



Dave Yost • Auditor of State

CITY OF NORTH CANTON
STARK COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of North Canton, Stark County, (the City) as of and for the year ended December 31, 2013, 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 25, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency in internal control. We consider finding 2013-001 to be a significant deficiency.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 25, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of North Canton's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Alliance's major federal program for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the City of North Canton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Federal Awards Expenditures Schedule Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of North Canton (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 25, 2014. We conducted our audit to opine on the City's basic financial statements. The accompanying federal awards expenditures schedule (the schedule) presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

City of North Canton
Stark County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and On Internal Control Over
Compliance Required by OMB Circular A-133
Page 3

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Dave Yost
Auditor of State
Columbus, Ohio

June 25, 2014

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**CITY OF NORTH CANTON
STARK COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>(Passed through the Ohio Department of Public Safety)</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	N/A	16.803	7,671
Total U.S. Department of Justice			<u><u>7,671</u></u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>(Passed through State of Ohio Department of Transportation)</i>			
Highway Planning and Construction	N/A	20.205	764,183
Total U.S. Department of Transportation			<u><u>764,183</u></u>
Total			<u><u>771,854</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF NORTH CANTON
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of North Canton (the City's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction CFDA # 20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

Financial Statement Preparation

<i>Finding Number</i>	2013-001
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SIGNIFICANT DEFICIENCY

The City prepares their financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The City failed to report \$580,858 in contracts payable and \$323,460 in Intergovernmental Receivables as of December 31, 2013 in the Major Capital Improvement Fund. The financial statements have been updated to reflect these additional accrual items.

Financial Statement Preparation (Continued)

<i>Finding Number</i>	2013-001 (Continued)
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The City should be sure to report all payables and receivables as of the fiscal year end. A review of the financial statements should be performed for completeness as well as a comparison to prior financial statements to ensure variances are reasonable.

Official's Response: We believe we have taken the necessary steps to eliminate the circumstances that led to this finding.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None

**City of
North Canton, Ohio**



**Comprehensive Annual Financial Report
For Fiscal Year Ended December 31, 2013**

CITY OF NORTH CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

KAREN S. ALGER, CPA
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT

INTRODUCTORY SECTION

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CITY OF NORTH CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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City of NORTH CANTON, OHIO

145 NORTH MAIN STREET
NORTH CANTON, OHIO 44720-2587
www.northcantonohio.com

June 25, 2014

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

Transmittal Letter

The Comprehensive Annual Financial Report (CAFR) of the City of North Canton, Ohio (the “City”) is hereby presented. This CAFR represents the official report of the City of North Canton's operations and financial position for the year ended December 31, 2013, and has been developed to accurately detail the status of City finances to North Canton residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require the City to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2013 and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

Reporting Entity

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

Profile of the Government

The City acquired its first existence as a recognized political entity when the Village plat was recorded on February 19, 1831 as New Berlin. As a result of sentiment against Germany during World War I, the name of the Village was changed to North Canton on January 31, 1918. The City gained formal status as a City effective January 1, 1962. The City is located in the northern half of Stark County and is approximately 7.15 square miles in size. The City's population, according to the 2010 census, was 17,488.

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

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

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

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

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

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

The Council is required to adopt a permanent appropriation measure within ninety days of the beginning of the year covered by such ordinance. The annual budget serves as the foundation for the City of North Canton's financial planning and control. The budget is prepared by fund. Amounts can be transferred between line items within a fund with the approval of the Finance Committee of Council. Transfers between funds, however, need special approval from Council.

Local Economy

The City of North Canton is located in Northeast Ohio along the Interstate 77 corridor with convenient access to markets in Cleveland, Akron, and Canton. The Akron Canton regional Airport is located within a five-minute drive from the City and provides nationwide passenger and commercial air freight services to the region. Major Airlines, such as Southwest Airlines Co., provide passenger service at the facility and the passenger traffic in 2013 set records for passengers set all-time records. North Canton is also located in a regional academic cluster that contains six universities/colleges that offer high tech programs in bio-sciences, bioinformatics, fuel cells and information technology. These Universities include Walsh University, Stark State College, Kent State University, University of Akron, Malone University, and University of Mount Union.

