879	1,042,114	887,879
Storm Sewer	0	0	124,547	87,219	124,547	87,219
Total Program Expenses	3,895,407	3,705,218	2,063,206	1,716,672	5,958,613	5,421,890
Increase in Net Position	1,390,551	1,228,012	739,964	535,784	2,130,515	1,763,796
Net Position Beginning of Year	13,886,842	12,658,830	10,643,401	10,107,617	24,530,243	22,766,447
Net Position End of Year	\$15,277,393	\$13,886,842	\$11,383,365	\$10,643,401	\$26,660,758	\$24,530,243

Governmental Activities

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

The City's income tax was established to be effective January 1, 1984 at a rate of 0.5 percent. The City's income tax rate gradually increased since then through a series of voter approved levies, with the most recent occurring in November 2019 when voters elected to increase the income tax rate to 2.0 percent effective January 1, 2020. Also, January 1, 2020, the City Council approved a 100 percent credit of the City's income tax rate for taxes paid to other political subdivisions in Ohio, up to 2.0 percent. The City's income tax revenue equaled \$3,119,754 in 2022, which was 6.2 percent higher than 2021 (\$2,937,575).

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The operations of the City's police and fire departments account for the largest expenses of the governmental activities. The City's police department is a full-time 24-hour a day, 365-days a year department, with a chief, secretary, and 9 patrolmen comprising the full-time employees and one part-time patrolmen. The fire department is staffed by part-time firefighters. The remaining amount that is needed to operate the police and fire departments is subsidized by the general fund and income tax revenue.

Business-Type Activities

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

The water utility services 2,259 customer accounts, which include customers within the City as well as customers outside of the City. The City owns and maintains the water treatment plant, which is located within the City, and the water lines of the distribution system, which are primarily located within the City, used to service the customers of the water utility.

Residential water customers within the City pay a water rate of \$2.59 per thousand gallons of usage plus a minimum fixed-rate charge of \$21.74 per month. Residential water customers outside the City pay a water rate of \$6.47 per thousand gallons of usage plus a minimum fixed-rate charge of \$21.74 per month. The City's utility billing ordinance stipulates that the per gallon water usage charge and minimum fixed-rate monthly charge are subject to inflationary increases based on the Consumer Price Index (CPI).

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

The sewer utility services 2,198 customer accounts. The City owns and maintains the sewer lines of the collection system, which are located primarily within the City, and the wastewater treatment plant, which is located in neighboring Lawrence Township.

Sewer customers with a water meter pay a sewer rate of \$3.14 per thousand gallons of usage plus a minimum fixed-rate charge of \$21.22 per month. Sewer customers without a water meter pay an unmetered flat sewer rate of \$35.37 per month. As of December 31, 2022, there were 54 sewer customer accounts paying the flat sewer rate. The City's utility billing ordinance stipulates that the per gallon sewer charge and minimum fixed-rate monthly charge are subject to inflationary increases based on CPI.

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

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

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As of December 31, 2022, the Joint User Cost System had 3,448 single family home equivalent connections, of which the combined total of all City sewer customers comprised 84.1 percent of the single family home equivalent connections and the remaining 15.9 percent were located in the Stark County Metropolitan Sewer District. In 2022, the City sewer utility received \$125,214 (on a cash basis) from the Stark County Metropolitan Sewer District for the operations of the Joint User Cost System.

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

The revenues and expenses for the three utilities are reported under the business-type activities in Table 2. The majority of revenues are derived from charges for services.

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. The City's general fund reflected a decrease in fund balance, which was due primarily to an increase in transfers out to other governmental funds in order to supplement various operations and capital projects within the City. The street maintenance fund had an increase in fund balance because less capital outlay expenditures were needed from this fund than the prior year. The police and fire/EMS funds had increases in fund balance due to transfers in increasing from the general fund to provide for 2022 operations. The capital projects reserve fund had an increase in fund balance due to an increase in transfers in during 2022 covering anticipated capital needs in the near future. The capital improvements fund had a decrease in fund balance due to a decrease in transfers in from the prior year being able to cover the current year capital improvements.

Information about the proprietary funds starts on page 28. These funds are accounted for on an accrual basis. The water and sewer funds had operating income due to charges being sufficient to cover the cost of operations. The storm sewer fund had an operating loss due to the storm sewer charges not being able to cover all costs of maintaining storm sewer infrastructure, with contractual services being the largest expense.

Budgeting Highlights

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

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

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

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

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

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land and construction in progress, are reported net of depreciation. Additions to capital assets included a new waterline, dump truck and police vehicle. Due to additions outpacing depreciation, capital assets increased over the prior fiscal year. For more information on capital assets, refer to Note 15 of the basic financial statements.

Debt Administration

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

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

During 2018, the City entered into a financed purchase from direct borrowing in order to purchase various department vehicles. The financed purchase was paid off during 2022.

During 2020, the City issued \$800,000 of Various Purpose Refunding Bonds to retire the remaining \$785,000 of the 2018 Various Purpose Improvement General Obligation Bonds.

The OPWC loans are comprised of eleven separate, zero percent interest loans. The purpose of these loans are for the construction and improvement of various water, sewer, and storm sewer projects. These loans will be repaid over a period of 30 years by user fees. The loans will be retired anywhere from 2023 to 2051.

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As of December 31, 2022, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$13,786,552 and the unvoted legal debt margin was \$6,710,916.

See Note 14 in the financial statements for more information regarding the City's debt.

Current Financial Issues

Over the past twenty years, income tax collections (on a cash basis) have increased from \$425,403 in 1993, to \$3,117,544 in 2022. This is largely attributed to a combination of annexing the Northwest Local School District in 2008 and various voter approved, tax increases, bringing the City's income tax rate to 2 percent in 2020. The Northwest Local School District was the City's largest employer in 2022. Based on the voter approved ballot language, one tenth of a percent of the City's income tax is dedicated to the Police Department. The remaining one and nine tenths of a percent is receipted into the general fund, from where it is distributed to various City departments and funds via transfers in the annual appropriation ordinances adopted by City Council. Transfers from the general fund to the various funds are used to support the operating expenses and capital improvements for all City departments except the water and sewer utilities. Because income taxes represent the primary source for funding the City's traditional government functions (Police, Fire, Administration, etc.), it is important that the City continue to promote economic development.

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

In addition to building reserve balances in the utility funds, the City has an emergency reserve with a total balance of approximately \$225,000 at the end of 2022. This reserve was originally established by City Council in 2010 to accumulate resources to help the City better withstand downturns in the local economy or the sudden loss of key revenues. Similarly, City Council created a capital projects reserve fund in 2015 to accumulate resources to help replace vehicles and equipment in the future. The capital projects reserve fund had a balance of \$439,108 at the end of 2022.

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

Contacting the City's Finance Department

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

Basic Financial Statements

City of Canal Fulton, Ohio
Statement of Net Position
December 31, 2022

	Governmental Activities *	Business-Type Activities	Total *
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,181,167	\$2,423,575	\$6,604,742
Materials and Supplies Inventory	30,888	1,791	32,679
Accounts Receivable	3,475	171,993	175,468
Intergovernmental Receivable	349,505	0	349,505
Income Taxes Receivable	658,898	0	658,898
Property Taxes Receivable	543,573	0	543,573
Net Pension Asset (See Note 16)	40,505	55,936	96,441
Net OPEB Asset (See Note 17)	93,548	129,180	222,728
Nondepreciable Capital Assets	4,456,084	560,969	5,017,053
Depreciable Capital Assets, Net	9,005,012	10,666,924	19,671,936
<i>Total Assets</i>	<u>19,362,655</u>	<u>14,010,368</u>	<u>33,373,023</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	1,604	6,450	8,054
Pension	540,864	200,514	737,101
OPEB	125,274	3,331	127,400
<i>Total Deferred Outflows of Resources</i>	<u>667,742</u>	<u>210,295</u>	<u>872,555</u>
Liabilities			
Accounts Payable	117,226	83,293	200,519
Accrued Wages	61,557	24,901	86,458
Contracts Payable	64,313	2,871	67,184
Intergovernmental Payable	30,329	10,754	41,083
Accrued Interest Payable	1,900	2,635	4,535
Vacation Benefits Payable	10,460	5,914	16,374
Unearned Revenue	170,262	0	170,262
Deposits Held Payable	39,435	14,858	54,293
Long-Term Liabilities:			
Due Within One Year	133,456	211,567	345,023
Due In More Than One Year:			
Net Pension Liability (See Note 16)	1,644,838	346,726	1,991,564
Net OPEB Liability (See Note 17)	244,532	0	244,532
Other Amounts	533,242	1,559,768	2,093,010
<i>Total Liabilities</i>	<u>3,051,550</u>	<u>2,263,287</u>	<u>5,314,837</u>
Deferred Inflows of Resources			
Property Taxes	529,903	0	529,903
Pension	961,793	440,541	1,398,057
OPEB	209,758	133,470	342,023
<i>Total Deferred Inflows of Resources</i>	<u>1,701,454</u>	<u>574,011</u>	<u>2,269,983</u>
Net Position			
Net Investment in Capital Assets	12,826,786	9,484,334	22,311,120
Restricted for:			
Debt Service	40,073	0	40,073
Capital Projects	758,864	0	758,864
Street Repair and Maintenance	584,204	0	584,204
Police Protection	528,895	0	528,895
St Helena II Canal Boat	38,679	0	38,679
Pension Plan	43,818	57,250	101,068
Other Purposes	3,591	0	3,591
Unclaimed Monies	8,085	0	8,085
Unrestricted	444,398	1,841,781	2,286,179
<i>Total Net Position</i>	<u>\$15,277,393</u>	<u>\$11,383,365</u>	<u>\$26,660,758</u>

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

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Activities
For the Year Ended December 31, 2022

	Program Revenues			
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Expenses				
Governmental Activities:				
General Government	\$536,499	\$53,514	\$38,772	\$13,000
Security of Persons and Property	2,099,135	180,458	220,096	0
Transportation	1,050,790	0	444,512	0
Leisure Time Activities	178,163	18,278	40	55,643
Interest	30,820	0	0	0
<i>Total Governmental Activities</i>	<u>3,895,407</u>	<u>252,250</u>	<u>703,420</u>	<u>68,643</u>
Business-Type Activities:				
Water	896,545	1,148,399	0	394,671
Sewer	1,042,114	1,103,534	0	0
Storm Sewer	124,547	61,672	0	0
<i>Total Business-Type Activities</i>	<u>2,063,206</u>	<u>2,313,605</u>	<u>0</u>	<u>394,671</u>
<i>Total</i>	<u><u>\$5,958,613</u></u>	<u><u>\$2,565,855</u></u>	<u><u>\$703,420</u></u>	<u><u>\$463,314</u></u>

General Revenues

Property Taxes Levied for:
 General Purposes
 Debt Service
 Capital Projects
Income Tax Levied for:
 General Purposes
 Other Purposes
Grants and Entitlements not
 Restricted to Specific Programs
Unrestricted Contributions
Investment Earnings/Interest
Gain on Sale of Capital Assets
Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$431,213)	\$0	(\$431,213)
(1,698,581)	0	(1,698,581)
(606,278)	0	(606,278)
(104,202)	0	(104,202)
<u>(30,820)</u>	<u>0</u>	<u>(30,820)</u>
<u>(2,871,094)</u>	<u>0</u>	<u>(2,871,094)</u>
0	646,525	646,525
0	61,420	61,420
0	<u>(62,875)</u>	<u>(62,875)</u>
<u>0</u>	<u>645,070</u>	<u>645,070</u>
<u>(2,871,094)</u>	<u>645,070</u>	<u>(2,226,024)</u>
315,289	0	315,289
112,275	0	112,275
97,414	0	97,414
2,980,313	0	2,980,313
139,441	0	139,441
405,126	0	405,126
2,161	0	2,161
105,293	0	105,293
17,353	0	17,353
<u>86,980</u>	<u>94,894</u>	<u>181,874</u>
<u>4,261,645</u>	<u>94,894</u>	<u>4,356,539</u>
1,390,551	739,964	2,130,515
<u>13,886,842</u>	<u>10,643,401</u>	<u>24,530,243</u>
<u>\$15,277,393</u>	<u>\$11,383,365</u>	<u>\$26,660,758</u>

City of Canal Fulton, Ohio

Balance Sheet

Governmental Funds

December 31, 2022

	<u>General</u>	<u>Street Maintenance</u>	<u>Police</u>	<u>Fire/ EMS</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,055,022	\$235,775	\$545,966	\$562,083
Materials and Supplies Inventory	0	30,888	0	0
Accounts Receivable	2,739	0	0	736
Intergovernmental Receivable	100,068	173,674	0	0
Income Taxes Receivable	626,058	0	32,840	0
Property Taxes Receivable	322,102	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	11,676	0	0	0
<i>Total Assets</i>	<u>\$2,117,665</u>	<u>\$440,337</u>	<u>\$578,806</u>	<u>\$562,819</u>
Liabilities				
Accounts Payable	\$20,674	\$12,565	\$12,672	\$10,736
Accrued Wages	11,182	4,513	27,650	18,212
Contracts Payable	958	957	18,753	0
Intergovernmental Payable	8,987	1,784	18,971	587
Unearned Revenue	0	0	0	0
Deposits Held Payable from Restricted Assets	0	0	0	0
<i>Total Liabilities</i>	<u>41,801</u>	<u>19,819</u>	<u>78,046</u>	<u>29,535</u>
Deferred Inflows of Resources				
Property Taxes	314,247	0	0	0
Unavailable Revenue	379,706	114,004	16,057	0
<i>Total Deferred Inflows of Resources</i>	<u>693,953</u>	<u>114,004</u>	<u>16,057</u>	<u>0</u>
Fund Balances				
Nonspendable	11,676	30,888	0	0
Restricted	0	275,626	484,703	0
Committed	0	0	0	533,284
Assigned	105,009	0	0	0
Unassigned	1,265,226	0	0	0
<i>Total Fund Balances</i>	<u>1,381,911</u>	<u>306,514</u>	<u>484,703</u>	<u>533,284</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,117,665</u>	<u>\$440,337</u>	<u>\$578,806</u>	<u>\$562,819</u>

See accompanying notes to the basic financial statements

<u>Capital Projects Reserve</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$439,108	\$199,919	\$1,092,183	\$4,130,056
0	0	0	30,888
0	0	0	3,475
0	15,000	60,763	349,505
0	0	0	658,898
0	0	221,471	543,573
0	0	39,435	51,111
<u>\$439,108</u>	<u>\$214,919</u>	<u>\$1,413,852</u>	<u>\$5,767,506</u>
\$0	\$52,254	\$8,325	\$117,226
0	0	0	61,557
0	43,645	0	64,313
0	0	0	30,329
0	0	170,262	170,262
0	0	39,435	39,435
0	95,899	218,022	483,122
0	0	215,656	529,903
0	0	48,703	558,470
0	0	264,359	1,088,373
0	0	0	42,564
0	119,020	898,729	1,778,078
439,108	0	32,742	1,005,134
0	0	0	105,009
0	0	0	1,265,226
<u>439,108</u>	<u>119,020</u>	<u>931,471</u>	<u>4,196,011</u>
<u>\$439,108</u>	<u>\$214,919</u>	<u>\$1,413,852</u>	<u>\$5,767,506</u>

City of Canal Fulton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2022*

Total Governmental Fund Balances	\$4,196,011
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,461,096
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	13,670
Income Taxes	322,167
Intergovernmental	222,633
Total	558,470
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(10,460)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	1,604
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(1,900)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(637,825)
Compensated Absences	(28,873)
Total	(666,698)
The net pension/OPEB assets/liabilities are not available, or due and payable, in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds:	
Net Pension Asset	40,505
Net OPEB Asset	93,548
Deferred Outflows - Pension	540,864
Deferred Outflows - OPEB	125,274
Net Pension Liability	(1,644,838)
Net OPEB Liability	(244,532)
Deferred Inflows - Pension	(961,793)
Deferred Inflows - OPEB	(209,758)
Total	(2,260,730)
 <i>Net Position of Governmental Activities</i>	 \$15,277,393

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Street Maintenance	Police	Fire/ EMS
Revenues				
Property Taxes	\$317,572	\$0	\$0	\$0
Income Taxes	2,990,588	0	140,036	0
Special Assessments	635	0	0	0
Charges for Services	14,406	0	0	178,366
Licenses and Permits	38,473	0	0	0
Fines and Forfeitures	0	0	227	0
Intergovernmental	373,774	357,195	114,486	100,294
Investment Earnings/Interest	99,705	3,683	0	0
Rent	5,465	0	0	0
Contributions and Donations	1,161	0	5,158	1,000
Other	18,526	33,378	22,450	1,386
<i>Total Revenues</i>	<u>3,860,305</u>	<u>394,256</u>	<u>282,357</u>	<u>281,046</u>
Expenditures				
Current:				
General Government	854,168	0	0	0
Security of Persons and Property	0	0	1,340,090	757,554
Transportation	403,463	401,041	0	0
Leisure Time Activities	123,898	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
<i>Total Expenditures</i>	<u>1,381,529</u>	<u>401,041</u>	<u>1,340,090</u>	<u>757,554</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,478,776</u>	<u>(6,785)</u>	<u>(1,057,733)</u>	<u>(476,508)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	14,950	6,342	0
Transfers In	0	0	1,085,000	490,000
Transfers Out	(2,501,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,501,000)</u>	<u>14,950</u>	<u>1,091,342</u>	<u>490,000</u>
<i>Net Change in Fund Balances</i>	(22,224)	8,165	33,609	13,492
<i>Fund Balances Beginning of Year</i>	<u>1,404,135</u>	<u>298,349</u>	<u>451,094</u>	<u>519,792</u>
<i>Fund Balances End of Year</i>	<u>\$1,381,911</u>	<u>\$306,514</u>	<u>\$484,703</u>	<u>\$533,284</u>

See accompanying notes to the basic financial statements

(continued)

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	Capital Projects Reserve	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$0	\$0	\$213,169	\$530,741
Income Taxes	0	0	0	3,130,624
Special Assessments	0	0	0	635
Charges for Services	0	0	12,813	205,585
Licenses and Permits	0	0	0	38,473
Fines and Forfeitures	0	0	1,865	2,092
Intergovernmental	0	41,320	160,478	1,147,547
Investment Earnings/Interest	0	0	1,905	105,293
Rent	0	0	0	5,465
Contributions and Donations	0	0	27,363	34,682
Other	0	1,800	9,440	86,980
<i>Total Revenues</i>	<u>0</u>	<u>43,120</u>	<u>427,033</u>	<u>5,288,117</u>
Expenditures				
Current:				
General Government	0	0	42,196	896,364
Security of Persons and Property	0	0	158	2,097,802
Transportation	0	0	106,442	910,946
Leisure Time Activities	0	0	6,987	130,885
Capital Outlay	65,175	590,304	36,127	691,606
Debt Service:				
Principal Retirement	0	0	244,801	244,801
Interest	0	0	32,097	32,097
<i>Total Expenditures</i>	<u>65,175</u>	<u>590,304</u>	<u>468,808</u>	<u>5,004,501</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(65,175)</u>	<u>(547,184)</u>	<u>(41,775)</u>	<u>283,616</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	21,292
Transfers In	315,000	380,000	231,000	2,501,000
Transfers Out	0	0	0	(2,501,000)
<i>Total Other Financing Sources (Uses)</i>	<u>315,000</u>	<u>380,000</u>	<u>231,000</u>	<u>21,292</u>
<i>Net Change in Fund Balances</i>	249,825	(167,184)	189,225	304,908
<i>Fund Balances Beginning of Year</i>	<u>189,283</u>	<u>286,204</u>	<u>742,246</u>	<u>3,891,103</u>
<i>Fund Balances End of Year</i>	<u>\$439,108</u>	<u>\$119,020</u>	<u>\$931,471</u>	<u>\$4,196,011</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022*

Net Change in Fund Balances - Total Governmental Funds \$304,908

*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlay as an expenditure;
however, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which
capital outlay exceeded depreciation in the current period:

Capital Asset Additions	1,360,364	
Current Year Depreciation	(786,344)	
Total	574,020	574,020

Governmental funds only report the disposal of capital assets to the
extent proceeds are received from the sale. In the statement of activities,
a gain or loss is reported for each disposal. (3,939)

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

Delinquent Property Taxes	(5,763)	
Income Taxes	(10,870)	
Grants	(2,879)	
Total	(19,512)	(19,512)

Repayment of long-term obligations is an expenditure in the
governmental funds, but the repayment reduces
long-term liabilities in the statement of net position. 244,801

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not
reported as expenditures in the governmental funds:

Accrued Interest	774	
Amortization of Deferred Charges	(134)	
Amortization of Premiums on Debt	637	
Total	1,277	1,277

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not
reported as expenditures in governmental funds:

Vacation Benefits Payable	(3,414)	
Compensated Absences	3,940	
Total	526	526

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

Pension	190,031	
OPEB	3,205	
Total	193,236	193,236

Except for amounts reported as deferred inflows/outflows, changes
in the net pension/OPEB assets/liabilities are reported as
pension/OPEB expense in the statement of activities:

Pension	23,538	
OPEB	71,696	
Total	95,234	95,234

Change in Net Position of Governmental Activities \$1,390,551

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$277,425	\$274,319	\$317,572	\$43,253
Income Taxes	2,629,434	2,600,000	2,962,165	362,165
Special Assessments	2,528	2,500	635	(1,865)
Charges for Services	253	250	14,706	14,456
Licenses and Permits	28,529	28,210	39,073	10,863
Intergovernmental	116,869	115,560	149,782	34,222
Investment Earnings/Interest	5,057	5,000	99,705	94,705
Rent	3,034	3,000	5,465	2,465
Contributions and Donations	51	50	1,161	1,111
Other	36,977	36,563	16,276	(20,287)
<i>Total Revenues</i>	<u>3,100,157</u>	<u>3,065,452</u>	<u>3,606,540</u>	<u>541,088</u>
Expenditures				
Current:				
General Government	891,751	996,750	944,274	52,476
Transportation	27,413	22,414	22,413	1
Leisure Time Activities	118,331	136,331	126,060	10,271
<i>Total Expenditures</i>	<u>1,037,495</u>	<u>1,155,495</u>	<u>1,092,747</u>	<u>62,748</u>
<i>Excess of Revenues Over Expenditures</i>	2,062,662	1,909,957	2,513,793	603,836
Other Financing Uses				
Transfers Out	<u>(2,085,000)</u>	<u>(2,501,000)</u>	<u>(2,501,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(22,338)	(591,043)	12,793	603,836
<i>Fund Balance Beginning of Year</i>	670,700	670,700	670,700	0
Prior Year Encumbrances Appropriated	<u>58,037</u>	<u>58,037</u>	<u>58,037</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$706,399</u></u>	<u><u>\$137,694</u></u>	<u><u>\$741,530</u></u>	<u><u>\$603,836</u></u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$379,000	\$379,000	\$363,921	(\$15,079)
Investment Earnings/Interest	500	500	3,683	3,183
Other	4,500	4,500	33,378	28,878
<i>Total Revenues</i>	384,000	384,000	400,982	16,982
Expenditures				
Current:				
Transportation	401,831	528,931	495,443	33,488
<i>Excess of Revenues Under Expenditures</i>	(17,831)	(144,931)	(94,461)	50,470
Other Financing Sources				
Sale of Capital Assets	0	0	14,950	14,950
<i>Net Change in Fund Balance</i>	(17,831)	(144,931)	(79,511)	65,420
<i>Fund Balance Beginning of Year</i>	159,655	159,655	159,655	0
Prior Year Encumbrances Appropriated	17,924	17,924	17,924	0
<i>Fund Balance End of Year</i>	<u>\$159,748</u>	<u>\$32,648</u>	<u>\$98,068</u>	<u>\$65,420</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Income Taxes	\$154,115	\$153,000	\$155,379	\$2,379
Fines and Forfeitures	252	250	227	(23)
Intergovernmental	122,134	121,250	114,486	(6,764)
Contributions and Donations	504	500	5,158	4,658
Other	12,087	12,000	6,367	(5,633)
<i>Total Revenues</i>	289,092	287,000	281,617	(5,383)
Expenditures				
Current:				
Security of Persons and Property	1,591,747	1,581,747	1,530,254	51,493
<i>Excess of Revenues Under Expenditures</i>	(1,302,655)	(1,294,747)	(1,248,637)	46,110
Other Financing Sources				
Sale of Capital Assets	0	0	6,342	6,342
Transfers In	1,092,908	1,085,000	1,085,000	0
<i>Total Other Financing Sources</i>	1,092,908	1,085,000	1,091,342	6,342
<i>Net Change in Fund Balance</i>	(209,747)	(209,747)	(157,295)	52,452
<i>Fund Balance Beginning of Year</i>	304,701	304,701	304,701	0
Prior Year Encumbrances Appropriated	210,090	210,090	210,090	0
<i>Fund Balance End of Year</i>	<u>\$305,044</u>	<u>\$305,044</u>	<u>\$357,496</u>	<u>\$52,452</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$161,754	\$165,000	\$195,870	\$30,870
Intergovernmental	22,923	23,383	122,717	99,334
Contributions and Donations	0	0	1,000	1,000
Other	1,961	2,000	3,421	1,421
<i>Total Revenues</i>	186,638	190,383	323,008	132,625
Expenditures				
Current:				
Security of Persons and Property	790,589	905,589	839,173	66,416
<i>Excess of Revenues Under Expenditures</i>	(603,951)	(715,206)	(516,165)	199,041
Other Financing Sources				
Transfers In	480,362	490,000	490,000	0
<i>Net Change in Fund Balance</i>	(123,589)	(225,206)	(26,165)	199,041
<i>Fund Balance Beginning of Year</i>	386,603	386,603	386,603	0
Prior Year Encumbrances Appropriated	126,779	126,779	126,779	0
<i>Fund Balance End of Year</i>	<u>\$389,793</u>	<u>\$288,176</u>	<u>\$487,217</u>	<u>\$199,041</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2022

	Water	Sewer	Storm Sewer	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,239,659	\$1,121,162	\$47,896	\$2,408,717
Materials and Supplies Inventory	294	1,497	0	1,791
Accounts Receivable	89,821	77,134	5,038	171,993
Restricted Cash and Cash Equivalents	7,726	6,686	446	14,858
<i>Total Current Assets</i>	<u>1,337,500</u>	<u>1,206,479</u>	<u>53,380</u>	<u>2,597,359</u>
<i>Noncurrent Assets:</i>				
Nondepreciable Capital Assets	394,255	166,714	0	560,969
Depreciable Capital Assets, Net	4,921,098	3,371,524	2,374,302	10,666,924
<i>Restricted Assets:</i>				
Net Pension Asset	27,968	27,968	0	55,936
Net OPEB Asset	64,590	64,590	0	129,180
<i>Total Noncurrent Assets</i>	<u>5,407,911</u>	<u>3,630,796</u>	<u>2,374,302</u>	<u>11,413,009</u>
<i>Total Assets</i>	<u>6,745,411</u>	<u>4,837,275</u>	<u>2,427,682</u>	<u>14,010,368</u>
Deferred Outflows of Resources				
Deferred Charge on Refunding	3,225	3,225	0	6,450
Deferred Outflows - Pension	100,256	100,258	0	200,514
Deferred Outflows - OPEB	1,666	1,665	0	3,331
<i>Total Deferred Outflows of Resources</i>	<u>105,147</u>	<u>105,148</u>	<u>0</u>	<u>210,295</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	12,240	30,253	40,800	83,293
Accrued Wages	12,450	12,451	0	24,901
Contracts Payable	957	957	957	2,871
Intergovernmental Payable	5,512	5,242	0	10,754
Accrued Interest Payable	2,335	300	0	2,635
Vacation Benefits Payable	2,957	2,957	0	5,914
Deposits Held Payable	7,726	6,686	446	14,858
General Obligation Bonds Payable	62,903	12,903	0	75,806
OPWC Loans Payable	100,688	12,417	6,886	119,991
Compensated Absences Payable	7,885	7,885	0	15,770
<i>Total Current Liabilities</i>	<u>215,653</u>	<u>92,051</u>	<u>49,089</u>	<u>356,793</u>
<i>Long-Term Liabilities:</i>				
Net Pension Liability	173,363	173,363	0	346,726
General Obligation Bonds Payable	253,151	147,640	0	400,791
OPWC Loans Payable	911,614	166,056	75,751	1,153,421
Compensated Absences Payable	2,778	2,778	0	5,556
<i>Total Long-Term Liabilities</i>	<u>1,340,906</u>	<u>489,837</u>	<u>75,751</u>	<u>1,906,494</u>
<i>Total Liabilities</i>	<u>1,556,559</u>	<u>581,888</u>	<u>124,840</u>	<u>2,263,287</u>
Deferred Inflows of Resources				
Deferred Inflows - Pension	220,269	220,272	0	440,541
Deferred Inflows - OPEB	66,735	66,735	0	133,470
<i>Total Deferred Inflows of Resources</i>	<u>287,004</u>	<u>287,007</u>	<u>0</u>	<u>574,011</u>
Net Position				
Net Investment in Capital Assets	3,990,222	3,202,447	2,291,665	9,484,334
Restricted for Pension Plan	28,626	28,624	0	57,250
Unrestricted	988,147	842,457	11,177	1,841,781
<i>Total Net Position</i>	<u>\$5,006,995</u>	<u>\$4,073,528</u>	<u>\$2,302,842</u>	<u>\$11,383,365</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022*

	Water	Sewer	Storm Sewer	Total
Operating Revenues				
Charges for Services	\$1,148,399	\$1,103,534	\$61,672	\$2,313,605
Other	46,480	45,751	2,663	94,894
<i>Total Operating Revenues</i>	<u>1,194,879</u>	<u>1,149,285</u>	<u>64,335</u>	<u>2,408,499</u>
Operating Expenses				
Personal Services	364,195	363,928	0	728,123
Contractual Services	223,464	360,476	68,465	652,405
Materials and Supplies	50,742	82,446	0	133,188
Depreciation	200,723	191,199	53,419	445,341
Other	46,153	39,940	2,663	88,756
<i>Total Operating Expenses</i>	<u>885,277</u>	<u>1,037,989</u>	<u>124,547</u>	<u>2,047,813</u>
<i>Operating Income (Loss)</i>	309,602	111,296	(60,212)	360,686
Non-Operating Expenses				
Interest	(11,268)	(4,125)	0	(15,393)
<i>Income (Loss) before Capital Contributions</i>	298,334	107,171	(60,212)	345,293
Capital Contributions	394,671	0	0	394,671
<i>Change in Net Position</i>	693,005	107,171	(60,212)	739,964
<i>Net Position Beginning of Year</i>	<u>4,313,990</u>	<u>3,966,357</u>	<u>2,363,054</u>	<u>10,643,401</u>
<i>Net Position End of Year</i>	<u><u>\$5,006,995</u></u>	<u><u>\$4,073,528</u></u>	<u><u>\$2,302,842</u></u>	<u><u>\$11,383,365</u></u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Water	Sewer	Storm Sewer	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,140,536	\$1,096,682	\$61,218	\$2,298,436
Other Cash Receipts	46,480	45,751	2,663	94,894
Cash Payments to Employees for Services	(488,498)	(488,500)	0	(976,998)
Cash Payments for Goods and Services	(265,310)	(428,385)	(27,728)	(721,423)
Other Cash Payments	(46,464)	(40,209)	(2,680)	(89,353)
<i>Net Cash Provided by Operating Activities</i>	<u>386,744</u>	<u>185,339</u>	<u>33,473</u>	<u>605,556</u>
Cash Flows from Capital and Related Financing Activities				
Capital Contributions	394,671	0	0	394,671
Principal Paid on Bonds	(57,655)	(12,655)	0	(70,310)
Interest Paid on Bonds	(11,868)	(3,880)	0	(15,748)
Principal Paid on OPWC Loans	(100,687)	(41,651)	(6,886)	(149,224)
Payments for Capital Acquisitions	(577,425)	(29,908)	(22,703)	(630,036)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(352,964)</u>	<u>(88,094)</u>	<u>(29,589)</u>	<u>(470,647)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	33,780	97,245	3,884	134,909
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,213,605</u>	<u>1,030,603</u>	<u>44,458</u>	<u>2,288,666</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,247,385</u></u>	<u><u>\$1,127,848</u></u>	<u><u>\$48,342</u></u>	<u><u>\$2,423,575</u></u>

(continued)

City of Canal Fulton, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2022

	Water	Sewer	Storm Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$309,602	\$111,296	(\$60,212)	\$360,686
Adjustments:				
Depreciation	200,723	191,199	53,419	445,341
(Increase) Decrease in Assets:				
Materials and Supplies Inventory	355	1,805	0	2,160
Accounts Receivable	(7,863)	(6,852)	(454)	(15,169)
Net Pension Asset	(3,192)	(3,192)	0	(6,384)
Net OPEB Asset	936	936	0	1,872
Decrease in Deferred Outflows of Resources:				
Pension	68,925	68,923	0	137,848
OPEB	26,342	26,343	0	52,685
Increase (Decrease) in Liabilities:				
Accounts Payable	8,604	12,795	40,800	62,199
Accrued Wages	359	360	0	719
Contracts Payable	(63)	(63)	(63)	(189)
Intergovernmental Payable	598	328	0	926
Deposit Accounts Payable	(311)	(269)	(17)	(597)
Vacation Benefits Payable	195	195	0	390
Compensated Absences Payable	1,128	1,128	0	2,256
Net Pension Liability	(9,962)	(9,962)	0	(19,924)
Decrease in Deferred Inflows of Resources:				
Pension	(125,403)	(125,402)	0	(250,805)
OPEB	(84,229)	(84,229)	0	(168,458)
<i>Net Cash Provided by Operating Activities</i>	<u>\$386,744</u>	<u>\$185,339</u>	<u>\$33,473</u>	<u>\$605,556</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City participates in the Local Organized Governments in Cooperation, which is defined as a joint venture, the Northwest Stark Senior Citizens Commission, which is defined as a related organization, as well as the Stark County Regional Planning Commission, the Stark Council of Governments, and the Stark County District Board of Health as jointly governed organizations. These organizations are presented in Notes 11, 12, and 13 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 investment/interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

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

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 or proprietary.

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

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

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

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

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

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Capital Improvements Fund The capital improvements fund accounts for and reports grant monies restricted for the purchase of capital assets.

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

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

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

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

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

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

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. For the proprietary funds, the statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Basis of Accounting

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for the deferred charges on refundings, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 16 and 17.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes income taxes, delinquent property taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 20. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 16 and 17).

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

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

Cash and Cash Equivalents

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

During 2022, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during 2022 amounted to \$99,705, which includes \$82,558 assigned from other City funds.

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

Inventory

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

legislation. Restricted assets in the general fund represent money set aside for unclaimed monies and general trust. Restricted assets in the fire demolition special revenue fund represent fire demolition deposits. Restricted assets in proprietary funds represent amounts held in trust by one of the pension plans for future benefits.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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

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

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

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

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of resources restricted to capital acquisitions and construction.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Per City policy, all vacation time must be used within one year of accrual, thus the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, 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. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, financed purchases from direct borrowings, and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balances

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

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

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

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by ordinance or by State Statute. State Statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The City Council assigned fund balance to cover a gap between 2023's estimated revenues and appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for the general trust. Restricted net position for the pension plan represents the corresponding restricted asset amount after considering the related deferred outflows and deferred inflows.

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Operating Revenues and Expenses

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

Internal Activity

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

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

Premiums

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

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

Deferred Charge on Refunding

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

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.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the corresponding governmental funds. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and individual object level within each department for all funds. Any budgetary modifications at this level may only be made by resolution of City Council. Authority to further allocate Council appropriations within departments has been given to the Finance Director.

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

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

Note 3 – Changes in Accounting Principles

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*. The City also implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and *Implementation Guide No. 2020-1*.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City did not have any contracts that met the GASB 87 definition of a lease.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the City's financial statements.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

GASB 97, among other items, requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB 87, GASB 91 and GASB 97 were incorporated in the City's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Budgetary Basis of Accounting

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

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

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

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

Net Change in Fund Balance				
General and Major Special Revenue Funds				
	General	Street Maintenance	Police	Fire/EMS
GAAP Basis	(\$22,224)	\$8,165	\$33,609	\$13,492
Net Adjustment for Revenue Accruals	(42,157)	6,726	(740)	41,962
Net Adjustment for Expenditure Accruals	141,617	43,305	(1,694)	(6,753)
Perspective Differences:				
Park Deposits	949	0	0	0
Budget Stabilization	23,067	0	0	0
Encumbrances	(88,459)	(137,707)	(188,470)	(74,866)
Budget Basis	<u>\$12,793</u>	<u>(\$79,511)</u>	<u>(\$157,295)</u>	<u>(\$26,165)</u>

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 5 – Deposits and Investments

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

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure repayment of all public monies deposited in the financial institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage and the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to 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.

Investments

As of December 31, 2022, the City had investments in STAR Ohio in the amount of \$6,516,791. The investments in STAR Ohio are valued at net asset value (NAV) per share and had an average maturity of 31.9 days as of December 31, 2022.

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

Note 6 – Receivables

Receivables at December 31, 2022, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, and accounts (billings for utility service). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2022, was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

	Assessed Value
Real Property	<u>\$139,054,570</u>
Public Utility Property	<u>2,458,150</u>
Total	<u><u>\$141,512,720</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Canal Fulton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2022, and for which there is an enforceable legal claim. In governmental funds, the entire receivable has been offset by deferred inflows of resources – property taxes since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes during the available period are not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies a municipal income tax of 2.0 percent on substantially all earned income arising from employment, residency, or business activities within the City. The City allows a credit of 100 percent for the income tax paid to another municipality to a maximum of half the total amount assessed.

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amount</u>
<i>Governmental Activities:</i>	
Gasoline Tax	\$166,834
Local Government	65,464
Permissive Motor Vehicle License Tax	39,266
Homestead and Rollback	29,697
Motor Vehicle License Tax	20,922
St Helena II Grant	15,000
State of Ohio Park Reimbursement	9,490
Recycling Grant	<u>2,832</u>
Total Governmental Activities	<u><u>\$349,505</u></u>

Note 7 – Contingencies

Litigation

The City is not party to legal proceedings as of December 31, 2022.

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2022.

Note 8 – Other Employee Benefits

Compensated Absences

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

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

Medical and Dental Insurance

The City provides medical, dental, and vision benefits to employees through the Stark County Educational Service Center. The City also provides \$25,000 of life insurance for employees through the Stark County Educational Service Center. The City's portion of monthly premiums for 2022 were \$2,073.82 for family and \$852.02 for single.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan and Buckeye Deferred Compensation Plan. These plans were created in accordance with Internal Revenue Code Section 456 and are considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Note 9 – 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 2022, the City contracted with The Ohio Municipal Joint Self Insurance Pool for various types of insurance.