The City of North Canton was the Home for the Hoover Company for over 100 years and the company employed over 4,000 persons locally at its peak. Employment declined through the 1980s as the Hoover Company was purchased by the Maytag Company. In 2007, the Hoover Manufacturing Company's parent company, the Maytag Corporation, was purchase by the Whirlpool Corporation as part of a larger acquisition package. After a due diligence period, the Whirlpool Corporation determined that floor care products did not fit their company's business plan and sold the Hoover Division to Techtronic Industries Company Ltd. (TTI) for approximately \$107 Million. TTI, a maker of small appliances and hand tools under many brand names, did an extensive study of the Hoover Company and decided they would close the North Canton Hoover Manufacturing Plant at the end of the third quarter of 2007. At the time of TTI's announcement, the employment levels at the North Canton Hoover facility were about 800 hourly workers. The plant was officially closed on September 27, 2007.

After the closure, TTI engaged a real estate company to market the Hoover Plant for resale. In the fourth quarter of 2007, TTI was approached by the California based Industrial Realty Group (IRG) and Industrial Commerce Realty (ICR), nationally and regionally famous real estate development companies that specialize in redevelopment of older industrial buildings, about the possible purchase of the former Hoover site. After several months of negotiations, the former Hoover site was sold to IRG/ICR on January 28, 2008. The official ownership of the site is Maple Street Commerce, LLC. The City and Developer have renamed the site as the "Hoover District" to connect the past community history with the new marketing efforts to redevelop the site.

Since being purchased by Maple Street Commerce, LLC., the partnership with the City and Developer continues to bring new companies into the Community and have attracted ten new businesses to the Hoover District. These businesses have increased the city's income tax revenues by almost \$400,000 in 2013.

The partnership between North Canton and Maple Street Commerce, LLC. has achieved remarkable result considering the "Great Recession" that occurred from 2008 to 2010. This partnership has resulted in the City's successful \$5 million Jobs Ready Sites (JRS) Program Grant from the State of Ohio that was awarded in 2009. The original program consisted of \$3 million for building renovations and \$2 million in infrastructure improvements to East Maple Street. The JRS Grant funding helped renovate a former industrial space that now houses the corporate headquarters of the Schroer Group. The Schroer Group and Controlled Power LLC, two of the Hoover Districts tenants are now in the top fifteen North Canton employers and taxpayers in 2013.

Also housed in the Hoover District is a branch of Stark State College Corporate that offers both classrooms and labs for students. The City and the North Canton Community Improvement Corporation partnered on a funding request to the State of Ohio to support the relocation of Stark State College facility. The application for State funds was accepted by the State of Ohio and resulted in \$500,000 in funding for the build-out of approximately 17,000 sq. ft. of offices, training labs, and classroom space was successful. Further, the North Canton Community Improvement Corporation committed an additional \$60,000 for office equipment and moving expenses to the project as well. The new facility opened in early 2011 with eight full time employees and at the end of 2013 they employed fifty-eight (58) employees.

In addition to the above, in 2012 the City amended the JRS Grant with the State of Ohio to add an additional \$1,000,000 in building improvements to the second floor of building Sixteen (16). These improvements, including the construction of elevators, stairs, and HVAC systems, have been constructed and have opened up access to an additional 80,000 sq. ft. space for additional tenants to the Hoover District and opened up an additional 110,000 sq. ft. for additional development. Further, the improvements were primarily responsible for the newest tenant (late spring 2014), the Ohio Bureau of Workers' Compensation, signing a lease with the developer. The tenant is expected to bring an additional 110 employees to the Hoover District.

In addition to the rapidly redeveloping Hoover District, the City completed the construction of approximately 1,000 lineal foot of roadway now known as Waterside Drive (Waterside Center). The City made application in 2008 to the State of Ohio under its competitive 629 Research and Development Roadway Assistance Grant Program for grant funding to develop the roadway. This infrastructure development to open up approximately seventeen vacant acres for development as an office park to house research and technology companies. The City's application was successful and received \$350,000 in grant funds. The project's total cost was approximately \$647,000 and the remaining \$297,000 was funded at a fifty/fifty split with the City and the local developers (Waterside Development Company). The City and Developer are co-marketing the site for businesses and companies in high technology pursuits.

Other improvements in the local economy include continued private sector reinvestment in the community of almost \$11,460,000 in new commercial and residential structures. Residential home construction in 2013 rose to eighteen homes which was the largest increase in single-family home construction since prior to the Great Recession of 2008-2010. Further, 2013 saw the construction of the first multiple family apartment complex, valued at over \$2,263,000, in North Canton in many years. The construction of the forty unit Northridge apartment complex added more residential units to the City's housing stock and revitalized an area that had deteriorated and become a community eyesore.

Commercial investments in real estate in 2013 saw a slight greater increase compared to the levels in 2012. Of special interest to the community this investment included almost \$1,000,000 in new alterations in the Hoover District, and sizable new construction or alterations at the Akron Children's Hospital (\$140,000), the YMCA Daycare (\$740,000), Walsh University Betzler Hall renovations (\$230,000), a medical office addition for Dr. Agelopoulos (\$157,000) and the Stark State College lab renovation (\$150,000) to name a few. New business construction included restaurants BAM Healthy Cuisine, Pita Pit, and the Winking Lizard all totaling over \$423,000.

At the end of 2013, the City had approximately 437 businesses. Vacancy rates for businesses declined to about six to eight percent from 2012 levels. The City has several significant business clusters that include health care, business services (including financial), and higher education. Most of the community's businesses are the "neighborhood variety" providing local shopping opportunities such as supermarkets, small specialty shops, and personal care businesses.

Long-Term Financial Planning

The City's income tax ordinance provides for 0.30 percent of the first 1 percent tax rate (after paying all costs associated with the collection of the income tax) be used for capital improvements and 0.70 percent of the first 1 percent be used for general operations of the City. The remaining 0.5 percent tax rate may be used for either general operations of the City or capital improvements. In the past, the City has been able to use 50 percent of its income tax collections for capital projects. However, over the past few years, as the cost of general operations has increased at a greater pace than income tax collections, the amount directed to capital improvements has been reduced to the minimum amount allowed. As there are fewer funds for capital projects, the City has looked at other means to finance equipment purchases and road, curb and gutter improvements. These financing options include capital leasing, grants and zero interest loans.

Relevant Financial Policies

During 2013, the City continued its commitment to fund the compensated absences fund in order to accumulate resources for the payout of earned vacation and eligible sick leave to employees who terminate employment with the City. In 2013, the City contributed \$317,000 to the fund and anticipates continuing funding that level on an annual basis.

Pursuant to the legislation established in 2006 which authorized the transfer of any estate tax collections in excess of \$300,000 to the capital improvement fund, over \$1.4 million was transferred during 2007. In part, these funds were used for the Sixth Street curb and gutter project and the Lipton Avenue rehabilitation project. By comparison, in 2011, \$244,692 and in 2012, \$1,542,122 was transferred. The City transferred \$800,000 in 2013.

Major Initiatives

The City of North Canton, like most communities in the United States and the world, suffered from the effects of the “Great Recession” that officially occurred in the period of 2008 through 2010. Prior to this same period the City was also affected by the closure of the City’s largest and primary taxpayer the Hoover Company. This event resulted in the loss of 2,400 jobs to the community and almost eighteen to twenty-two percent of the city’s tax revenues.

Just prior to and after the shutdown of the Hoover Corporate headquarters and the “Great Recession”, the community moved ahead with several important initiatives. One of these was the funding of the City’s long dormant Community Improvement Corporation. The North Canton Community Improvement Corporation (NCCIC) was created in 1980 but, with the exception of Tax Exempt Bonds, had no funding mechanism to help assist with economic development activities. In 2005, the City Council authorized the transfer of \$1,500,000 from the City’s General Fund to the NCCIC annually for fifteen years in increments of \$100,000.

This funding source has resulted in the NCCIC’s attracting several new businesses to the City that have created over 285 new jobs. The projects included the purchase and lease-back to Myers Controlled Power LLC. of three industrial cranes, purchase of land and construction of a fifty car parking lot for the Stark County Board of Developmental Disabilities, and the purchase of equipment for the Stark State College branch now located in the City’s “Hoover District”.