The coverage and deductible are as follows:

Type of Coverage	Deductible	Coverage
General Liability	\$1,000	\$3,000,000
Employers Liability	0	1,000,000
Employee Benefits	1,000	1,000,000
Law Enforcement Officers Liability	5,000	3,000,000
Public Officials Liability	1,000	3,000,000
Automobile	0	3,000,000
Property	1,000	18,901,932
Electronic Equipment/Media Coverage	500	73,000
Public Employee Dishonesty	500	10,000
Boiler and Machinery	1,000	18,901,932
Emergency Medical Services Liability	1,000	3,000,000
Municipal Attorney and Law Director	1,000	1,000,000

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

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

Note 10 – Internal Activity

Interfund Transfers

Interfund transfers for the year ended December 31, 2022, consisted of the following:

Transfer to	Transfer From General
Police	\$1,085,000
Fire/EMS	490,000
Capital Projects Reserve	315,000
Capital Improvements	380,000
Other Governmental Funds	231,000
Total	\$2,501,000

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

The transfers from the general fund to the police and fire/EMS special revenue funds were to supplement the operations of those funds. The transfers from the general fund to the capital projects reserve and capital improvements capital projects funds were for capital projects within the City. The transfers from the general fund to the other governmental funds were for debt payments and capital projects within the City.

Internal Balances – Change in Proportionate Share

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

Balances related to the internal proportionate share for pension at December 31, 2022, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	\$90	\$7,694
Business-Type Activities:		
Water	3,847	45
Sewer	3,847	45
Total Business-Type Activities	7,694	90
Total	\$7,784	\$7,784

Balances related to the internal proportionate share for OPEB at December 31, 2022, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	\$0	\$1,205
Business-Type Activities:		
Water	603	0
Sewer	602	0
Total Business-Type Activities	1,205	0
Total	\$1,205	\$1,205

Note 11 – Joint Venture

The City participates in the Local Organized Governments in Cooperation (LOGIC), a statutorily created political subdivision of the State formed in 1986 to provide safety dispatching services. LOGIC is a joint venture among the City, Jackson Township, Lawrence Township, City of Massillon, and Hills and Dales Village, with each participant providing one representative to serve on the board. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of LOGIC, including budgeting, appropriating, contracting, and designating management. Continued existence of LOGIC is dependent on the City's continued participation; however, the City does not have an equity interest in the LOGIC. LOGIC does not provide specific financial benefits or impose specific financial burdens on the City. During 2022, the City made contributions of \$125,455, but does not have an equity interest in LOGIC. Financial statements of LOGIC may be obtained from Local Organized Governments in Cooperation, 2601 Cleveland Avenue, Canton, Ohio 44709.

Note 12 – Related Organization

Four of the nine members of the Northwest Stark Senior Citizens Commission (Senior Citizens Commission) are appointed by the Mayor of the City. Four of the nine members of the Senior Citizens Commission are elected by the members of the Northwest Stark Senior Center. These eight members of the Senior Citizens Commission elect the remaining member. The Senior Citizens Commission administers its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the Senior Citizens Commission nor is the Senior Citizens Commission financially dependent on the City. During 2022, the City paid \$807 to the Senior Citizens Commission. Financial information may be obtained by contacting the Senior Citizens Commission at 853 Locust Street, Canal Fulton, Ohio 44614.

Note 13 – Jointly Governed Organizations

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Planning Commission), which is a statutorily created political subdivision of the State. The Planning Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 64 member board, the City appoints one member. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Planning Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Planning Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Planning Commission's liabilities. In 2022, the City contributed a total of \$582 to the Planning Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, 201 3rd Street NE, Suite 201, Canton, Ohio 44702.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Stark Council of Governments

The City participates in the Stark Council of Governments (Council) which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships which direct the operations of the Stark County Metropolitan Narcotics Unit and the Stark County Crime Laboratory. Of the 27 members, the City has one appointed member. Each member's control over the operation of the Council is limited to its representation on the board. The board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City did not contribute any funds to the Council in 2022. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

Stark County District Board of Health

The City participates in the Stark County District Board of Health (Health District) which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Canal Fulton, the City of Louisville, and the City of North Canton. Of the 8 board members, the City has one appointed member. The board is made up of various professionals who are equally representative of the general health district. The board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$27,543 to the Health District in 2022. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

Note 14 – Long-Term Obligations

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<i>Governmental Activities:</i>			
General Obligation Bonds:			
Fire Station Bonds 1 - 2006	4.25-5%	\$750,000	December 1, 2025
Fire Station Bonds 2 - 2006	4.25-5	750,000	December 1, 2025
Various Purpose Refunding Bonds - 2020	2.24	402,984	December 1, 2033
<i>Business-Type Activities:</i>			
General Obligation Bonds:			
Northwest Waterline Bonds - 2005	3.0-4.5	730,000	March 15, 2025
Various Purpose Refunding Bonds - 2020	2.24	397,016	December 1, 2033
OPWC Loans from Direct Borrowings:			
Water Treatment Plant Loan - 2003	0	600,595	July 1, 2024
Milan Street Waterline Loan - 2006	0	331,649	January 1, 2026
Wooster/Milan Waterline Loan - 2016	0	533,411	January 1, 2037
Poplar/Steiner Waterline Loan - 2016	0	304,899	January 1, 2037
Locust Abandonment Waterline Loan - 2016	0	29,260	January 1, 2037
Cherry Street Waterline Loan - 2021	0	325,585	July 1, 2051
Denshire Sanitary Sewer Loan - 2003	0	417,195	July 1, 2022
Solids Handling Improvement Loan - 2003	0	376,100	January 1, 2023
High Street Sanitary Sewer Loan - 2009	0	116,357	January 1, 2041
WWTP Screening Improvements - 2014	0	170,750	July 1, 2035
Wooster Street Storm Sewer - 2014	0	137,727	January 1, 2035

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City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

	Amount Outstanding 12/31/2021	Additions	Deletions	Amount Outstanding 12/31/2022	Amounts Due in One Year
<u>Governmental Activities:</u>					
<u>General Obligation Bonds:</u>					
Fire Station Bonds 1	\$205,000	\$0	\$50,000	\$155,000	\$50,000
Premium on Fire Station Bonds 1	1,801	0	450	1,351	0
Fire Station Bonds 2	200,000	0	45,000	155,000	50,000
Premium on Fire Station Bonds 2	747	0	187	560	0
2020 Various Purpose Refunding Bonds	351,604	0	25,690	325,914	26,194
Total General Obligation Bonds	<u>759,152</u>	<u>0</u>	<u>121,327</u>	<u>637,825</u>	<u>126,194</u>
<u>Other Long-Term Obligations:</u>					
Financed Purchase from Direct Borrowing	124,111	0	124,111	0	0
Compensated Absences	32,813	8,837	12,777	28,873	7,262
Total Other Long-Term Obligations	<u>156,924</u>	<u>8,837</u>	<u>136,888</u>	<u>28,873</u>	<u>7,262</u>
<u>Net Pension Liability:</u>					
OPERS	436,530	0	185,452	251,078	0
OPF	1,608,151	0	214,391	1,393,760	0
Total Net Pension Liability	<u>2,044,681</u>	<u>0</u>	<u>399,843</u>	<u>1,644,838</u>	<u>0</u>
<u>Net OPEB Liability:</u>					
OPF	249,940	0	5,408	244,532	0
Total Governmental Activities	<u>3,210,697</u>	<u>8,837</u>	<u>663,466</u>	<u>2,556,068</u>	<u>133,456</u>
<u>Business-Type Activities</u>					
<u>General Obligation Bonds:</u>					
<u>Northwest Waterline Bonds:</u>					
Term Bonds - Water	200,000	0	45,000	155,000	50,000
Premium on Northwest Waterline Bonds	766	0	255	511	0
<u>Various Purpose Refunding Bonds 2020:</u>					
Serial Bonds - Water	173,198	0	12,655	160,543	12,903
Serial Bonds - Sewer	173,198	0	12,655	160,543	12,903
Total General Obligation Bonds	<u>547,162</u>	<u>0</u>	<u>70,565</u>	<u>476,597</u>	<u>75,806</u>
<u>OPWC Loans from Direct Borrowings:</u>					
Water - Treatment Plant	75,074	0	30,030	45,044	30,030
Water - Milan Street	66,329	0	16,582	49,747	16,582
Water - Wooster/Milan	400,059	0	26,670	373,389	26,671
Water - Poplar/Steiner	228,674	0	15,245	213,429	15,245
Water - Locust Abandonment	21,945	0	1,463	20,482	1,463
Water - Cherry Street	320,908	0	10,697	310,211	10,697
Sewer - Denshire Sanitary Sewer	10,429	0	10,429	0	0
Sewer - Solids Handling Improvement	18,805	0	18,805	0	0
Sewer - High Street Sanitary Sewer	75,633	0	3,879	71,754	3,879
Sewer - WWTP Screening Improvements	115,257	0	8,538	106,719	8,538
Storm Sewer - Wooster Street Storm Sewer	89,523	0	6,886	82,637	6,886
Total OPWC Loans	<u>1,422,636</u>	<u>0</u>	<u>149,224</u>	<u>1,273,412</u>	<u>119,991</u>
Compensated Absences	19,070	17,186	14,930	21,326	15,770
<u>Net Pension Liability - OPERS:</u>					
Water	277,797	0	104,434	173,363	0
Sewer	277,797	0	104,434	173,363	0
Total Net Pension Liability - OPERS	<u>555,594</u>	<u>0</u>	<u>208,868</u>	<u>346,726</u>	<u>0</u>
Total Business-Type Activities	<u>\$2,544,462</u>	<u>\$17,186</u>	<u>\$443,587</u>	<u>\$2,118,061</u>	<u>\$211,567</u>

City of Canal Fulton, Ohio
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The fire station bonds 1 and 2 and the governmental portion of the 2020 various purpose improvement bonds are paid from the general obligation debt retirement fund, while the financed purchases are paid from the general obligation debt retirement debt service fund and the fire equipment capital projects fund.

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

Redemption Provisions

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

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

On September 3, 2020, the City issued general obligation bonds, in the amount of \$800,000, to refund the 2018 various purpose improvement bonds in order to take advantage of lower interest rates. The bonds were issued with an interest rates of 2.24 percent. The bonds were issued for a 14 year period with a final maturity on December 1, 2033. The bonds will be retired through the downtown improvement debt service fund, water fund, and sewer fund. Net proceeds of \$795,066 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded bonds. As a result, \$785,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. As of December 31, 2022, \$646,999 of the defeased bonds remain outstanding.

The City has pledged future water revenues net of expenses to repay OPWC loans. These loans are payable solely from net revenues and are payable through 2051. Annual principal payments on these loans are expected to require less than 18 percent of net revenues and less than 8 percent of total revenues. The total principal remaining to be paid on the loans is \$1,012,302. Principal paid for the current year was \$100,687, total net revenues were \$581,554, and total operating revenues were \$1,266,108.

The City has pledged future sewer revenues net of expenses to repay OPWC loans. These loans are payable solely from net revenues and are payable through 2041. Annual principal payments on these loans are expected to require less than 14 percent of net revenues and less than 4 percent of total revenues. The total principal remaining to be paid on the loans is \$178,473. Principal paid for the current year was \$41,651, total net revenues were \$302,495, and total operating revenues were \$1,149,285.

The City has pledged future storm sewer revenues net of expenses to repay an OPWC loan. This loan is payable solely from net revenues and is payable though 2034. Annual principal and interest payments on the debt issues are expected to require less than 100 percent of net revenues in future years; however, in 2022, principal payments on the loan exceeded net revenues. The total principal remaining to be paid on the loan is \$82,637. Principal paid for the current year was \$6,886, total net revenues were (\$6,793) and total operating revenues were \$64,335.

The City's outstanding OPWC loans from direct borrowings related to business-type activities of \$1,273,412 contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection,

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and, as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

On March 9, 2018 the City financed \$588,209 to purchase a fire truck, a plow/dump truck, and an ambulance through Huntington Public Capital Corporation. The interest rate of this financed purchase from direct borrowings is 3.2 percent and the financed purchase from direct borrowings matured on December 1, 2022 and was from paid from the general obligation debt retirement fund and the fire equipment capital projects fund.

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

As of December 31, 2022, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$13,786,552 and the unvoted legal debt margin was \$6,710,916.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2022, are as follows:

Governmental Activities					
General Obligation Bonds					
Year	Principal		Interest		
2023	\$126,194		\$22,800		
2024	126,698		17,214		
2025	137,705		11,616		
2026	28,209		5,495		
2027	28,713		4,863		
2028-2032	155,149		14,296		
2033	33,246		745		
Total	\$635,914		\$77,029		

Business-Type Activities					
General Obligation Bonds					From Direct Borrowings
Year	Serial		Term		OPWC Loans Principal
	Principal	Interest	Principal	Interest	
2023	\$25,806	\$7,192	\$50,000	\$5,850	\$119,991
2024	26,798	6,614	50,000	3,600	104,975
2025	27,294	6,014	55,000	1,238	89,962
2026	27,792	5,404	0	0	73,379
2027	28,288	4,780	0	0	73,379
2028-2032	152,355	14,052	0	0	366,895
2033-2037	32,753	732	0	0	281,506
2038-2042	0	0	0	0	67,053
2043-2047	0	0	0	0	53,485
2048-2051	0	0	0	0	42,787
Total	\$321,086	\$44,788	\$155,000	\$10,688	\$1,273,412

City of Canal Fulton, Ohio
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Note 15 – Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Governmental Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$3,356,218	\$20,339	\$0	\$3,376,557
Construction in Progress	734,289	345,238	0	1,079,527
Total Capital Assets, not being depreciated	4,090,507	365,577	0	4,456,084
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	5,762,059	97,826	0	5,859,885
Equipment and Machinery	1,433,960	257,560	(15,000)	1,676,520
Vehicles	2,133,744	263,397	(83,434)	2,313,707
Infrastructure:				
Roads	7,028,108	376,004	0	7,404,112
Total Capital Assets, being depreciated	16,357,871	994,787	(98,434)	17,254,224
Less Accumulated Depreciation:				
Buildings and Improvements	(2,951,992)	(112,497)	0	(3,064,489)
Equipment and Machinery	(1,069,596)	(168,306)	15,000	(1,222,902)
Vehicles	(1,068,423)	(135,335)	79,495	(1,124,263)
Infrastructure:				
Roads	(2,467,352)	(370,206)	0	(2,837,558)
Total Accumulated Depreciation	(7,557,363)	(786,344) *	94,495	(8,249,212)
<i>Total Capital Assets being depreciated, Net</i>	8,800,508	208,443	(3,939)	9,005,012
Governmental Activities Capital Assets, Net	\$12,891,015	\$574,020	(\$3,939)	\$13,461,096

* Depreciation expense was charged to governmental activities as follows:

General Government	\$27,593
Security of Persons and Property	257,389
Transportation	474,158
Leisure Time Activities	27,204
Total Depreciation Expense	\$786,344

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For the Year Ended December 31, 2022

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Business-Type Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$350,014	\$0	\$0	\$350,014
Construction in Progress	210,955	0	0	210,955
Total Capital Assets, not being depreciated	560,969	0	0	560,969
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	5,649,451	12,530	0	5,661,981
Equipment and Machinery	380,276	41,256	0	421,532
Vehicles	232,065	0	0	232,065
Infrastructure:				
Water Lines	7,496,969	553,547	0	8,050,516
Sewer Lines	5,214,142	0	0	5,214,142
Storm Sewers	4,806,382	22,703	0	4,829,085
Total Capital Assets, being depreciated	23,779,285	630,036	0	24,409,321
Less Accumulated Depreciation:				
Buildings and Improvements	(3,436,580)	(154,146)	0	(3,590,726)
Equipment and Machinery	(228,643)	(34,259)	0	(262,902)
Vehicles	(171,574)	(12,888)	0	(184,462)
Infrastructure:				
Water Lines	(3,992,954)	(131,764)	0	(4,124,718)
Sewer Lines	(3,050,338)	(60,749)	0	(3,111,087)
Storm Sewers	(2,416,967)	(51,535)	0	(2,468,502)
Total Accumulated Depreciation	(13,297,056)	(445,341)	0	(13,742,397)
<i>Total Capital Assets being depreciated, Net</i>	10,482,229	184,695	0	10,666,924
Business-Type Activities Capital Assets, Net	\$11,043,198	\$184,695	\$0	\$11,227,893

Note 16 – Defined Benefit Pension Plans

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

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

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 17 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

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

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

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Effective January 1, 2022, the combined plan is no longer available for member selection.

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2022 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

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

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

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

For 2022, the City’s contractually required contribution was \$145,553 for the traditional plan, \$16,953 for the combined plan and no contributions for the member-directed plan. Of these amounts, \$15,883 is reported as an intergovernmental payable for the traditional plan, \$1,849 for the combined plan, and no contributions for the member-directed plan.

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

City full-time police 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.

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced 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 under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

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

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

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

	Police
2022 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
 2022 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50
Total Employer	19.50 %
Employee	12.25 %

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$121,777 for 2022. Of this amount, \$14,510 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.00687100%	0.02447700%	0.02230940%	
Prior Measurement Date	0.00670000%	0.03384600%	0.02359000%	
Change in Proportionate Share	<u>0.00017100%</u>	<u>-0.00936900%</u>	<u>-0.00128060%</u>	
Proportionate Share of the:				
Net Pension Liability	\$597,804	\$0	\$1,393,760	\$1,991,564
Net Pension Asset	\$0	(\$96,441)	\$0	(\$96,441)
Pension Expense	(\$90,628)	(\$1,805)	\$23,882	(\$68,551)

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At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$30,475	\$598	\$40,188	\$71,261
Changes of assumptions	74,755	4,846	254,719	\$334,320
Changes in proportion and differences between City contributions and proportionate share of contributions	29,134	17,238	865	47,237
City contributions subsequent to the measurement date	145,553	16,953	121,777	284,283
Total Deferred Outflows of Resources	\$279,917	\$39,635	\$417,549	\$737,101
Deferred Inflows of Resources				
Differences between expected and actual experience	\$13,112	\$10,787	\$72,457	\$96,356
Net difference between projected and actual earnings on pension plan investments	711,068	20,676	365,423	1,097,167
Changes in proportion and differences between City contributions and proportionate share of contributions	0	3,545	200,989	204,534
Total Deferred Inflows of Resources	\$724,180	\$35,008	\$638,869	\$1,398,057

\$284,283 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2023	(\$70,982)	(\$4,575)	(\$64,613)	(\$140,170)
2024	(238,517)	(6,998)	(157,448)	(402,963)
2025	(167,200)	(3,984)	(83,458)	(254,642)
2026	(113,117)	(2,484)	(55,540)	(171,141)
2027	0	1,267	17,962	19,229
Thereafter	0	4,448	0	4,448
Total	(\$589,816)	(\$12,326)	(\$343,097)	(\$945,239)

Actuarial Assumptions – OPERS

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

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Projections of 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, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented as follows:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented as follows:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 15 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

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For 2020, 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 the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, 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 15.3 percent for 2021.

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 geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00%</u>	4.21%

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Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$1,576,139	\$597,804	(\$216,229)
OPERS Combined Plan	(71,962)	(96,441)	(115,531)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented as follows.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

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In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized as follows:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2x

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

Discount Rate For 2021, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$2,066,930	\$1,393,760	\$833,180

Note 17 – Defined Benefit OPEB Plans

See Note 16 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage

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provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's had zero contractually required contributions during 2022.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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

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Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded. The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$3,205 for 2022. Of this amount, \$382 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.00711100%	0.02230940%	
Prior Measurement Date	<u>0.00723700%</u>	<u>0.02359000%</u>	
Change in Proportionate Share	<u>-0.00012600%</u>	<u>-0.00128060%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$0	\$244,532	\$244,532
Net OPEB Asset	(\$222,728)	\$0	(\$222,728)
OPEB Expense	(\$199,383)	\$13,786	(\$185,597)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$11,124	\$11,124
Changes of assumptions	0	108,237	108,237
Changes in proportion and differences between City contributions and proportionate share of contributions	3,798	1,036	4,834
City contributions subsequent to the measurement date	<u>0</u>	<u>3,205</u>	<u>3,205</u>
Total Deferred Outflows of Resources	<u>\$3,798</u>	<u>\$123,602</u>	<u>\$127,400</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$33,784	\$32,318	\$66,102
Changes of assumptions	90,158	28,401	118,559
Net difference between projected and actual earnings on OPEB plan investments	106,181	22,089	128,270
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>2,120</u>	<u>26,972</u>	<u>29,092</u>
Total Deferred Inflows of Resources	<u>\$232,243</u>	<u>\$109,780</u>	<u>\$342,023</u>

\$3,205 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending December 31:	OPERS	OP&F	Total
2023	(\$139,912)	\$3,852	(\$136,060)
2024	(50,085)	573	(49,512)
2025	(23,200)	2,313	(20,887)
2026	(15,248)	(401)	(15,649)
2027	0	2,625	2,625
Thereafter	0	1,655	1,655
Total	(\$228,445)	\$10,617	(\$217,828)

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. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.5 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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For 2020, 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, 2020.