Following the funding of the City’s successful \$5,000,000 Jobs Ready Site Grant in 2009, the City has worked closely with Maple Street Commerce L.L.C., the Developer of the former 85 acre Hoover Manufacturing Facility, to attract business to and redevelop the site. The total project investment with the Grant is \$6.67 million with the developer contributing \$1.67 million as local match. Uses of the grant funds include \$4 million for building rehabilitation by the developer and \$1.0 million for infrastructure work done by the City. Infrastructure work will be done on East Maple Street, Charlotte Street, Hower Street, Witwer Street and Taft Avenue.

In as much as the Hoover District is being developed as a “live work” project, the developer secured historic tax credits and funding through the EB-5 visa program for Immigrant Investors. The EB-5 program is a United States visa program created by the Immigration Act of 1990. This type of visa provides a method of obtaining a green card for foreign nationals who invest money in the United States. To obtain the visa, individuals must invest \$1,000,000 (or at least \$500,000 in a "Targeted Employment Area" - high unemployment or rural area), creating or preserving at least 10 jobs for U.S. workers excluding the investor and their immediate family. These combined funding sources along with the developer’s equity are facilitating the construction of approximately 100 apartments and help build out the retail portion of the project. At this time plans are being reviewed by the City and demolition and construction will start in late summer of 2014.

The City/Developer partnership is focused on attraction of high technology businesses such as semiconductor manufacturers, software publishers, architectural or engineering services firms, scientific research and development services as well as health care offices. To date, the partnership has created over 1,200 new jobs distributed among ten new business in the area the City has named "The Hoover District". In the late spring of 2014 the Hoover District will add a new business (Ohio Bureau of Workers' Compensation) and another 110 jobs.

Another initiative the City is leading is the development of any available developable land to encourage job growth. Since the City is almost built-out, one area of vacant land the City has focused on is an area that contains about 17.28 acres of undeveloped land located on South Main Street. The owners of this property had a preliminary development plan for this property since 1999. During 2007, the City contacted the property owners about finally developing the site. The City indicated that they would pursue grant funding to help construct the roadway needed for this project if the developers would agree to provide sites for a high-tech compact business smart park that would bring high tech jobs to the City. The developers agreed and the City submitted a 629 research and development grant application with the State of Ohio's Department of Development. The grant request was approved for \$350,000. The total project cost to construct the street was \$616,367 and construction was completed on the roadway in the fourth quarter of 2009. Although the Great Recession stopped any development activity at the site, in 2013 the City is marketing the site with the developer.

A performance audit was conducted by the State Auditor's office in 2009 at the request of the City to assist in identifying areas where the City could reduce expenditures and increase potential revenues. The City has taken steps outlined in the audit has implemented many of the suggestions identified by the audit to help cut costs throughout the City's operations.

In 2012, a 1.5 mil EMS/Ambulance levy renewal levy was passed at the November general election and is anticipated to generate \$530,225 each year annually for five years. Collections years are 2013-2017. In addition, 2012 a replacement continuing levy for 1.0 mil EMS/Ambulance levy and a .50 mil Fire levy was passed by the voters at the May primary which is expected to generate annually each year \$353,483 and \$176,742 respectfully.

Wherever possible, the City is pursuing grants to assist in projects. The City was awarded \$110,000 from the Stark County Municipal Road Funds for Pittsburgh Road street reconstruction project. The City was awarded \$2,750,000 from the Ohio Department of Transportation (ODOT) and, \$1,537,420 from Ohio Public Works Commission (OPWC) for the construction of North Main Street Phase VI street reconstruction. The construction of this project started in 2012 and was completed 2013. Also, the City was awarded \$310,153 by the Ohio Public works Commission (OPWC) and \$1,152,000 from Ohio Department of Transportation (ODOT) for Main Street resurfacing. Ohio Public Works Commission (OPWC) awarded the City \$1,227,000 grant for East Maple Street reconstruction. The City was awarded \$605,800 from the Ohio Department of Transportation (ODOT) and \$201,450 from Ohio Public Works Commission (OPWC) for the Main Street signalization. Additionally, the City applied and received a \$150,000 grant from ODOT for infrastructure work associated with the revitalization of the Hoover District.

In recent years the City has incurred declining income tax collections as a result of the closing of the City's largest taxpayer, the Maytag TTI/Hoover Company, 2007 and the Great Recession of 2008 - 2010. However, in the last three years, revenue from income tax has increased. Despite this, the City will continue to have difficult budget situations in the near future. This is due in part to declines in other revenues such as shared support from the State (reduction in local government funds), interest earnings continuing to remain stagnant due to historically low interest rates, and the elimination of the estate tax for local governments by the State Legislature. All this while operating costs continue to increase due to inflationary pressures, higher utility and gasoline prices, training costs due to new State requirements and rising costs of health care. As a result, it is anticipated that further cost containment efforts and revenue enhancement actions will be necessary through the remainder of 2014 and beyond.

Awards and Acknowledgements

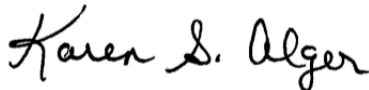
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Comprehensive Annual Financial Report for the year ended December 31, 2012. This was the twenty-fifth consecutive year that the government has achieved this prestigious national award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Karen S. Alger".

Karen S. Alger, CPA
Director of Finance



Government Finance Officers Association

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

Presented to

**City of North Canton
Ohio**

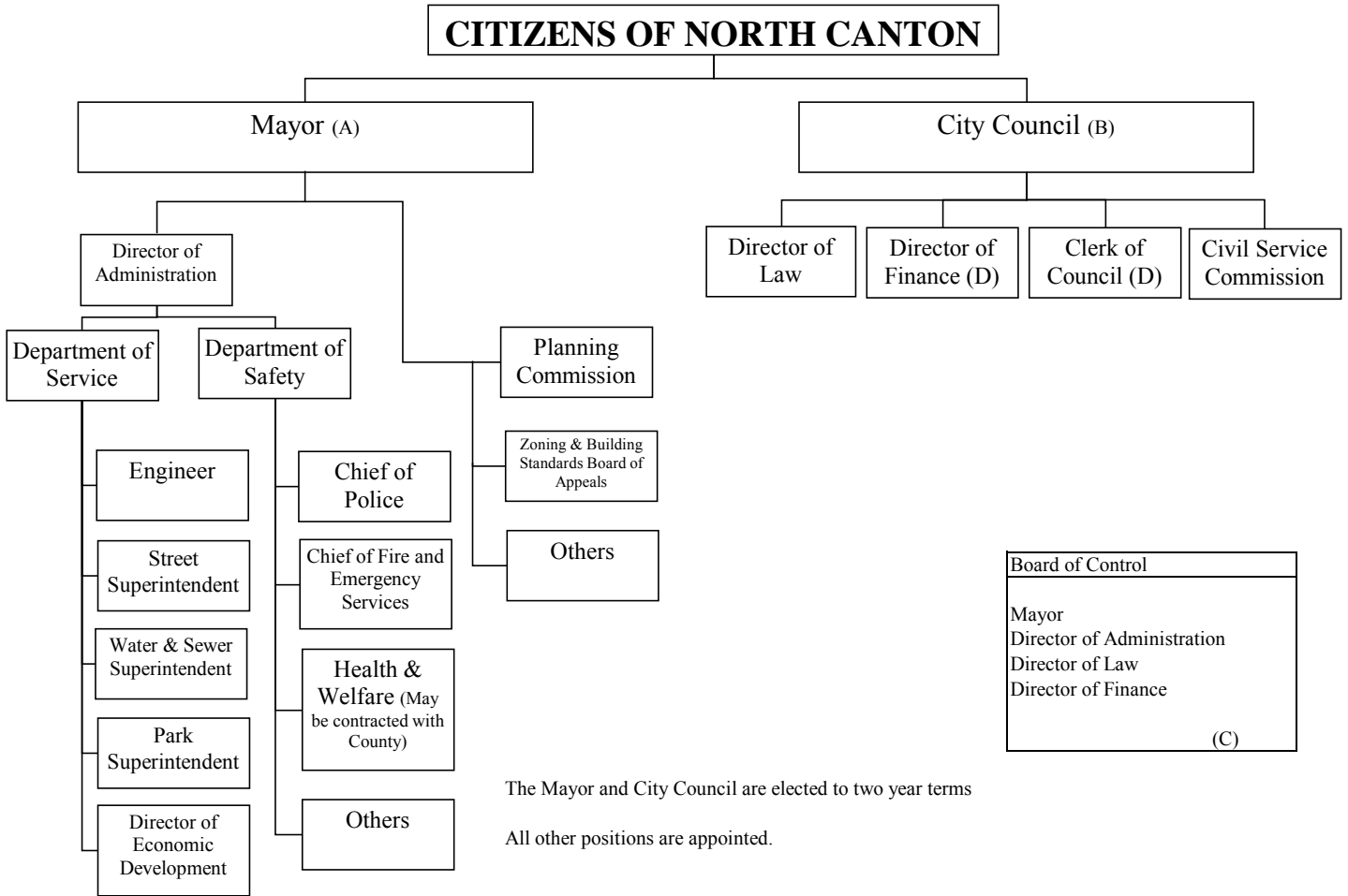
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