During 2021, 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 contributions 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 14.3 percent for 2021.

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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	<u>100.00%</u>	3.45%

City of Canal Fulton, Ohio
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For the Year Ended December 31, 2022

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB (asset)	(\$130,985)	(\$222,728)	(\$298,875)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB (asset)	(\$225,134)	(\$222,728)	(\$219,872)

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
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Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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 as follows:

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

City of Canal Fulton, Ohio
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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.

OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 16.

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$307,380	\$244,532	\$192,868

Note 18 – Encumbrances

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Governmental Funds:		Proprietary Funds:	
General	\$88,459	Water	\$187,089
Street Maintenance	137,707	Sewer	91,443
Police	188,470	Storm Sewer	<u>2,357</u>
Fire/EMS	74,866		
Capital Improvements	13,875	Total	<u><u>\$280,889</u></u>
Other Governmental Funds	<u>675,037</u>		
 Total	 <u><u>\$1,178,414</u></u>		

Note 19 – Fund Balances

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

Fund Balances	General	Street Maintenance	Police	Fire/ EMS	Capital Projects Reserve	Capital Improvements	Other Governmental Funds	Total
<u>Nonspendable:</u>								
Materials and Supplies Inventory	\$0	\$30,888	\$0	\$0	\$0	\$0	\$0	\$30,888
General Trust	3,591	0	0	0	0	0	0	3,591
Unclaimed Monies	8,085	0	0	0	0	0	0	8,085
<i>Total Nonspendable</i>	<u>11,676</u>	<u>30,888</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>42,564</u>
<u>Restricted to:</u>								
Street Repair and Maintenance	0	275,626	0	0	0	0	137,426	413,052
Police Protection	0	0	484,703	0	0	0	52,126	536,829
St. Helena II	0	0	0	0	0	0	38,679	38,679
Debt Service	0	0	0	0	0	0	39,716	39,716
Capital Projects	0	0	0	0	0	119,020	630,782	749,802
<i>Total Restricted</i>	<u>0</u>	<u>275,626</u>	<u>484,703</u>	<u>0</u>	<u>0</u>	<u>119,020</u>	<u>898,729</u>	<u>1,778,078</u>
<u>Committed to:</u>								
Fire Protection	0	0	0	533,284	0	0	0	533,284
Capital Projects	0	0	0	0	439,108	0	32,742	471,850
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>533,284</u>	<u>439,108</u>	<u>0</u>	<u>32,742</u>	<u>1,005,134</u>
<u>Assigned to:</u>								
2023 Appropriations	47,995	0	0	0	0	0	0	47,995
Purchases on Order:								
General Government	54,813	0	0	0	0	0	0	54,813
Leisure Time Activities	2,201	0	0	0	0	0	0	2,201
<i>Total Assigned</i>	<u>105,009</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>105,009</u>
Unassigned	1,265,226	0	0	0	0	0	0	1,265,226
Total Fund Balances	<u><u>\$1,381,911</u></u>	<u><u>\$306,514</u></u>	<u><u>\$484,703</u></u>	<u><u>\$533,284</u></u>	<u><u>\$439,108</u></u>	<u><u>\$119,020</u></u>	<u><u>\$931,471</u></u>	<u><u>\$4,196,011</u></u>

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

In addition to the above fund balance constraints, the City has a general fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the City established a budget stabilization by resolution to provide options to respond to unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. City Council authorized the funding of this arrangement as resources become available in the general fund. The fund balance should not exceed 30 percent of the general fund average revenues. The balance in the reserve at December 31, 2022, was \$225,033.

Note 20 – Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City may be responsible to address any public safety issues associated with their lift stations, requiring the City to record an asset retirement obligation (ARO). There may be additional AROs related to public safety issues; however, these amounts are not reasonably estimable. Currently, there is significant uncertainty as to what items would need to be addressed; therefore, a reliable estimated amount could not be determined.

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.00687100%	0.00670000%	0.00652800%	0.00697900%
City's Proportionate Share of the Net Pension Liability	\$597,804	\$992,124	\$1,290,304	\$1,911,407
City's Covered Payroll	\$997,257	\$943,714	\$918,429	\$943,886
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.94%	105.13%	140.49%	202.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

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

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.00704100%	0.00723300%	0.00716800%	0.00733100%	0.00733100%
\$1,104,597	\$1,642,490	\$1,241,590	\$884,200	\$864,229
\$929,262	\$935,058	\$892,150	\$898,775	\$864,297
118.87%	175.66%	139.17%	98.38%	99.99%
84.66%	77.25%	81.08%	86.45%	86.36%

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

	2022	2021	2020	2019
City's Proportion of the Net Pension Asset	0.02447700%	0.03384600%	0.03246200%	0.03083000%
City's Proportionate Share of the Net Pension Asset	\$96,441	\$97,702	\$67,694	\$34,475
City's Covered Payroll	\$111,593	\$149,157	\$144,507	\$131,857
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	86.42%	65.50%	46.84%	26.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	169.88%	157.67%	145.28%	126.64%

(1) Although this schedule is intended to show information for ten years, information prior to 2018 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's

See accompanying notes to the required supplementary information.

2018
0.03035700%
\$41,325
\$124,331
33.24%
137.28%

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

	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability/Asset	0.00711100%	0.00723700%	0.00712100%	0.00755000%
City's Proportionate Share of the Net OPEB Asset	\$222,728	\$128,933	\$0	\$0
City's Proportionate Share of the Net OPEB Liability	\$0	\$0	\$983,595	\$984,341
City's Covered Payroll	\$1,108,850	\$1,094,546	\$1,075,886	\$1,075,743
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-20.09%	-11.78%	91.42%	91.50%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%

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

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

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>
0.00757000%	0.00766000%
\$0	\$0
\$822,045	\$773,685
\$1,053,593	\$1,046,375
78.02%	73.94%
54.14%	54.04%

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

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.02230940%	0.02359000%	0.02509850%	0.02501600%
City's Proportionate Share of the Net Pension Liability	\$1,393,760	\$1,608,151	\$1,690,769	\$2,041,966
City's Covered Payroll	\$631,995	\$645,026	\$612,437	\$670,011
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	220.53%	249.32%	276.07%	304.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%

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

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.02499900%	0.02550200%	0.02608600%	0.02718150%	0.02718150%
\$1,534,302	\$1,615,271	\$1,678,131	\$1,408,114	\$1,323,824
\$609,637	\$607,695	\$589,974	\$598,700	\$612,772
251.67%	265.80%	284.44%	235.20%	216.04%
70.91%	68.36%	66.77%	71.71%	73.00%

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

	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.02230940%	0.02359000%	0.02509850%	0.02501600%
City's Proportionate Share of the Net OPEB Liability	\$244,532	\$249,940	\$247,917	\$227,811
City's Covered Payroll	\$631,995	\$645,026	\$612,437	\$670,011
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.69%	38.75%	40.48%	34.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.90%	45.40%	47.08%	46.57%

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

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

See accompanying notes to the required supplementary information.

2018	2017
0.02499900%	0.02550200%
\$1,416,407	\$1,210,523
\$609,637	\$607,695
232.34%	199.20%
14.13%	15.96%

City of Canal Fulton, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$145,553	\$139,616	\$132,120	\$128,580
Contributions in Relation to the Contractually Required Contribution	<u>(145,553)</u>	<u>(139,616)</u>	<u>(132,120)</u>	<u>(128,580)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,039,664	\$997,257	\$943,714	\$918,429
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Liability/Asset - Combined Plan				
Contractually Required Contribution	\$16,953	\$15,623	\$20,882	\$20,231
Contributions in Relation to the Contractually Required Contribution	<u>(16,953)</u>	<u>(15,623)</u>	<u>(20,882)</u>	<u>(20,231)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$121,093	\$111,593	\$149,157	\$144,507
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability/Asset - OPEB Plan (2)				
Contractually Required Contribution	\$0	\$0	\$67	\$518
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>(67)</u>	<u>(518)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,430,757	\$1,108,850	\$1,094,546	\$1,075,886
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>0.05%</u>

(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

(2) Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
\$132,144	\$120,804	\$112,207	\$107,058	\$107,853	\$112,359
<u>(132,144)</u>	<u>(120,804)</u>	<u>(112,207)</u>	<u>(107,058)</u>	<u>(107,853)</u>	<u>(112,359)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$943,886	\$929,262	\$935,058	\$892,150	\$898,775	\$864,297
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$18,460	\$16,163	\$13,358	\$14,366	\$19,179	
<u>(18,460)</u>	<u>(16,163)</u>	<u>(13,358)</u>	<u>(14,366)</u>	<u>(19,179)</u>	
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
\$131,857	\$124,331	\$111,317	\$119,717	\$159,825	
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	
\$824	\$11,223	\$21,431	\$20,517	\$21,172	
<u>(824)</u>	<u>(11,223)</u>	<u>(21,431)</u>	<u>(20,517)</u>	<u>(21,172)</u>	
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
\$1,075,743	\$1,053,593	\$1,046,375	\$1,018,089	\$1,058,600	
<u>0.08%</u>	<u>1.07%</u>	<u>2.05%</u>	<u>2.02%</u>	<u>2.00%</u>	

City of Canal Fulton, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Pension Liability				
Contractually Required Contribution	\$121,777	\$120,079	\$122,555	\$116,363
Contributions in Relation to the Contractually Required Contribution	<u>(121,777)</u>	<u>(120,079)</u>	<u>(122,555)</u>	<u>(116,363)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$640,932	\$631,995	\$645,026	\$612,437
Pension Contributions as a Percentage of Covered Payroll	<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$3,205	\$3,160	\$3,225	\$3,062
Contributions in Relation to the Contractually Required Contribution	<u>(3,205)</u>	<u>(3,160)</u>	<u>(3,225)</u>	<u>(3,062)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
\$127,302	\$115,831	\$115,462	\$112,095	\$113,756	\$97,329
(127,302)	(115,831)	(115,462)	(112,095)	(113,756)	(97,329)
\$0	\$0	\$0	\$0	\$0	\$0
\$670,011	\$609,637	\$607,695	\$589,974	\$598,700	\$612,772
19.00%	19.00%	19.00%	19.00%	19.00%	15.88%
\$3,350	\$3,048	\$3,038	\$2,950	\$2,994	\$22,162
(3,350)	(3,048)	(3,038)	(2,950)	(2,994)	(22,162)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%
19.50%	19.50%	19.50%	19.50%	19.50%	19.50%

City of Canal Fulton, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2022

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

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

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 5.50 to 5.00 percent

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010,

City of Canal Fulton, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2022

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

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

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Changes in Assumptions – OP&F Pension

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

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

City of Canal Fulton, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2022

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

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

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

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

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

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

City of Canal Fulton, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2022

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:	
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

City of Canal Fulton, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2022

Changes in Benefit Terms – OPERS OPEB

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

Changes in Benefit Terms – OP&F OPEB

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

**Combining and Individual Fund Statements and
Schedules**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

Coronavirus Relief Fund – To account for and report restricted monies received for Coronavirus relief and expenses incurred due to the public health emergency with respect to the Coronavirus Disease of 2019.

American Rescue Plan Fund – To account for and report restricted monies received for Coronavirus relief and expenses incurred due to the public health emergency with respect to the Coronavirus Disease of 2019.

Fire Demolition Fund – To account for and report insurance settlement monies held by the City until such time that the properties have been suitably demolished. The fund did not have any budgetary activity in 2022; therefore, budgetary information is not provided.

Unclaimed Monies Fund – To account for and report nonspendable revenues received from various unclaimed funds. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. The fund did not have any budgetary activity in 2022; therefore, budgetary information is not provided.

General Trust Fund – To account for and report nonspendable revenues received as donations to various City departments. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. The fund did not have any budgetary activity in 2022; therefore, budgetary information is not provided.

Park Deposits Fund – To account for and report revenue from rental deposits which provides for the furnishings and upkeep of City parks. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Budget Stabilization Fund – To account for and provide options to respond to unexpected infrastructure failure or disaster situations. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

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

City of Canal Fulton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$388,943	\$39,716	\$663,524	\$1,092,183
Intergovernmental Receivable	53,348	1,240	6,175	60,763
Property Taxes Receivable	0	129,620	91,851	221,471
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	39,435	0	0	39,435
<i>Total Assets</i>	<u>\$481,726</u>	<u>\$170,576</u>	<u>\$761,550</u>	<u>\$1,413,852</u>
Liabilities				
Accounts Payable	\$8,325	\$0	\$0	\$8,325
Unearned Revenue	170,262	0	0	170,262
Deposits Held Payable from Restricted Assets	39,435	0	0	39,435
<i>Total Liabilities</i>	<u>218,022</u>	<u>0</u>	<u>0</u>	<u>218,022</u>
Deferred Inflows of Resources				
Property Taxes	0	126,692	88,964	215,656
Unavailable Revenue	35,473	4,168	9,062	48,703
<i>Total Deferred Inflows of Resources</i>	<u>35,473</u>	<u>130,860</u>	<u>98,026</u>	<u>264,359</u>
Fund Balances				
Restricted	228,231	39,716	630,782	898,729
Committed	0	0	32,742	32,742
<i>Total Fund Balances</i>	<u>228,231</u>	<u>39,716</u>	<u>663,524</u>	<u>931,471</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$481,726</u>	<u>\$170,576</u>	<u>\$761,550</u>	<u>\$1,413,852</u>

City of Canal Fulton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$114,326	\$98,843	\$213,169
Charges for Services	12,813	0	0	12,813
Fines and Forfeitures	1,865	0	0	1,865
Intergovernmental	143,948	14,461	2,069	160,478
Investment Earnings/Interest	1,905	0	0	1,905
Contributions and Donations	40	0	27,323	27,363
Other	45	0	9,395	9,440
<i>Total Revenues</i>	<u>160,616</u>	<u>128,787</u>	<u>137,630</u>	<u>427,033</u>
Expenditures				
Current:				
General Government	38,772	1,903	1,521	42,196
Security of Persons and Property	158	0	0	158
Transportation	106,442	0	0	106,442
Leisure Time Activities	6,987	0	0	6,987
Capital Outlay	0	0	36,127	36,127
Debt Service:				
Principal Retirement	0	150,477	94,324	244,801
Interest	0	29,095	3,002	32,097
<i>Total Expenditures</i>	<u>152,359</u>	<u>181,475</u>	<u>134,974</u>	<u>468,808</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	8,257	(52,688)	2,656	(41,775)
Other Financing Sources				
Transfers In	0	60,000	171,000	231,000
<i>Net Change in Fund Balances</i>	8,257	7,312	173,656	189,225
<i>Fund Balances Beginning of Year</i>	<u>219,974</u>	<u>32,404</u>	<u>489,868</u>	<u>742,246</u>
<i>Fund Balances End of Year</i>	<u>\$228,231</u>	<u>\$39,716</u>	<u>\$663,524</u>	<u>\$931,471</u>

City of Canal Fulton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	State Highway	Motor Vehicle License	Enforcement and Education	Law Enforcement Trust
Assets				
Equity in Pooled Cash and Cash Equivalents	\$49,859	\$77,517	\$18,171	\$33,955
Intergovernmental Receivable	14,082	39,266	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	0	0
<i>Total Assets</i>	<u>\$63,941</u>	<u>\$116,783</u>	<u>\$18,171</u>	<u>\$33,955</u>
Liabilities				
Accounts Payable	\$3,825	\$4,000	\$0	\$0
Unearned Revenue	0	0	0	0
Deposits Held Payable from Restricted Assets	0	0	0	0
<i>Total Liabilities</i>	3,825	4,000	0	0
Deferred Inflows of Resources				
Unavailable Revenue	9,244	26,229	0	0
Fund Balances				
Restricted	50,872	86,554	18,171	33,955
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$63,941</u>	<u>\$116,783</u>	<u>\$18,171</u>	<u>\$33,955</u>

Canal Boat	American Rescue Plan	Fire Demolition	Total Nonmajor Special Revenue Funds
\$39,179	\$170,262	\$0	\$388,943
0	0	0	53,348
0	0	39,435	39,435
<u>\$39,179</u>	<u>\$170,262</u>	<u>\$39,435</u>	<u>\$481,726</u>
\$500	\$0	\$0	\$8,325
0	170,262	0	170,262
0	0	39,435	39,435
500	170,262	39,435	218,022
0	0	0	35,473
38,679	0	0	228,231
<u>\$39,179</u>	<u>\$170,262</u>	<u>\$39,435</u>	<u>\$481,726</u>

City of Canal Fulton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	State Highway	Motor Vehicle License	Enforcement and Education	Law Enforcement Trust
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	354	1,511
Intergovernmental	28,961	76,057	0	0
Investment Earnings/Interest	789	1,116	0	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>29,750</u>	<u>77,173</u>	<u>354</u>	<u>1,511</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	24,278	82,164	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>24,278</u>	<u>82,164</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,472	(4,991)	354	1,511
<i>Fund Balances Beginning of Year</i>	<u>45,400</u>	<u>91,545</u>	<u>17,817</u>	<u>32,444</u>
<i>Fund Balances End of Year</i>	<u><u>\$50,872</u></u>	<u><u>\$86,554</u></u>	<u><u>\$18,171</u></u>	<u><u>\$33,955</u></u>

Canal Boat	Coronavirus Relief	American Rescue Plan	Total Nonmajor Special Revenue Funds
\$12,813	\$0	\$0	\$12,813
0	0	0	1,865
0	158	38,772	143,948
0	0	0	1,905
40	0	0	40
45	0	0	45
<u>12,898</u>	<u>158</u>	<u>38,772</u>	<u>160,616</u>
0	0	38,772	38,772
0	158	0	158
0	0	0	106,442
<u>6,987</u>	<u>0</u>	<u>0</u>	<u>6,987</u>
<u>6,987</u>	<u>158</u>	<u>38,772</u>	<u>152,359</u>
5,911	0	0	8,257
<u>32,768</u>	<u>0</u>	<u>0</u>	<u>219,974</u>
<u>\$38,679</u>	<u>\$0</u>	<u>\$0</u>	<u>\$228,231</u>

City of Canal Fulton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2022

	Parks and Recreation Capital Projects	Downtown Capital Improvement	Fire Equipment	Total Nonmajor Capital Projects Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$32,742	\$556,688	\$74,094	\$663,524
Intergovernmental Receivable	0	0	6,175	6,175
Property Taxes Receivable	0	0	91,851	91,851
<i>Total Assets</i>	<u>\$32,742</u>	<u>\$556,688</u>	<u>\$172,120</u>	<u>\$761,550</u>
Deferred Inflows of Resources				
Property Taxes	\$0	\$0	\$88,964	\$88,964
Unavailable Revenue	0	0	9,062	9,062
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>98,026</u>	<u>98,026</u>
Fund Balances				
Restricted	0	556,688	74,094	630,782
Committed	32,742	0	0	32,742
<i>Total Fund Balances</i>	<u>32,742</u>	<u>556,688</u>	<u>74,094</u>	<u>663,524</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$32,742</u>	<u>\$556,688</u>	<u>\$172,120</u>	<u>\$761,550</u>

City of Canal Fulton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022

	Parks and Recreation Capital Projects	Downtown Capital Improvement	Fire Equipment	Total Nonmajor Capital Projects Funds
Revenues				
Property Taxes	\$0	\$0	\$98,843	\$98,843
Intergovernmental	0	0	2,069	2,069
Contributions and Donations	27,323	0	0	27,323
Other	0	9,395	0	9,395
<i>Total Revenues</i>	<u>27,323</u>	<u>9,395</u>	<u>100,912</u>	<u>137,630</u>
Expenditures				
Current:				
General Government	0	0	1,521	1,521
Capital Outlay	0	36,127	0	36,127
Debt Service:				
Principal Retirement	0	0	94,324	94,324
Interest	0	0	3,002	3,002
<i>Total Expenditures</i>	<u>0</u>	<u>36,127</u>	<u>98,847</u>	<u>134,974</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	27,323	(26,732)	2,065	2,656
Other Financing Sources				
Transfers In	0	171,000	0	171,000
<i>Net Change in Fund Balances</i>	27,323	144,268	2,065	173,656
<i>Fund Balances Beginning of Year</i>	<u>5,419</u>	<u>412,420</u>	<u>72,029</u>	<u>489,868</u>
<i>Fund Balances End of Year</i>	<u>\$32,742</u>	<u>\$556,688</u>	<u>\$74,094</u>	<u>\$663,524</u>

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

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$277,425	\$274,319	\$317,572	\$43,253
Income Taxes	2,629,434	2,600,000	2,962,165	362,165
Special Assessments	2,528	2,500	635	(1,865)
Charges for Services	253	250	14,706	14,456
Licenses and Permits	28,529	28,210	39,073	10,863
Intergovernmental	116,869	115,560	149,782	34,222
Investment Earnings/Interest	5,057	5,000	99,705	94,705
Rent	3,034	3,000	5,465	2,465
Contributions and Donations	51	50	1,161	1,111
Other	36,977	36,563	16,276	(20,287)
<i>Total Revenues</i>	<u>3,100,157</u>	<u>3,065,452</u>	<u>3,606,540</u>	<u>541,088</u>
Expenditures				
Current:				
General Government				
City Council				
Personal Services	24,623	24,623	24,149	474
Contractual Services	500	500	89	411
Materials and Supplies	500	500	0	500
City Council Total	<u>25,623</u>	<u>25,623</u>	<u>24,238</u>	<u>1,385</u>
Mayor's Office				
Personal Services	146,142	161,141	155,839	5,302
Contractual Services	95,317	104,064	102,793	1,271
Materials and Supplies	13,535	17,701	16,317	1,384
Capital Outlay	6,600	3,687	3,513	174
Mayor's Office Total	<u>261,594</u>	<u>286,593</u>	<u>278,462</u>	<u>8,131</u>
Finance Department				
Personal Services	51,180	59,180	54,820	4,360
Contractual Services	41,181	42,534	40,807	1,727
Materials and Supplies	9,831	8,436	7,994	442
Capital Outlay	500	20,042	20,042	0
Finance Department Total	<u>102,692</u>	<u>130,192</u>	<u>123,663</u>	<u>6,529</u>
Legal Department				
Personal Services	45,880	5,880	4,244	1,636
Contractual Services	47,796	64,293	61,592	2,701
Materials and Supplies	500	1,003	694	309
Legal Department Total	<u>\$94,176</u>	<u>\$71,176</u>	<u>\$66,530</u>	<u>\$4,646</u>

(continued)

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Engineering Department				
Contractual Services	\$25,203	\$25,203	\$24,604	\$599
Materials and Supplies	8,000	3,000	3,000	0
Engineering Department Total	33,203	28,203	27,604	599
Land/Buildings				
Personal Services	76,303	71,302	62,036	9,266
Contractual Services	65,534	86,622	85,080	1,542
Materials and Supplies	5,333	10,483	10,385	98
Capital Outlay	5,000	4,563	4,563	0
Land/Buildings Total	152,170	172,970	162,064	10,906
Community Service				
Personal Services	8,864	4,065	4,033	32
Contractual Services	1,639	1,638	363	1,275
Materials and Supplies	2,500	0	0	0
Capital Outlay	500	0	0	0
Community Service Total	13,503	5,703	4,396	1,307
Income Tax				
Personal Services	88,694	88,693	82,987	5,706
Contractual Services	42,909	32,910	21,138	11,772
Materials and Supplies	6,170	6,170	5,866	304
Capital Outlay	500	78,000	77,326	674
Other	70,517	70,517	70,000	517
Income Tax Total	208,790	276,290	257,317	18,973
General Government Total	891,751	996,750	944,274	52,476
Transportation				
Street Lighting				
Contractual Services	27,413	22,414	22,413	1
Leisure Time Activities				
Parks and Recreation				
Personal Services	75,184	93,184	85,279	7,905
Contractual Services	36,497	35,117	32,865	2,252
Materials and Supplies	6,150	7,905	7,791	114
Capital Outlay	500	0	0	0
Other	0	125	125	0
Leisure Time Activities Total	118,331	136,331	126,060	10,271
<i>Total Expenditures</i>	\$1,037,495	\$1,155,495	\$1,092,747	\$62,748

(continued)

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Over Expenditures</i>	\$2,062,662	\$1,909,957	\$2,513,793	\$603,836
Other Financing Uses				
Transfers Out	<u>(2,085,000)</u>	<u>(2,501,000)</u>	<u>(2,501,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(22,338)	(591,043)	12,793	603,836
<i>Fund Balance Beginning of Year</i>	670,700	670,700	670,700	0
Prior Year Encumbrances Appropriated	<u>58,037</u>	<u>58,037</u>	<u>58,037</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$706,399</u>	<u>\$137,694</u>	<u>\$741,530</u>	<u>\$603,836</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$379,000	\$379,000	\$363,921	(\$15,079)
Investment Earnings/Interest	500	500	3,683	3,183
Other	4,500	4,500	33,378	28,878
<i>Total Revenues</i>	<u>384,000</u>	<u>384,000</u>	<u>400,982</u>	<u>16,982</u>
Expenditures				
Current:				
Transportation				
Personal Services	236,989	221,990	193,711	28,279
Contractual Services	76,930	114,329	111,037	3,292
Materials and Supplies	45,758	150,358	149,361	997
Capital Outlay	41,954	42,254	41,334	920
Other	200	0	0	0
<i>Total Expenditures</i>	<u>401,831</u>	<u>528,931</u>	<u>495,443</u>	<u>33,488</u>
<i>Excess of Revenues Under Expenditures</i>	(17,831)	(144,931)	(94,461)	50,470
Other Financing Sources				
Sale of Capital Assets	0	0	14,950	14,950
<i>Net Change in Fund Balance</i>	(17,831)	(144,931)	(79,511)	65,420
<i>Fund Balance Beginning of Year</i>	159,655	159,655	159,655	0
Prior Year Encumbrances Appropriated	17,924	17,924	17,924	0
<i>Fund Balance End of Year</i>	<u>\$159,748</u>	<u>\$32,648</u>	<u>\$98,068</u>	<u>\$65,420</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Income Taxes	\$154,115	\$153,000	\$155,379	\$2,379
Fines and Forfeitures	252	250	227	(23)
Intergovernmental	122,134	121,250	114,486	(6,764)
Contributions and Donations	504	500	5,158	4,658
Other	12,087	12,000	6,367	(5,633)
<i>Total Revenues</i>	<u>289,092</u>	<u>287,000</u>	<u>281,617</u>	<u>(5,383)</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	1,264,536	1,244,537	1,197,467	47,070
Contractual Services	197,736	201,678	197,938	3,740
Materials and Supplies	37,830	50,131	49,490	641
Capital Outlay	91,645	85,401	85,359	42
<i>Total Expenditures</i>	<u>1,591,747</u>	<u>1,581,747</u>	<u>1,530,254</u>	<u>51,493</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,302,655)</u>	<u>(1,294,747)</u>	<u>(1,248,637)</u>	<u>46,110</u>
Other Financing Sources				
Sale of Capital Assets	0	0	6,342	6,342
Transfers In	1,092,908	1,085,000	1,085,000	0
<i>Total Other Financing Sources</i>	<u>1,092,908</u>	<u>1,085,000</u>	<u>1,091,342</u>	<u>6,342</u>
<i>Net Change in Fund Balance</i>	(209,747)	(209,747)	(157,295)	52,452
<i>Fund Balance Beginning of Year</i>	304,701	304,701	304,701	0
Prior Year Encumbrances Appropriated	210,090	210,090	210,090	0
<i>Fund Balance End of Year</i>	<u>\$305,044</u>	<u>\$305,044</u>	<u>\$357,496</u>	<u>\$52,452</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$161,754	\$165,000	\$195,870	\$30,870
Intergovernmental	22,923	23,383	122,717	99,334
Contributions and Donations	0	0	1,000	1,000
Other	1,961	2,000	3,421	1,421
<i>Total Revenues</i>	<u>186,638</u>	<u>190,383</u>	<u>323,008</u>	<u>132,625</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	477,463	502,462	447,756	54,706
Contractual Services	191,049	239,284	230,594	8,690
Materials and Supplies	107,435	148,401	145,705	2,696
Capital Outlay	13,642	15,242	14,961	281
Other	1,000	200	157	43
<i>Total Expenditures</i>	<u>790,589</u>	<u>905,589</u>	<u>839,173</u>	<u>66,416</u>
<i>Excess of Revenues Under Expenditures</i>	(603,951)	(715,206)	(516,165)	199,041
Other Financing Sources				
Transfers In	480,362	490,000	490,000	0
<i>Net Change in Fund Balance</i>	(123,589)	(225,206)	(26,165)	199,041
<i>Fund Balance Beginning of Year</i>	386,603	386,603	386,603	0
Prior Year Encumbrances Appropriated	126,779	126,779	126,779	0
<i>Fund Balance End of Year</i>	<u>\$389,793</u>	<u>\$288,176</u>	<u>\$487,217</u>	<u>\$199,041</u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Capital Projects Reserve Fund
 For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government				
Capital Outlay	65,175	65,175	65,175	0
<i>Excess of Revenues Under Expenditures</i>	(65,175)	(65,175)	(65,175)	0
Other Financing Sources				
Transfers In	0	0	315,000	315,000
<i>Net Change in Fund Balance</i>	(65,175)	(65,175)	249,825	315,000
<i>Fund Balance Beginning of Year</i>	124,108	124,108	124,108	0
Prior Year Encumbrances Appropriated	65,175	65,175	65,175	0
<i>Fund Balance End of Year</i>	<u>\$124,108</u>	<u>\$124,108</u>	<u>\$439,108</u>	<u>\$315,000</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$0	\$0	\$26,320	\$26,320
Other	0	0	1,800	1,800
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>28,120</u>	<u>28,120</u>
Expenditures				
Current:				
General Government				
Capital Outlay	134,350	161,670	159,805	1,865
Security of Persons and Property				
Capital Outlay	107,163	107,163	106,551	612
Transportation				
Capital Outlay	243,647	243,647	242,907	740
<i>Total Expenditures</i>	<u>485,160</u>	<u>512,480</u>	<u>509,263</u>	<u>3,217</u>
<i>Excess of Revenues Under Expenditures</i>	(485,160)	(512,480)	(481,143)	31,337
Other Financing Sources				
Transfers In	380,000	380,000	380,000	0
<i>Net Change in Fund Balance</i>	(105,160)	(132,480)	(101,143)	31,337
<i>Fund Balance Beginning of Year</i>	182,027	182,027	182,027	0
Prior Year Encumbrances Appropriated	105,160	105,160	105,160	0
<i>Fund Balance End of Year</i>	<u>\$182,027</u>	<u>\$154,707</u>	<u>\$186,044</u>	<u>\$31,337</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$991,730	\$1,057,000	\$1,140,536	\$83,536
Intergovernmental	0	0	71,229	71,229
Other	71,870	76,600	46,480	(30,120)
<i>Total Revenues</i>	<u>1,063,600</u>	<u>1,133,600</u>	<u>1,258,245</u>	<u>124,645</u>
Expenses				
Personal Services	343,827	350,984	350,984	0
Fringe Benefits	211,733	189,576	162,454	27,122
Contractual Services	241,226	251,763	248,601	3,162
Materials and Supplies	46,998	51,844	50,168	1,676
Capital Outlay	68,634	382,751	382,673	78
Other	500	0	46,464	(46,464)
Debt Service:				
Principal Retirement	156,998	158,398	158,342	56
Interest	11,868	11,868	11,868	0
<i>Total Expenses</i>	<u>1,081,784</u>	<u>1,397,184</u>	<u>1,411,554</u>	<u>(14,370)</u>
<i>Net Change in Fund Equity</i>	(18,184)	(263,584)	(153,309)	110,275
<i>Fund Equity Beginning of Year</i>	1,060,454	1,060,454	1,060,454	0
Prior Year Encumbrances Appropriated	<u>153,151</u>	<u>153,151</u>	<u>153,151</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$1,195,421</u>	<u>\$950,021</u>	<u>\$1,060,296</u>	<u>\$110,275</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,019,000	\$1,019,000	\$1,096,682	\$77,682
Other	4,250	4,250	45,751	41,501
<i>Total Revenues</i>	<u>1,023,250</u>	<u>1,023,250</u>	<u>1,142,433</u>	<u>119,183</u>
Expenses				
Personal Services	343,827	343,826	326,065	17,761
Fringe Benefits	209,045	194,544	187,376	7,168
Contractual Services	414,605	401,123	388,812	12,311
Materials and Supplies	55,081	78,771	77,017	1,754
Capital Outlay	39,672	58,966	58,966	0
Other	1,000	0	40,209	(40,209)
Debt Service:				
Principal Retirement	64,736	64,736	54,306	10,430
Interest	3,880	3,880	3,880	0
<i>Total Expenses</i>	<u>1,131,846</u>	<u>1,145,846</u>	<u>1,136,631</u>	<u>9,215</u>
<i>Net Change in Fund Equity</i>	(108,596)	(122,596)	5,802	128,398
<i>Fund Equity Beginning of Year</i>	883,310	883,310	883,310	0
Prior Year Encumbrances Appropriated	<u>147,293</u>	<u>147,293</u>	<u>147,293</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$922,007</u>	<u>\$908,007</u>	<u>\$1,036,405</u>	<u>\$128,398</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Storm Sewer Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$60,000	\$60,000	\$61,218	\$1,218
Other	150	150	2,663	2,513
<i>Total Revenues</i>	<u>60,150</u>	<u>60,150</u>	<u>63,881</u>	<u>3,731</u>
Expenses				
Contractual Services	31,900	31,900	30,085	1,815
Capital Outlay	22,703	22,703	22,703	0
Other	0	0	2,680	(2,680)
Debt Service:				
Principal Retirement	6,886	6,886	6,886	0
<i>Total Expenses</i>	<u>61,489</u>	<u>61,489</u>	<u>62,354</u>	<u>(865)</u>
<i>Net Change in Fund Equity</i>	(1,339)	(1,339)	1,527	2,866
<i>Fund Equity Beginning of Year</i>	39,855	39,855	39,855	0
Prior Year Encumbrances Appropriated	4,603	4,603	4,603	0
<i>Fund Equity End of Year</i>	<u>\$43,119</u>	<u>\$43,119</u>	<u>\$45,985</u>	<u>\$2,866</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$30,000	\$30,000	\$29,507	(\$493)
Investment Earnings/Interest	0	0	789	789
<i>Total Revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>30,296</u>	<u>296</u>
Expenditures				
Current:				
Transportation				
Contractual Services	28,284	28,284	28,161	123
Materials and Supplies	1,500	1,500	969	531
<i>Total Expenditures</i>	<u>29,784</u>	<u>29,784</u>	<u>29,130</u>	<u>654</u>
<i>Net Change in Fund Balance</i>	216	216	1,166	950
<i>Fund Balance Beginning of Year</i>	37,322	37,322	37,322	0
Prior Year Encumbrances Appropriated	4,084	4,084	4,084	0
<i>Fund Balance End of Year</i>	<u>\$41,622</u>	<u>\$41,622</u>	<u>\$42,572</u>	<u>\$950</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$81,950	\$81,950	\$76,169	(\$5,781)
Investment Earnings/Interest	50	50	1,116	1,066
<i>Total Revenues</i>	<u>82,000</u>	<u>82,000</u>	<u>77,285</u>	<u>(4,715)</u>
Expenditures				
Current:				
Transportation				
Contractual Services	16,695	20,554	19,226	1,328
Materials and Supplies	71,027	129,247	128,279	968
<i>Total Expenditures</i>	<u>87,722</u>	<u>149,801</u>	<u>147,505</u>	<u>2,296</u>
<i>Net Change in Fund Balance</i>	(5,722)	(67,801)	(70,220)	(2,419)
<i>Fund Balance Beginning of Year</i>	71,024	71,024	71,024	0
Prior Year Encumbrances Appropriated	<u>8,722</u>	<u>8,722</u>	<u>8,722</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$74,024</u></u>	<u><u>\$11,945</u></u>	<u><u>\$9,526</u></u>	<u><u>(\$2,419)</u></u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Enforcement and Education Fund
 For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and Forfeitures	\$400	\$400	\$354	(\$46)
Expenditures				
Current:				
Security of Persons and Property Materials and Supplies	400	400	0	400
<i>Net Change in Fund Balance</i>	0	0	354	354
<i>Fund Balance Beginning of Year</i>	17,817	17,817	17,817	0
<i>Fund Balance End of Year</i>	\$17,817	\$17,817	\$18,171	\$354

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,000	\$1,000	\$1,511	\$511
Expenditures				
Current:				
Security of Persons and Property				
Capital Outlay	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	0	0	1,511	1,511
<i>Fund Balance Beginning of Year</i>	32,444	32,444	32,444	0
<i>Fund Balance End of Year</i>	<u>\$32,444</u>	<u>\$32,444</u>	<u>\$33,955</u>	<u>\$1,511</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Canal Boat Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$7,500	\$7,500	\$12,813	\$5,313
Contributions and Donations	1,500	1,500	40	(1,460)
Other	0	0	45	45
<i>Total Revenues</i>	<u>9,000</u>	<u>9,000</u>	<u>12,898</u>	<u>3,898</u>
Expenditures				
Current:				
Leisure Time Activities				
Personal Services	1,906	1,906	0	1,906
Contractual Services	2,000	500	354	146
Materials and Supplies	10,746	12,247	6,133	6,114
Capital Outlay	500	500	0	500
Other	250	250	0	250
<i>Total Expenditures</i>	<u>15,402</u>	<u>15,403</u>	<u>6,487</u>	<u>8,916</u>
<i>Net Change in Fund Balance</i>	(6,402)	(6,403)	6,411	12,814
<i>Fund Balance Beginning of Year</i>	25,366	25,366	25,366	0
Prior Year Encumbrances Appropriated	<u>7,402</u>	<u>7,402</u>	<u>7,402</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,366</u></u>	<u><u>\$26,365</u></u>	<u><u>\$39,179</u></u>	<u><u>\$12,814</u></u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Coronavirus Relief Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property				
Materials and Supplies	158	158	158	0
<i>Net Change in Fund Balance</i>	(158)	(158)	(158)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	158	158	158	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
American Rescue Plan Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$283,247	\$283,247	\$285,508	\$2,261
Expenditures				
Current:				
General Government				
Capital Outlay	<u>531,494</u>	<u>531,494</u>	<u>531,493</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	(248,247)	(248,247)	(245,985)	2,262
<i>Fund Balance Beginning of Year</i>	<u>248,247</u>	<u>248,247</u>	<u>248,247</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,262</u></u>	<u><u>\$2,262</u></u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Deposits Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other	\$0	\$0	\$450	\$450
Expenditures				
Current:				
Leisure Time Activities				
Other	0	0	1,399	(1,399)
<i>Net Change in Fund Balance</i>	0	0	(949)	(949)
<i>Fund Balance Beginning of Year</i>	949	949	949	0
<i>Fund Balance End of Year</i>	\$949	\$949	\$0	(\$949)