CITY OF NORTH CANTON, OHIO

CHARTER GOVERNMENT
ORGANIZATIONAL CHART



The Mayor and City Council are elected to two year terms

All other positions are appointed.

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

(B) Elects Council President and Vice President

(C) Awards contracts over Ohio Revised Code bidding limit

(D) May be combined

CITY OF NORTH CANTON, OHIO

LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2013

ELECTED CITY OFFICIALS

MAYOR

HONORABLE DAVID J. HELD

CITY COUNCIL

JOHN F. SNYDER, PRESIDENT, WARD 4
DOUGLAS V. FOLTZ, VICE PRESIDENT, WARD 1
MARCIA KIESLING, AT-LARGE
MARK CERRETA, AT LARGE
DAN GRIFFITH, AT-LARGE
DANIEL PETERS, WARD 2
STEPHANIE S. WERREN, WARD 3

APPOINTED CITY OFFICIALS

DIRECTOR OF ADMINISTRATION

MICHAEL J. GRIMES

DIRECTOR OF FINANCE

KAREN S. ALGER, CPA

DIRECTOR OF LAW

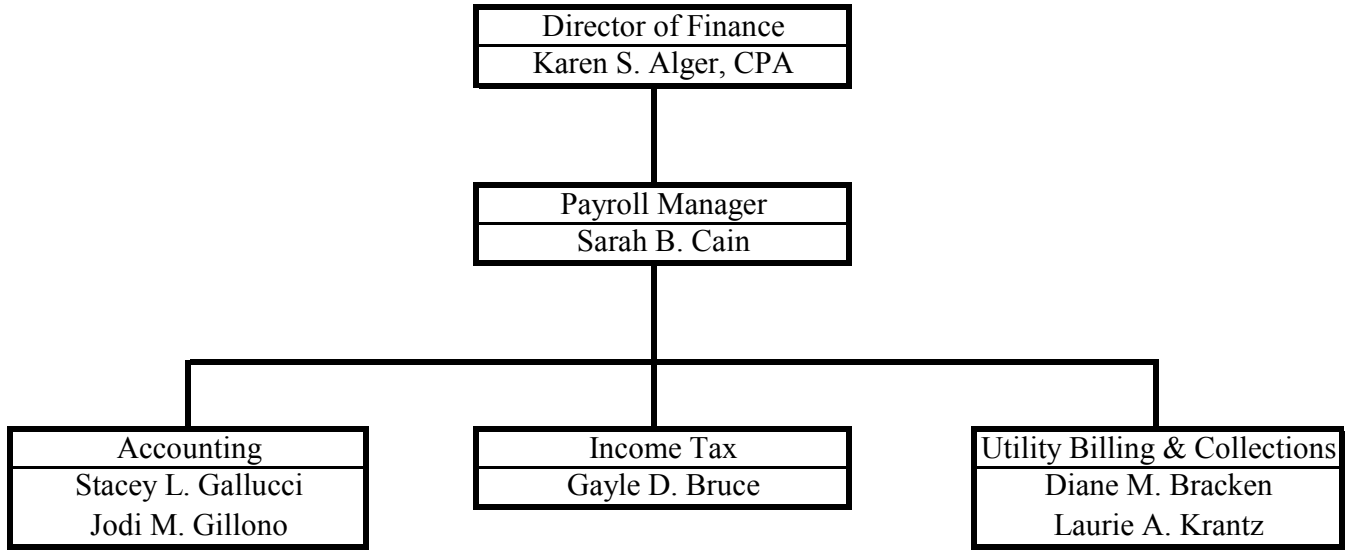
TIM FOX

CLERK OF COUNCIL

GAIL M. KALPAC

CITY OF NORTH CANTON, OHIO

DEPARTMENT OF FINANCE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2013



FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of North Canton, Stark County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of North Canton, Stark County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Emergency Medical Services Levy Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 25, 2014