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Budget Stabilization Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$250,000	\$250,000	\$209,358	(\$40,642)
Other	0	0	1,800	1,800
<i>Total Revenues</i>	250,000	250,000	211,158	(38,842)
Expenditures				
Current:				
Transportation				
Other	222,000	242,000	237,984	4,016
<i>Net Change in Fund Balance</i>	28,000	8,000	(26,826)	(34,826)
<i>Fund Balance Beginning of Year</i>	248,100	248,100	248,100	0
<i>Fund Balance End of Year</i>	<u>\$276,100</u>	<u>\$256,100</u>	<u>\$221,274</u>	<u>(\$34,826)</u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Debt Retirement Fund
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$109,389	\$109,389	\$114,326	\$4,937
Intergovernmental	14,917	14,917	14,461	(456)
<i>Total Revenues</i>	<u>124,306</u>	<u>124,306</u>	<u>128,787</u>	<u>4,481</u>
Expenditures				
Current:				
General Government				
Contractual Services	3,500	3,500	1,903	1,597
Debt Service:				
Principal Retirement	150,477	150,477	150,477	0
Interest	29,095	29,095	29,095	0
<i>Total Debt Service</i>	<u>179,572</u>	<u>179,572</u>	<u>179,572</u>	<u>0</u>
<i>Total Expenditures</i>	<u>183,072</u>	<u>183,072</u>	<u>181,475</u>	<u>1,597</u>
<i>Excess of Revenues Under Expenditures</i>	(58,766)	(58,766)	(52,688)	6,078
Other Financing Sources				
Transfers In	60,000	60,000	60,000	0
<i>Net Change in Fund Balance</i>	1,234	1,234	7,312	6,078
<i>Fund Balance Beginning of Year</i>	<u>32,404</u>	<u>32,404</u>	<u>32,404</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,638</u></u>	<u><u>\$33,638</u></u>	<u><u>\$39,716</u></u>	<u><u>\$6,078</u></u>

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Parks and Recreation Capital Projects Fund
 For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Contributions and Donations	\$0	\$0	\$27,323	\$27,323
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	27,323	27,323
<i>Fund Balance Beginning of Year</i>	5,419	5,419	5,419	0
<i>Fund Balance End of Year</i>	\$5,419	\$5,419	\$32,742	\$27,323

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Downtown Capital Improvement Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other	\$0	\$0	\$9,395	\$9,395
Expenditures				
Capital Outlay	100,781	464,781	464,127	654
<i>Excess of Revenues Under Expenditures</i>	(100,781)	(464,781)	(454,732)	10,049
Other Financing Sources				
Transfers In	50,000	71,000	171,000	100,000
<i>Net Change in Fund Balance</i>	(50,781)	(393,781)	(283,732)	110,049
<i>Fund Balance Beginning of Year</i>	411,639	411,639	411,639	0
Prior Year Encumbrances Appropriated	781	781	781	0
<i>Fund Balance End of Year</i>	<u>\$361,639</u>	<u>\$18,639</u>	<u>\$128,688</u>	<u>\$110,049</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Equipment Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$198,860	\$101,490	\$98,843	(\$2,647)
Intergovernmental	3,919	2,000	2,069	69
<i>Total Revenues</i>	<u>202,779</u>	<u>103,490</u>	<u>100,912</u>	<u>(2,578)</u>
Expenditures				
Current:				
General Government:				
Contractual Services	2,500	2,500	1,521	979
Debt Service:				
Principal Retirement	94,324	94,324	94,324	0
Interest	3,002	3,002	3,002	0
<i>Total Debt Service</i>	<u>97,326</u>	<u>97,326</u>	<u>97,326</u>	<u>0</u>
<i>Total Expenditures</i>	<u>99,826</u>	<u>99,826</u>	<u>98,847</u>	<u>979</u>
<i>Net Change in Fund Balance</i>	102,953	3,664	2,065	(1,599)
<i>Fund Balance Beginning of Year</i>	<u>72,029</u>	<u>72,029</u>	<u>72,029</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$174,982</u></u>	<u><u>\$75,693</u></u>	<u><u>\$74,094</u></u>	<u><u>(\$1,599)</u></u>

Statistical Section

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S11
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.	S12-S19
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S20-S28
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S29-S31
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S32-S37

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

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

	2022	2021	2020	2019
Governmental Activities				
Net Investment in Capital Assets	\$12,826,786	\$12,012,038	\$11,931,755	\$11,479,443
Restricted:				
Debt Service	40,073	39,338	23,315	39,289
Capital Projects	758,864	776,354	339,139	323,330
Street Repair and Maintenance	584,204	593,610	626,934	568,174
Police Protection	528,895	492,595	496,454	346,339
St Helena II Canal Boat	38,679	0	0	0
Pension Plan	43,818	36,570	0	0
Other Purposes	3,591	36,359	17,372	17,916
Unclaimed Monies	8,085	8,085	8,085	1,956
Unrestricted (Deficit)	444,398	(108,107)	(784,224)	(964,386)
<i>Total Governmental Activities Net Position</i>	<u>15,277,393</u>	<u>13,886,842</u>	<u>12,658,830</u>	<u>11,812,061</u>
Business-Type Activities				
Net Investment in Capital Assets	9,484,334	9,076,475	9,194,164	9,139,463
Restricted for Pension Plan	57,250	45,740	0	0
Unrestricted	1,841,781	1,521,186	913,453	835,623
<i>Total Business-Type Activities Net Position</i>	<u>11,383,365</u>	<u>10,643,401</u>	<u>10,107,617</u>	<u>9,975,086</u>
Primary Government				
Net Investment in Capital Assets	22,311,120	21,088,513	21,125,919	20,618,906
Restricted	2,063,459	2,028,651	1,511,299	1,297,004
Unrestricted	2,286,179	1,413,079	129,229	(128,763)
<i>Total Primary Government Net Position</i>	<u>\$26,660,758</u>	<u>\$24,530,243</u>	<u>\$22,766,447</u>	<u>\$21,787,147</u>

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

2018 (1)	2017 (2)	2016 (3)	2015	2014 (4)	2013
\$10,876,002	\$9,814,140	\$9,442,004	\$9,570,228	\$9,686,893	\$9,286,839
20,276	0	12,121	17,928	0	0
432,538	1,128,667	1,334,524	425,433	229,167	141,739
425,479	440,477	447,347	396,260	476,418	445,553
214,246	288,092	230,585	259,268	193,117	194,407
0	0	0	0	0	0
0	0	0	0	0	0
7,366	17,777	13,501	9,843	10,104	14,168
1,956	1,956	1,956	1,956	2,825	2,825
(1,549,033)	(1,808,732)	(268,626)	258,710	264,745	1,994,711
10,428,830	9,882,377	11,213,412	10,939,626	10,863,269	12,080,242
8,987,568	8,641,577	8,544,408	6,621,541	6,542,902	6,523,767
0	0	0	0	0	0
1,256,400	1,421,426	1,569,975	1,238,405	1,125,947	1,220,427
10,243,968	10,063,003	10,114,383	7,859,946	7,668,849	7,744,194
19,863,570	18,455,717	17,986,412	16,191,769	16,229,795	15,810,606
1,101,861	1,876,969	2,040,034	1,110,688	911,631	798,692
(292,633)	(387,306)	1,301,349	1,497,115	1,390,692	3,215,138
\$20,672,798	\$19,945,380	\$21,327,795	\$18,799,572	\$18,532,118	\$19,824,436

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

	2022	2021	2020	2019
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$53,514	\$40,789	\$85,571	\$30,084
Security of Persons and Property	180,458	194,383	178,411	148,765
Transportation	0	0	4,585	0
Leisure Time Activities	18,278	24,458	0	34,497
Subtotal - Charges for Services	<u>252,250</u>	<u>259,630</u>	<u>268,567</u>	<u>213,346</u>
Operating Grants and Contributions:				
General Government	38,772	36,279	0	0
Security of Persons and Property	220,096	285,712	483,337	149,696
Transportation	444,512	514,916	415,151	484,481
Leisure Time Activities	40	676	5,856	2,944
Subtotal - Operating Grants and Contributions	<u>703,420</u>	<u>837,583</u>	<u>904,344</u>	<u>637,121</u>
Capital Grants and Contributions:				
General Government	13,000	0	0	0
Security of Persons and Property	0	0	0	49,479
Transportation	0	41,293	42,941	0
Leisure Time Activities	55,643	0	4,587	681,802
Subtotal - Capital Grants and Contributions	<u>68,643</u>	<u>41,293</u>	<u>47,528</u>	<u>731,281</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,024,313</u>	<u>1,138,506</u>	<u>1,220,439</u>	<u>1,581,748</u>
Business-type Activities:				
Charges for Services:				
Water	1,148,399	1,053,991	1,025,182	984,545
Sewer	1,103,534	997,781	1,011,138	911,741
Storm Sewer	61,672	60,455	59,882	58,808
Operating Grants and Contributions				
Storm Sewer	0	0	0	16,640
Capital Grants and Contributions				
Water	394,671	0	0	0
Sewer	0	0	0	0
Storm Sewer	0	44,200	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>2,708,276</u>	<u>2,156,427</u>	<u>2,096,202</u>	<u>1,971,734</u>
<i>Total Primary Government Program Revenues</i>	<u>3,732,589</u>	<u>3,294,933</u>	<u>3,316,641</u>	<u>3,553,482</u>
Expenses				
Governmental Activities:				
General Government	536,499	644,608	729,108	797,909
Security of Persons and Property	2,099,135	2,141,061	2,410,912	1,181,505
Transportation	1,050,790	777,193	639,771	854,859
Leisure Time Activities	178,163	99,825	126,669	196,714
Interest	30,820	42,531	45,096	57,345
<i>Total Governmental Activities Expenses</i>	<u>3,895,407</u>	<u>3,705,218</u>	<u>3,951,556</u>	<u>3,088,332</u>
Business-Type Activities				
Water	896,545	741,574	851,549	1,129,232
Sewer	1,042,114	887,879	1,089,560	1,096,143
Storm Sewer	124,547	87,219	80,052	55,941
<i>Total Business-Type Activities Expenses</i>	<u>2,063,206</u>	<u>1,716,672</u>	<u>2,021,161</u>	<u>2,281,316</u>
<i>Total Primary Government Expenses</i>	<u>5,958,613</u>	<u>5,421,890</u>	<u>5,972,717</u>	<u>5,369,648</u>
Net (Expense)/Revenue				
Governmental Activities	(2,871,094)	(2,566,712)	(2,731,117)	(1,506,584)
Business-Type Activities	645,070	439,755	75,041	(309,582)
<i>Total Primary Government Net Expense</i>	<u>(\$2,226,024)</u>	<u>(\$2,126,957)</u>	<u>(\$2,656,076)</u>	<u>(\$1,816,166)</u>

2018 (1)	2017	2016	2015 (2)	2014	2013
\$41,894	\$38,739	\$43,865	\$16,811	\$23,265	\$12,625
146,856	136,847	118,968	131,280	126,494	124,829
1,311	1,284	1,794	306	451	274
41,238	51,440	57,297	43,181	43,346	40,977
231,299	228,310	221,924	191,578	193,556	178,705
0	0	0	9,285	17,832	1,323
439,612	41,002	4,065	8,622	46,069	5,293
361,949	334,599	350,761	330,533	351,170	322,892
4,188	4,079	168	41	63	439
805,749	379,680	354,994	348,481	415,134	329,947
69,742	0	0	0	0	0
102,509	0	0	0	0	0
92,414	196,221	2,416,960	20	375,769	765,074
7,485	2,326	2,751	5,180	11,989	250
272,150	198,547	2,419,711	5,200	387,758	765,324
1,309,198	806,537	2,996,629	545,259	996,448	1,273,976
948,232	931,320	922,925	886,090	855,225	834,882
906,509	901,630	969,515	979,301	860,934	838,437
58,023	52,372	0	0	0	0
0	0	0	0	0	0
38,099	0	0	0	82	0
45,040	0	0	0	10,204	0
112,314	352,701	0	0	0	0
2,108,217	2,238,023	1,892,440	1,865,391	1,726,445	1,673,319
3,417,415	3,044,560	4,889,069	2,410,650	2,722,893	2,947,295
749,583	968,111	1,055,431	1,016,114	897,594	763,165
2,181,540	1,894,929	2,027,991	1,811,002	1,743,433	1,592,712
813,188	557,060	205,825	507,694	562,997	481,443
143,612	112,419	120,034	123,410	136,787	124,813
92,628	67,326	57,890	56,621	51,445	54,716
3,980,551	3,599,845	3,467,171	3,514,841	3,392,256	3,016,849
916,730	873,302	762,036	680,771	680,780	648,508
1,024,207	1,002,379	870,450	935,430	786,729	861,574
70,993	79,452	0	0	0	0
2,011,930	1,955,133	1,632,486	1,616,201	1,467,509	1,510,082
5,992,481	5,554,978	5,099,657	5,131,042	4,859,765	4,526,931
(2,671,353)	(2,793,308)	(470,542)	(2,969,582)	(2,395,808)	(1,742,873)
96,287	282,890	259,954	249,190	258,936	163,237
(\$2,575,066)	(\$2,510,418)	(\$210,588)	(\$2,720,392)	(\$2,136,872)	(\$1,579,636)

(continued)

City of Canal Fulton, Ohio

*Changes in Net Position
Last Ten Years (continued)
(Accrual Basis of Accounting)*

	2022	2021	2020	2019
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$315,289	\$252,472	\$248,814	\$242,040
Debt Service	112,275	111,130	109,729	106,101
Capital Projects	97,414	96,969	96,655	84,597
Income Taxes levied for:				
General Purposes	2,980,313	2,793,587	2,600,921	2,276,114
Other Purposes	139,441	143,988	146,536	163,476
Grants and Entitlements not Restricted to				
Specific Programs	405,126	319,214	146,112	135,532
Unrestricted Contributions	2,161	600	50	4,451
Investment Earnings/Interest	105,293	4,381	31,491	104,471
Gain on Sale of Capital Assets	17,353	2,952	0	0
Other	86,980	69,431	197,578	65,133
<i>Total Governmental Activities</i>	<u>4,261,645</u>	<u>3,794,724</u>	<u>3,577,886</u>	<u>3,181,915</u>
Business-Type Activities				
Interest	0	2,229	0	0
Gain on Sale of Capital Assets	0	4,906	0	0
Other	94,894	88,894	57,490	40,700
<i>Total Business-Type Activities</i>	<u>94,894</u>	<u>96,029</u>	<u>57,490</u>	<u>40,700</u>
<i>Total Primary Government</i>	<u>4,356,539</u>	<u>3,890,753</u>	<u>3,635,376</u>	<u>3,222,615</u>
Transfers				
Governmental Activities	0	0	0	0
Business-Type Activities	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position				
Governmental Activities	1,390,551	1,228,012	846,769	1,675,331
Business-type Activities	739,964	535,784	132,531	(268,882)
	<u>\$2,130,515</u>	<u>\$1,763,796</u>	<u>\$979,300</u>	<u>\$1,406,449</u>

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

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

2018 (1)	2017	2016	2015 (2)	2014	2013
\$215,404	\$207,001	\$209,304	\$188,988	\$184,963	\$184,194
103,926	85,639	91,915	97,869	118,647	95,904
85,410	89,069	0	0	0	0
2,162,932	2,305,909	2,037,563	2,327,106	2,139,654	2,099,510
155,323	165,590	146,321	167,111	153,652	150,770
122,413	88,763	123,128	119,315	113,121	145,860
0	0	0	0	0	0
97,077	27,022	2,897	4,875	2,178	1,232
168,058	0	0	15,000	0	0
103,672	66,737	51,879	61,075	64,497	41,633
3,214,215	3,035,730	2,663,007	2,981,339	2,776,712	2,719,103
0	0	0	0	0	0
0	0	0	0	0	0
84,678	62,210	75,804	6,507	34,289	13,395
84,678	62,210	75,804	6,507	34,289	13,395
3,298,893	3,097,940	2,738,811	2,987,846	2,811,001	2,732,498
0	0	0	64,600	(55,000)	(60,000)
0	0	0	(64,600)	55,000	60,000
0	0	0	0	0	0
542,862	242,422	2,192,465	76,357	325,904	916,230
180,965	345,100	335,758	191,097	348,225	236,632
\$723,827	\$587,522	\$2,528,223	\$267,454	\$674,129	\$1,152,862

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

	2022	2021	2020	2019
General Fund				
Nonspendable	\$11,676	\$11,676	\$11,676	\$5,547
Assigned	105,009	63,922	72,661	37,449
Unassigned	<u>1,265,226</u>	<u>1,328,537</u>	<u>1,130,951</u>	<u>1,013,272</u>
Total General Fund	<u>1,381,911</u>	<u>1,404,135</u>	<u>1,215,288</u>	<u>1,056,268</u>
All Other Governmental Funds				
Nonspendable	30,888	27,119	27,242	32,535
Restricted	1,778,078	1,745,355	1,359,711	1,097,741
Committed	1,005,134	714,494	708,209	446,801
Assigned	0	0	0	0
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>2,814,100</u>	<u>2,486,968</u>	<u>2,095,162</u>	<u>1,577,077</u>
Total Governmental Funds	<u>\$4,196,011</u>	<u>\$3,891,103</u>	<u>\$3,310,450</u>	<u>\$2,633,345</u>

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

2018	2017	2016	2015	2014	2013
\$5,547	\$1,956	\$1,956	\$1,956	\$2,825	\$2,825
84,712	36,113	64,161	154,679	93,874	3,436
919,076	984,782	890,246	931,960	1,167,137	1,360,605
1,009,335	1,022,851	956,363	1,088,595	1,263,836	1,366,866
32,212	27,024	26,722	25,867	25,386	17,868
1,297,131	1,506,928	1,803,102	1,441,228	741,365	687,320
409,891	305,908	246,618	250,382	170,026	210,813
1,644	1,644	1,644	1,855	33,596	16,071
0	(996,274)	0	0	(87,303)	0
1,740,878	845,230	2,078,086	1,719,332	883,070	932,072
\$2,750,213	\$1,868,081	\$3,034,449	\$2,807,927	\$2,146,906	\$2,298,938

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

	2022	2021	2020	2019
Revenues				
Property Taxes	\$530,741	\$459,078	\$449,600	\$437,049
Income Taxes	3,130,624	2,885,042	2,787,670	2,430,744
Special Assessments	635	3,465	2,875	2,700
Charges for Services	205,585	213,277	184,137	183,907
Fines, Licenses and Permits	40,565	37,883	79,530	23,629
Intergovernmental	1,147,547	1,140,381	1,133,681	1,503,716
Investment Earnings/Interest	105,293	4,381	31,491	104,471
Rent	5,465	5,005	2,025	3,110
Contributions and Donations	34,682	9,879	6,056	8,275
Other	86,980	69,431	197,578	65,133
<i>Total Revenues</i>	<u>5,288,117</u>	<u>4,827,822</u>	<u>4,874,643</u>	<u>4,762,734</u>
Expenditures				
Current:				
General Government	896,364	806,471	790,301	691,029
Security of Persons and Property	2,097,802	2,021,534	2,157,407	1,924,474
Transportation	910,946	583,227	406,934	391,499
Leisure Time Activities	130,885	113,133	102,391	98,600
Capital Outlay	691,606	491,466	432,392	1,480,406
Debt Service:				
Principal Retirement	244,801	235,448	260,805	232,362
Interest	32,097	41,010	47,308	61,232
Issuance Costs	0	0	2,486	0
<i>Total Expenditures</i>	<u>5,004,501</u>	<u>4,292,289</u>	<u>4,200,024</u>	<u>4,879,602</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>283,616</u>	<u>535,533</u>	<u>674,619</u>	<u>(116,868)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	21,292	45,120	0	0
Refunding Bonds Issued	0	0	402,984	0
Payment to Refunding Bond Escrow Agent	0	0	(400,498)	0
Inception of Financed Purchase	0	0	0	0
Notes Issued	0	0	0	0
Premium on Note Issuance	0	0	0	0
Transfers In	2,501,000	2,300,000	2,148,000	1,984,025
Transfers Out	(2,501,000)	(2,300,000)	(2,148,000)	(1,984,025)
<i>Total Other Financing Sources (Uses)</i>	<u>21,292</u>	<u>45,120</u>	<u>2,486</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$304,908</u>	<u>\$580,653</u>	<u>\$677,105</u>	<u>(\$116,868)</u>
Debt Service as a Percentage of Noncapital Expenditures (1)	7.6%	7.5%	9.3%	8.3%

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

2018	2017	2016	2015	2014	2013
\$399,281	\$383,734	\$299,717	\$286,690	\$303,213	\$281,651
2,320,096	2,350,351	2,440,861	2,432,858	2,266,371	2,240,289
0	0	0	0	0	0
187,995	190,094	171,885	177,251	171,066	176,795
43,304	38,216	50,039	14,327	22,490	11,531
752,953	717,700	2,890,064	518,265	853,520	1,228,594
97,077	27,022	3,185	4,875	2,178	1,232
0	0	0	0	0	0
17,499	10,255	3,684	3,579	4,572	6,624
103,672	66,737	51,879	61,075	64,497	41,633
3,921,877	3,784,109	5,911,314	3,498,920	3,687,907	3,988,349
691,533	897,086	1,026,444	970,280	806,201	697,133
1,947,734	1,756,630	1,827,881	1,706,800	1,627,886	1,497,832
415,029	586,499	496,842	554,821	335,527	341,090
109,666	106,870	96,704	98,481	110,282	99,009
803,384	409,955	2,031,999	577,517	901,987	1,116,792
220,849	1,105,799	1,123,953	95,818	88,241	77,576
89,990	87,638	60,371	48,700	52,542	55,756
0	0	6,400	7,460	0	0
4,278,185	4,950,477	6,670,594	4,059,877	3,922,666	3,885,188
(356,308)	(1,166,368)	(759,280)	(560,957)	(234,759)	103,161
173,058	0	0	15,000	0	0
415,577	0	0	0	0	0
0	0	0	0	137,727	0
580,340	0	0	134,918	0	0
0	0	1,000,000	1,000,000	0	0
0	0	6,400	7,460	0	0
2,999,248	1,791,200	1,776,600	1,828,940	1,627,000	1,463,000
(2,999,248)	(1,791,200)	(1,776,600)	(1,764,340)	(1,682,000)	(1,523,000)
1,168,975	0	1,006,400	1,221,978	82,727	(60,000)
\$812,667	(\$1,166,368)	\$247,120	\$661,021	(\$152,032)	\$43,161
9.1%	28.5%	29.4%	4.5%	4.5%	4.8%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2022	\$108,681,820	\$30,372,750	\$397,298,771	\$2,458,150	\$9,832,600
2021	82,802,100	28,008,210	316,600,886	2,326,840	9,307,360
2020	81,602,610	27,855,630	312,737,829	2,185,560	8,742,240
2019	80,144,960	27,888,470	308,666,943	2,009,780	8,039,120
2018	71,388,160	23,213,080	270,289,257	1,936,070	7,744,280
2017	70,381,950	22,898,350	266,515,143	1,805,160	7,220,640
2016	69,985,570	22,700,260	264,816,657	1,656,380	6,625,520
2015	62,658,180	21,382,750	240,116,943	1,560,960	6,243,840
2014	61,875,110	21,604,180	238,512,257	1,432,390	5,729,560
2013	61,758,210	21,178,040	236,960,714	1,308,760	5,235,040

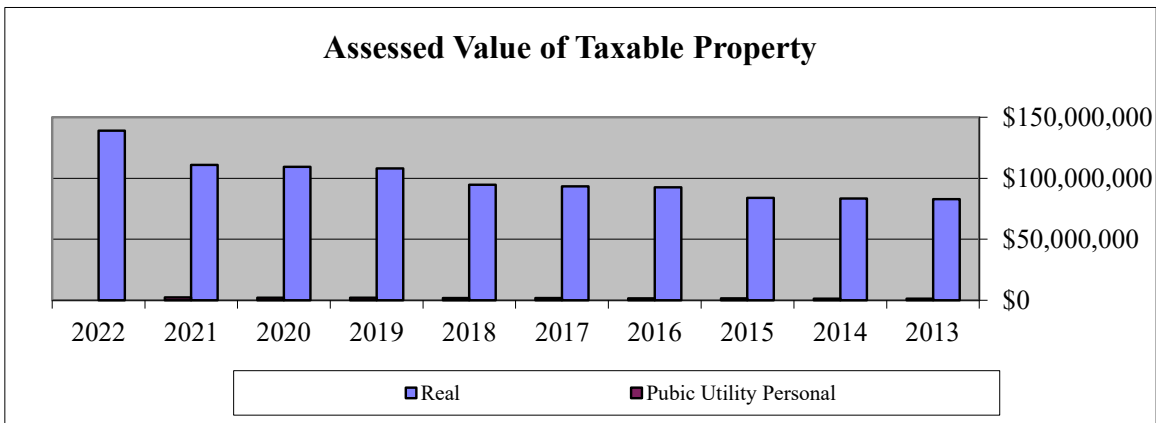
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

The tangible personal property values associated with each year were the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2

Source: Stark County Auditor

Assessed Value	Total		Direct Tax Rate
	Estimated Actual Value	Ratio	
\$141,512,720	\$407,131,371	34.76%	4.40
113,137,150	325,908,246	34.71	4.60
111,643,800	321,480,069	34.73	4.60
110,043,210	316,706,063	34.75	4.60
96,537,310	278,033,537	34.72	4.60
95,085,460	273,735,783	34.74	4.70
94,342,210	271,442,177	34.76	4.60
85,601,890	246,360,783	34.75	3.80
84,911,680	244,241,817	34.77	4.10
84,245,010	242,195,754	34.78	3.80



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

	2022	2021	2020	2019
Unvoted Millage				
Operating	\$2.5000	\$2.5000	\$2.5000	\$2.5000
Debt	0.9000	1.1000	1.1000	1.1000
Capital Projects	1.0000	1.0000	1.0000	1.0000
Total Unvoted Millage	\$4.4000	\$4.6000	\$4.6000	\$4.6000
Overlapping Rates by Taxing District				
Northwest Local School District				
Residential/Agricultural Real	\$28.6000	\$29.6000	\$29.6000	\$30.5000
Commercial/Industrial and Public Utility Real	28.6000	29.6648	29.6648	30.7693
General Business and Public Utility Personal	51.4000	52.4000	52.4000	53.3000
Stark County JVSD				
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000
Commercial/Industrial and Public Utility Real	2.0000	2.0000	2.0000	2.0000
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000
Stark County				
Residential/Agricultural Real	7.3714	8.2811	8.2811	8.0589
Commercial/Industrial and Public Utility Real	8.5505	9.0099	9.0091	8.8684
General Business and Public Utility Personal	11.5000	11.5000	11.5000	11.5000
Canal Fulton Library				
Residential/Agricultural Real	1.2759	1.5489	0.7743	0.7969
Commercial/Industrial and Public Utility Real	1.5617	1.6710	0.8347	0.8448
General Business and Public Utility Personal	2.0000	2.0000	1.0000	1.0000
Stark County Parks				
Residential/Agricultural Real	0.6976	0.8204	0.8204	0.8237
Commercial/Industrial and Public Utility Real	0.7811	0.8376	0.8376	0.8467
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000

Source: Ohio Department of Taxation

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Voted real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Overlapping rates are those of local and county governments that apply to property owners within the City.

2018	2017	2016	2015	2014	2013
\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000
1.1000	1.2000	2.1000	1.3000	1.6000	1.3000
1.0000	1.0000	0.0000	0.0000	0.0000	0.0000
<u>\$4.6000</u>	<u>\$4.7000</u>	<u>\$4.6000</u>	<u>\$3.8000</u>	<u>\$4.1000</u>	<u>\$3.8000</u>

\$31.6000	\$32.6561	\$33.2000	\$35.8668	\$35.8785	\$36.0069
31.7305	35.0735	35.0700	36.6052	36.5338	36.5711
54.4000	55.0000	55.1000	56.0000	56.0000	56.1000

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

8.0803	8.6770	8.7200	9.2924	9.3007	9.3131
8.7898	9.6374	9.6100	10.0762	10.0757	10.0727
11.5000	11.5000	11.5000	11.5000	11.5000	11.5000

0.8004	0.8846	0.9100	1.9977	1.9971	0.9955
0.8366	0.9737	0.9700	2.0000	1.9986	1.0000
1.0000	1.0000	1.0000	2.0000	2.0000	1.0000

0.8267	0.9106	0.9200	0.9971	0.9986	1.0000
0.8367	0.9443	0.9400	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

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

Year	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2022	\$581,111	\$569,981	98.08 %	\$6,644	\$576,625
2021	506,583	496,836	98.08	11,986	\$508,822
2020	500,254	488,257	97.60	10,310	498,567
2019	493,267	476,071	96.51	10,453	486,524
2018	453,161	436,658	96.36	9,419	446,077
2017	437,470	422,071	96.48	7,262	429,333
2016	339,632	335,105	98.67	6,460	341,565
2015	325,287	320,379	98.49	7,339	327,718
2014	348,138	341,300	98.04	7,846	349,146
2013	320,428	315,135	98.35	7,804	322,939

Source: Stark County Fiscal Officer

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

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

<u>Percentage of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
99.23 %	\$13,670	2.35 %
100.44	19,433	3.84
99.66	17,940	3.59
98.63	12,241	2.48
98.44	16,653	3.67
98.14	14,731	3.37
100.57	12,554	3.70
100.75	10,843	3.33
100.29	10,675	3.07
100.78	10,278	3.21

City of Canal Fulton, Ohio
Principal Real Estate Property Taxpayers
 2022 and 2013

<i>2022</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Real Property Assessed Valuation
Schalmo Properties, Incorporated	\$5,040,490	3.62 %
United Church Homes, Incorporated	2,309,480	1.66
G & B Properties, Incorporated	1,582,510	1.14
Centennial Apartments, LTD	1,590,450	1.14
Avalon Food Service, Incorporated	1,252,160	0.90
Vandenberg E.K.	773,540	0.56
KHELP Properties, LTD	674,080	0.49
Campbell Oil Company	669,800	0.48
Exchangeright Net Leased Portfolio 33	630,390	0.45
McCully Properties	621,750	0.45
Total	\$15,144,650	10.89 %
Total Real Property Assessed Valuation	\$139,054,570	

<i>2013</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Real Real Assessed Valuation
Schalmo Properties, Incorporated	\$5,217,210	6.29 %
Avalon Food Service, Incorporated	1,115,210	1.34
United Church Homes, Incorporated	988,390	1.19
KHELP Properties, LTD	692,930	0.84
Vandenberg E.K.	620,260	0.75
Centennial Apartments, LTD	612,540	0.74
G & B Properties, Incorporated	560,250	0.68
CFO Realty Associates	470,760	0.57
McCully Properties	422,900	0.51
Elm Ridge Avenue Realty, LLC	421,400	0.50
Total	\$11,121,850	13.41 %
Total Real Property Assessed Valuation	\$82,936,250	

Source: Stark County Auditor

(1) The amounts presented represent the assessed values upon which 2022 and 2013 collections were based.

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

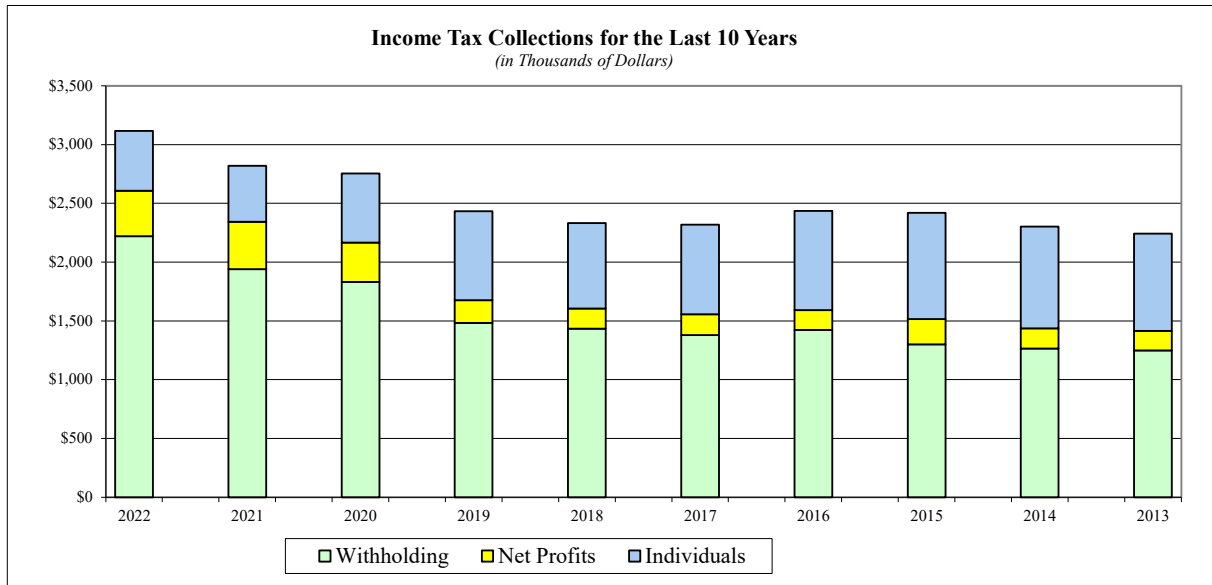
Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2022	2.00%	\$3,117,544	\$2,219,691	71.20%	\$388,758	12.47%	\$509,095	16.33%
2021	2.00	2,819,166	1,940,150	68.82	403,141	14.30	475,875	16.88
2020	2.00	2,754,980	1,830,459	66.44	335,091	12.16	589,430	21.40
2019	1.50	2,434,570	1,481,923	60.87	194,279	7.98	758,368	31.15
2018	1.50	2,333,274	1,434,264	61.47	170,562	7.31	728,448	31.22
2017	1.50	2,320,166	1,380,269	59.49	176,184	7.59	763,713	32.92
2016	1.50	2,434,787	1,424,034	58.49	168,704	6.93	842,049	34.58
2015	1.50	2,418,629	1,300,300	53.76	216,211	8.94	902,118	37.30
2014	1.50	2,303,383	1,265,245	54.93	171,789	7.46	866,349	37.61
2013	1.50	2,243,532	1,248,925	55.67	166,361	7.42	828,246	36.92

Source: City Income Tax Department

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

(2) Gross Collections - Cash Basis of Accounting

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



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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assessed Property Value	<u>\$141,512,720</u>	<u>\$113,137,150</u>	<u>\$111,643,800</u>	<u>\$110,043,210</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>14,858,836</u>	<u>11,879,401</u>	<u>11,722,599</u>	<u>11,554,537</u>
Debt Outstanding:				
Various Purpose General Obligation Bonds	957,000	1,103,000	1,243,000	1,370,000
Water Improvement Enterprise Bonds	155,000	200,000	245,000	285,000
Various Purpose Notes	0	0	0	0
OPWC Loans	<u>1,273,412</u>	<u>1,422,636</u>	<u>1,250,685</u>	<u>1,399,642</u>
Total Gross Indebtedness	2,385,412	2,725,636	2,738,685	3,054,642
Less:				
OPWC Loans	(1,273,412)	(1,422,636)	(1,250,685)	(1,399,642)
Various Purpose Notes	0	0	0	0
Amount Available in Debt Service	<u>(39,716)</u>	<u>(32,404)</u>	<u>(18,236)</u>	<u>(38,193)</u>
Total Net Debt Applicable to Debt Limit	<u>1,072,284</u>	<u>1,270,596</u>	<u>1,469,764</u>	<u>1,616,807</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$13,786,552</u>	<u>\$10,608,805</u>	<u>\$10,252,835</u>	<u>\$9,937,730</u>
Legal Debt Margin as a Percentage of the Debt Limit	92.78%	89.30%	87.46%	86.01%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$7,783,200</u>	<u>\$6,222,543</u>	<u>\$6,140,409</u>	<u>\$6,052,377</u>
Total Gross Indebtedness	2,385,412	2,725,636	2,738,685	3,054,642
Less:				
Total Debt Outside Limitations	(1,273,412)	(1,422,636)	(1,250,685)	(1,399,642)
Amount Available in Debt Service	<u>(39,716)</u>	<u>(32,404)</u>	<u>(18,236)</u>	<u>(38,193)</u>
Net Debt Within 5 ½ % Limitations	<u>1,072,284</u>	<u>1,270,596</u>	<u>1,469,764</u>	<u>1,616,807</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,710,916</u>	<u>\$4,951,947</u>	<u>\$4,670,645</u>	<u>\$4,435,570</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	86.22%	79.58%	76.06%	73.29%

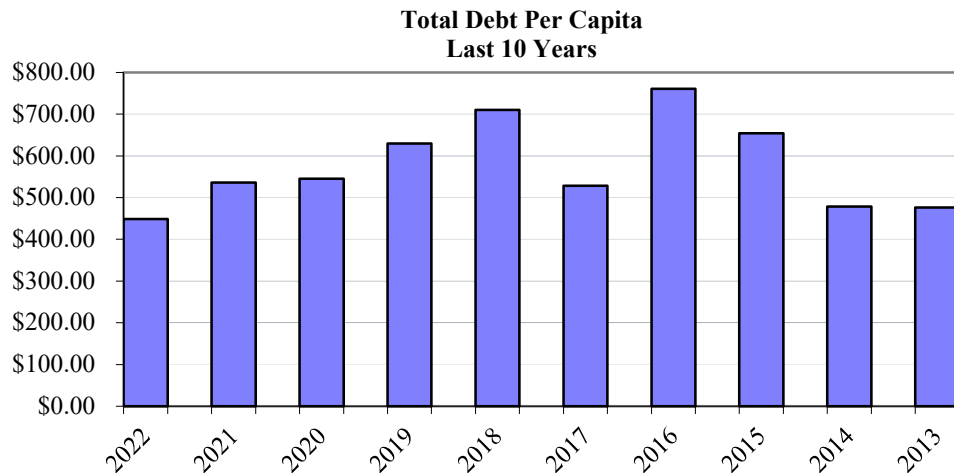
Source: City Financial Records

2018	2017	2016	2015	2014	2013
\$96,537,310	\$95,085,460	\$94,342,210	\$85,601,890	\$84,911,680	\$84,245,010
10,136,418	9,983,973	9,905,932	8,988,198	8,915,726	8,845,726
1,490,000	745,000	815,000	885,000	955,000	1,025,000
325,000	365,000	400,000	435,000	470,000	505,000
0	1,730,000	1,000,000	1,000,000	0	0
1,548,602	1,697,558	1,821,273	1,084,526	1,141,090	1,000,932
3,363,602	4,537,558	4,036,273	3,404,526	2,566,090	2,530,932
(1,548,602)	(1,697,558)	(1,821,273)	(1,084,526)	(1,141,090)	(1,000,932)
0	(1,730,000)	(1,000,000)	(1,000,000)	0	0
(21,722)	(22,649)	(26,085)	(28,080)	(33,598)	(16,072)
1,793,278	1,087,351	1,188,915	1,291,920	1,391,402	1,513,928
\$8,343,140	\$8,896,622	\$8,717,017	\$7,696,278	\$7,524,324	\$7,331,798
82.31%	89.11%	88.00%	85.63%	84.39%	82.89%
\$5,309,552	\$5,229,700	\$5,188,822	\$4,708,104	\$4,670,142	\$4,633,476
3,363,602	4,537,558	4,036,273	3,404,526	2,566,090	2,530,932
(1,548,602)	(1,697,558)	(1,821,273)	(1,084,526)	(1,141,090)	(1,000,932)
(21,722)	(22,649)	(26,085)	(28,080)	(33,598)	(16,072)
1,793,278	2,817,351	2,188,915	2,291,920	1,391,402	1,513,928
\$3,516,274	\$2,412,349	\$2,999,907	\$2,416,184	\$3,278,740	\$3,119,548
66.23%	46.13%	57.81%	51.32%	70.21%	67.33%

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

Governmental Activities				
Year	General Obligation Bonds	Bond Anticipation Notes	OPWC Loans	Financed Purchases
2022	\$637,825	\$0	\$0	\$0
2021	759,152	0	0	124,111
2020	874,974	0	0	244,373
2019	984,348	0	0	388,984
2018	1,085,035	0	0	521,296
2017	750,095	0	0	81,805
2016	820,731	1,006,400	123,954	117,604
2015	891,368	1,007,460	130,841	164,670
2014	962,005	0	137,727	48,684
2013	1,032,642	0	0	66,925

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



Business-Type Activities

<u>Water Utility Bonds</u>	<u>General Obligation Bonds</u>	<u>OPWC Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$155,511	\$321,086	\$1,273,412	\$2,387,834	1.48 %	\$448.42
200,766	346,396	1,422,636	2,853,061	1.77	535.79
246,021	371,210	1,250,685	2,987,263	2.48	545.22
286,276	389,473	1,399,642	3,448,723	2.87	629.44
326,531	409,423	1,548,602	3,890,887	3.24	710.15
366,787	0	1,697,558	2,896,245	2.41	528.61
402,043	0	1,697,319	4,168,051	3.47	760.73
437,298	0	953,685	3,585,322	2.98	654.38
472,554	0	1,003,363	2,624,333	2.18	478.98
507,809	0	1,000,932	2,608,308	2.17	476.06

City of Canal Fulton, Ohio

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Bonded Debt Per Capita</u>
2022	5,325	\$407,131,371	\$1,114,422	0.27 %	\$209
2021	5,325	325,908,246	1,306,314	0.40	245
2020	5,479	321,480,069	1,492,205	0.46	272
2019	5,479	316,706,063	1,660,097	0.52	303
2018	5,479	278,033,537	1,820,989	0.65	332
2017	5,479	273,735,783	1,116,882	0.41	204
2016	5,479	271,442,177	1,222,774	0.45	223
2015	5,479	246,360,783	1,328,666	0.54	243
2014	5,479	244,241,817	1,434,559	0.59	262
2013	5,479	242,195,754	1,540,451	0.64	281

(1) U. S. Bureau of Census, Census of Population. 2021-2022 from 2020 Federal Census; 2013-2020 from 2010 Federal Census.

(2) Stark County Auditor

(3) Includes all general obligation bonded debt.

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

City of Canal Fulton, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2022

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Canal Fulton			
General Obligation Bonds	<u>\$637,825</u>	100 %	<u>\$637,825</u>
Overlapping			
Northwest Local School District			
General Obligation Bonds	9,719,403	35.30	3,430,949
Stark County			
General Obligation Bonds	10,565,000	1.31	138,402
Wayne Public Library District			
General Obligation Bonds	<u>1,260,000</u>	3.08	<u>38,808</u>
<i>Total Overlapping Debt</i>	<u>21,544,403</u>		<u>3,608,159</u>
Total	<u><u>\$22,182,228</u></u>		<u><u>\$4,245,984</u></u>

Source: Stark County Auditor

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

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

Year	Water Operating Revenues	Water Operating Expenses (1)	Net Available Revenues	Principal (2)	Coverage
2022	\$1,266,108	\$684,554	\$581,554	\$100,687	5.78
2021	1,104,884	526,256	578,628	94,668	6.11
2020	1,054,640	660,867	393,773	89,991	4.38
2019	998,428	927,100	71,328	89,991	0.79
2018	989,301	711,472	277,829	89,991	3.09
2017	971,931	688,252	283,679	89,991	3.15
2016	957,241	618,596	338,645	46,612	7.27
2015	886,553	535,285	351,268	57,750	6.08
2014	886,075	536,165	349,910	68,892	5.08
2013	840,874	506,507	334,367	68,893	4.85

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

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

Source: City financial records

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

Year	Sewer Operating Revenues	Sewer Operating Expenses (1)	Net Available Revenues	Principal (2)	Coverage
2022	\$1,149,285	\$846,790	\$302,495	\$41,651	7.26
2021	1,033,410	689,063	344,347	52,080	6.61
2020	1,039,004	894,811	144,193	52,080	2.77
2019	938,459	890,431	48,028	52,082	0.92
2018	950,118	822,236	127,882	52,080	2.46
2017	923,229	807,406	115,823	52,081	2.22
2016	1,011,003	686,562	324,441	52,080	6.23
2015	985,345	767,950	217,395	47,812	4.55
2014	864,373	634,295	230,078	43,543	5.28
2013	845,840	711,765	134,075	43,543	3.08

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

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

Source: City financial records

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

Year	Storm Sewer Operating Revenues	Storm Sewer Operating Expenses (1)	Net Available Revenues	Principal (2)	Coverage
2022	\$64,335	\$71,128	(\$6,793)	\$6,886	(0.99)
2021	62,827	31,354	31,473	6,886	4.57
2020	60,048	29,871	30,177	6,886	4.38
2019	58,907	5,877	53,030	6,887	7.70
2018	58,023	27,669	30,354	6,885	4.41
2017	52,372	26,291	26,081	6,887	3.79
2016	0	0	0	0	0.00
2015	0	0	0	0	0.00
2014	0	0	0	0	0.00
2013	0	0	0	0	0.00

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

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

Source: City financial records

City of Canal Fulton, Ohio
Principal Employers
 2022 and 2013

2022	
Employer	Employees
Northwest Local School District	371
Echoing Hills Village, Incorporated	276
United Church Homes, Incorporated	247
City of Canal Fulton	116
Skipco Financial Adjusters, Incorporated	110
Bell Stores, Incorporated	91
Avalon Foodservice, Incorporated	90
YMCA of Central Stark County	82
Blind & Son, LLC	77
Canal Fulton Specialty Meats	72
Total	<u>1,532</u>
Total Employment within the City	<u>3,873</u>

2013	
Employer	Employees
Northwest Local School District	413
United Church Homes, Incorporated	290
Echoing Hills Village, Incorporated	263
Skipco Financial Adjusters, Incorporated	133
City of Canal Fulton	110
Communication Exhibits, Incorporated	95
ZVN Properties, Incorporated	87
Tomtreycyco, Incorporated	76
Avalon Foodservice, Incorporated	74
Hydrochem Industrial Services, Incorporated	66
Total	<u>1,607</u>
Total Employment within the City	<u>3,468</u>

Source: City Records
 N/A - Information not available

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2022	5,325	\$161,613,750	\$30,350	\$48,908	43.4
2021	5,325	161,613,750	30,350	48,908	43.4
2020	5,479	120,214,739	21,941	50,332	40.3
2019	5,479	120,214,739	21,941	50,332	40.3
2018	5,479	120,214,739	21,941	50,332	40.3
2017	5,479	120,214,739	21,941	50,332	40.3
2016	5,479	120,214,739	21,941	50,332	40.3
2015	5,479	120,214,739	21,941	50,332	40.3
2014	5,479	120,214,739	21,941	50,332	40.3
2013	5,479	120,214,739	21,941	50,332	40.3

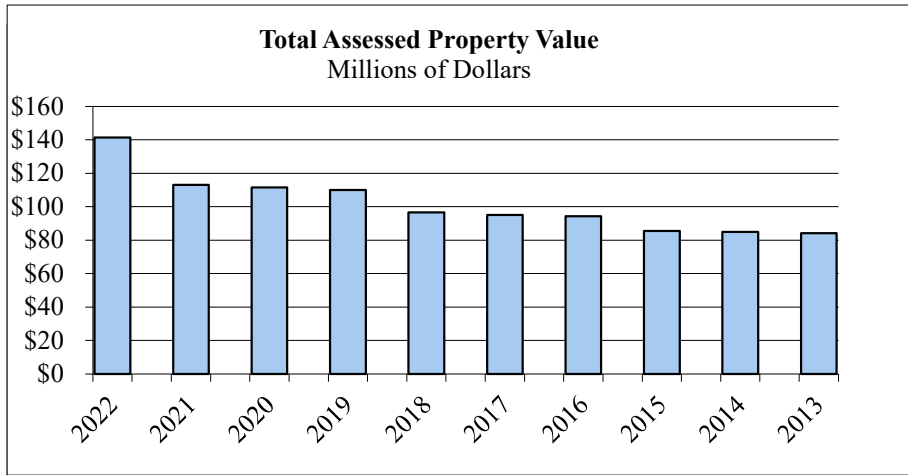
(1) Source: U. S. Census - 2021-2022 from 2020 Federal Census; 2013-2020 from 2010 Federal Census

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

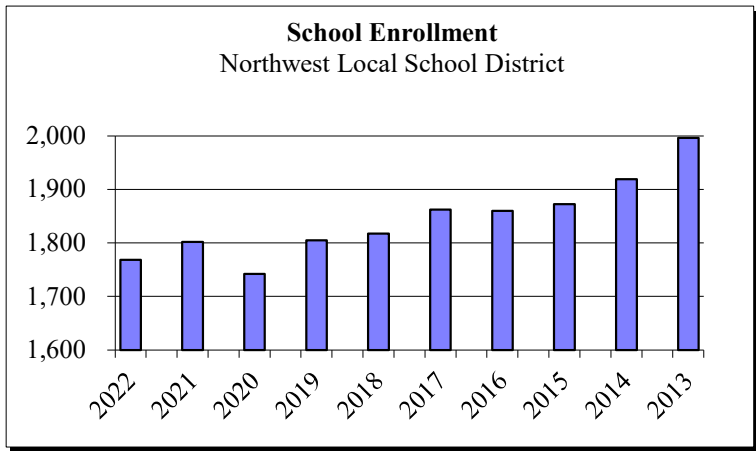
(3) Source: Ohio Department of Job and Family Services & Stark County Annual Comprehensive Financial Report.

(4) Source: Stark County Auditor's Office

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



Educational Attainment: Bachelor's Degree or Higher (1)	Public School Enrollment (2)	Stark County Unemployment Rate (3)	Total Assessed Property Value (4)
27.2 %	1,768	3.8 %	\$141,512,720
27.2	1,802	3.6	113,137,150
20.5	1,742	4.4	111,643,800
20.5	1,805	4.4	110,043,210
20.5	1,817	5.2	96,537,310
20.5	1,862	5.0	95,085,460
20.5	1,860	5.2	94,342,210
20.5	1,872	5.3	85,601,890
20.5	1,919	4.8	84,911,680
20.5	1,996	6.8	84,245,010



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

Function/Program	2022	2021	2020	2019
General Government				
Council	3.00	3.00	3.00	3.00
Administration	5.00	3.00	3.00	3.00
Finance	3.50	3.50	4.50	3.50
Law	0.00	1.50	1.50	0.50
Community Service	0.00	0.00	0.50	0.50
Other	0.00	0.00	0.00	1.20
Security of Persons and Property				
Police	12.50	13.50	14.00	14.00
Fire	27.00	32.50	36.00	27.50
Leisure Time Activities				
Recreation and Parks	5.00	3.50	1.80	1.10
Canal Boat	0.00	0.00	0.00	3.00
Transportation				
Streets	4.00	4.00	5.00	4.00
Utilities				
Water	3.50	3.50	3.50	3.50
Sewer	3.50	3.50	3.50	3.50
Totals:	<u>67.00</u>	<u>71.50</u>	<u>76.30</u>	<u>68.30</u>

Source: City Payroll Department W2 Listing

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

2018	2017	2016	2015	2014	2013
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	4.00	4.00
3.50	3.50	3.50	3.50	3.50	4.00
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
2.70	0.90	1.50	1.80	1.80	1.80
13.00	12.00	12.50	12.50	12.50	13.50
27.00	23.50	23.00	21.00	20.50	21.00
1.10	1.30	1.40	1.40	1.40	1.40
3.00	3.30	2.70	3.30	3.60	3.30
4.00	4.00	4.00	4.00	4.00	4.00
3.50	3.50	3.75	3.75	3.75	3.50
3.50	3.50	3.75	3.75	3.75	3.50
68.30	62.50	63.10	62.00	62.80	64.00

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

Function/Program	2022	2021	2020	2019
General Government				
<i>Council and Clerk</i>				
Number of ordinances proposed	33	40	36	43
Number of resolutions proposed	17	22	17	16
<i>Finance Department</i>				
Value of payments issued (1)	\$7,293,407	\$6,824,180	\$6,423,693	\$6,854,906
General fund interest earnings for fiscal year (cash basis)	\$99,705	\$4,095	\$29,211	\$99,156
Number of receipt transactions processed (1)	1,991	1,893	1,729	1,774
General fund receipts (cash basis in thousands)	\$3,607	\$3,147	\$3,136	\$2,792
General fund expenditures/net financing (cash basis in thousands)	\$3,594	\$3,222	\$3,096	\$2,787
Ending general fund balance (cash basis in thousands)	\$742	\$671	\$665	\$566
<i>Income Tax Department</i>				
Number of annual withholding forms processed	5,017	4,323	3,945	4,477
Number of business net profit forms processed	297	333	324	364
Number of individual returns processed	1,834	1,945	2,174	2,802
Amount of penalties and interest collected	\$9,074	\$11,612	\$9,785	\$59,415
Annual number of balance due/estimated payment forms processed	478	852	953	2,342
Annual number of reconciliations of withholdings processed	648	609	546	689
Security of Persons and Property				
<i>Police</i>				
Number of traffic stops	968	1,361	1,260	2,482
Number of arrests	82	130	78	127
DUI arrests	17	38	15	21
Motor vehicle accidents	88	81	89	100
<i>Fire</i>				
EMS calls for service	598	600	526	675
Fire calls for service	235	196	216	274
Fire safety inspections	11	12	64	183
Number of times mutual aid given	18	2	9	18
Number of times mutual aid received	25	18	23	11
Transportation				
Street resurfacing (miles)	4.25	4.15	0	1.02
Tons of salt used	375	736	400	775
Utilities				
<i>Water</i>				
Minimum water rate	\$21.74	\$21.01	\$20.80	\$20.41
Rate per thousand gallons used	\$2.59	\$2.50	\$2.47	\$2.43
Number of water accounts (1)	2,259	2,229	2,160	2,128
Total water collections (2)	\$1,037,681	\$987,087	\$971,594	\$963,333
<i>Sewer</i>				
Minimum sewer rate	\$21.22	\$20.50	\$20.30	\$19.92
Rate per thousand gallons used	\$3.14	\$3.04	\$3.01	\$2.95
Number of sewer accounts (1)	2,198	2,176	2,038	2,007
Total sewer collections (2)	\$892,888	\$862,980	\$854,361	\$826,518

Source: City Records (unless otherwise noted)

(1) N/A indicates that the information is not available for the indicated year.

(2) This represents only collections from City residents for utility service and does not include tap-in fees or revenue from Stark County.

2018	2017	2016	2015	2014	2013
53	39	36	35	31	32
32	35	29	41	32	33
\$10,204,363	\$7,305,062	\$9,069,803	\$5,785,401	\$5,562,203	\$5,489,015
\$92,764	\$25,727	\$4,640	\$4,302	\$1,022	\$764
1,808	1,752	1,727	1,695	1,647	1,533
\$2,676	\$2,565	\$2,649	\$2,591	\$2,498	\$2,439
\$2,972	\$2,578	\$2,647	\$2,382	\$2,571	\$2,729
\$541	\$778	\$770	\$768	\$559	\$632
5,065	6,471	5,756	4,230	3,807	3,767
386	399	438	494	442	441
2,887	3,195	3,041	3,353	3,384	3,213
\$67,675	\$62,649	\$56,291	\$63,374	\$54,432	\$62,453
2,700	2,588	2,385	1,726	1,861	1,956
710	712	676	699	652	639
2,104	1,575	1,041	1,237	1,596	1,636
133	140	106	119	133	159
23	17	19	29	22	34
114	116	115	120	97	113
617	596	602	859	795	804
239	269	270	379	402	358
120	165	206	154	147	155
32	28	16	29	27	20
63	58	18	54	60	31
2.40	2.63	2.56	3.81	3.00	3.63
882	392	384	877	563	392
\$19.97	\$19.66	\$19.50	\$18.75	\$17.50	\$16.25
\$2.38	\$2.34	\$2.32	\$2.32	\$2.32	\$2.32
2,109	2,158	2,075	2,122	2,105	2,040
\$948,741	\$929,492	\$916,961	\$879,656	\$856,655	\$807,497
\$19.49	\$19.18	\$19.03	\$18.03	\$16.53	\$15.33
\$2.89	\$2.84	\$2.82	\$2.82	\$2.82	\$2.82
1,990	2,023	1,957	1,963	2,019	1,912
\$814,079	\$797,063	\$790,189	\$758,970	\$739,134	\$692,142

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

Function/Program	2022	2021	2020	2019
General Government				
Buildings	3	3	3	3
Vehicles	0	2	2	2
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	14	15	18	15
Fire				
Stations	2	2	2	2
Vehicles	7	7	11	10
Leisure Time Activities				
Recreation				
Buildings	8	7	7	7
Vehicles	0	0	0	0
Transportation				
Service				
Buildings	3.3	3.3	3.3	3.3
Vehicles	10	9	10	10
Utilities				
Water				
Buildings	1.3	1.3	1.3	1.3
Vehicles	7.5	7.5	8.5	8.5
Sewer				
Buildings	10.3	10.3	10.3	10.3
Vehicles	7.5	7.5	8.5	8.5

Source: City Records

2018	2017	2016	2015	2014	2013
3 2	4 2	4 2	4 2	4 2	4 2
1 14	1 12	1 11	1 10	1 11	1 11
2 9	2 8	2 8	2 8	2 8	2 8
7 0	7 0	7 0	7 0	7 0	7 0
3.3 9	3 8	3 7	3 6	3 6	3 6
1.3 7.5	1 7	1 7	1 9	1 8	1 7
10.3 7.5	10 7	10 7	10 9	10 7	10 6

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**CITY OF CANAL FULTON
STARK COUNTY, OHIO**

REGULAR AUDIT

FOR YEAR ENDED DECEMBER 31, 2022

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canal Fulton, Ohio (the City), as of and for the year ended December 31, 2022, 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 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 27, 2023



City of Canal Fulton

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

City of Canal Fulton, Ohio
Schedule of Prior Year Audit Findings
December 31, 2022

Finding 2021-001: Financial Reporting

Audit adjustments were necessary to correct accounts payable within the police fund as well as reclassify certain revenue accounts from one revenue account to another.

Status: No such issues reported in current audit.



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OHIO AUDITOR OF STATE KEITH FABER



CITY OF CANAL FULTON

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/8/2023

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

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