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CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013

The Management's Discussion and Analysis for the City of North Canton's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2013. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

Financial Highlights

Key financial highlights for 2013 are as follows:

- The total net position of the City increased \$2,248,581. Net position of governmental activities increased \$2,068,870 or 5.15% over 2012 and net position of business-type activities increased \$179,711 or 0.54% over 2012.
- General revenues accounted for \$10,197,279 or 69.21% of total governmental activities revenue. Program specific revenues accounted for \$4,537,368 or 30.79% of total governmental activities revenue.
- The City had \$12,752,777 in expenses related to governmental activities; \$4,537,368 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$8,215,409 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$10,197,279.
- The general fund had revenues and other financing sources of \$8,257,352 in 2013. This represents a decrease of \$319,006 from 2012 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$7,766,553 in 2013, decreased \$885,084 from 2012. The net increase in the fund balance for the general fund was \$490,799 or 10.54%, from \$4,657,753 in 2012 to \$5,148,552 in 2013.
- The emergency medical services levy fund had revenues and other financing sources of \$1,528,695 in 2013. The emergency medical services levy fund had expenditures and other financing uses of \$1,335,400. The fund balance of the emergency medical services levy fund increased \$193,295 from \$168,349 to \$361,644.
- The capital improvement major fund had \$3,776,774 in revenues and other financing sources and \$2,705,347 in expenditures in 2013. The fund balance for the capital improvement fund increased \$1,071,427 or 30.25%, from \$3,542,135 in 2012 to \$4,613,562 in 2013.
- Net position for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$179,711 from a balance of \$33,566,421 in 2012 to \$33,746,132 in 2013.
- The water fund had \$6,241,358 in operating revenues and \$5,794,659 in operating expenses in 2013. The water fund also had nonoperating expenses of \$473,002 and transfers out of \$57,000. The net position of the water fund decreased \$83,303 or 0.34%.
- The sewer fund had \$2,866,932 in operating revenues and \$2,600,227 in operating expenses in 2013. The sewer fund also had non-operating expenses of \$5,247 and transfers out of \$30,000. The net position of the sewer fund increased \$231,458 or 2.60%.
- The garbage fund had \$884,691 in operating revenues and \$939,353 in operating expenses in 2013. The garbage fund also had non-operating revenues of \$28,371. The net position of the garbage fund decreased \$26,291 or 10.15%.

Using this Comprehensive Annual Financial Report (CAFR)

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Reporting the City as a Whole

Statement of Net Position and Statement of Activities

The analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2013?" The Statement of Net Position and the Statement of Activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

The City-wide financial statements can be found on pages 19 through 21 of this report.

Fund Financial Statements

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

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013

Governmental Funds

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

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 22 through 27 of this report.

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

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water system, sewer and garbage. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-insurance programs for medical-related employee benefits. The basic proprietary fund statements can be found on pages 28 through 31 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The basic fiduciary fund financial statement can be found on page 32 of this report.

Notes to the Basic Financial Statements

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 33 through 68 of this report.

Government-Wide Financial Analysis

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

The table below provides a summary of the City's net position at December 31, 2013 compared to December 31, 2012.

	Net Position					
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	2013 Total	2012 Total
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>Total</u>	<u>Total</u>
Assets						
Current and other assets	\$ 18,254,303	\$ 15,508,564	\$ 9,078,133	\$ 8,079,753	\$ 27,332,436	\$ 23,588,317
Capital assets, net	<u>31,750,878</u>	<u>31,847,363</u>	<u>40,063,014</u>	<u>40,917,082</u>	<u>71,813,892</u>	<u>72,764,445</u>
Total assets	<u>50,005,181</u>	<u>47,355,927</u>	<u>49,141,147</u>	<u>48,996,835</u>	<u>99,146,328</u>	<u>96,352,762</u>
Liabilities						
Current and other liabilities	1,827,101	1,016,620	1,032,091	362,637	2,859,192	1,379,257
Long term liabilities:						
Due within one year	224,012	331,448	915,791	871,549	1,139,803	1,202,997
Due in more than one year	<u>3,452,194</u>	<u>3,577,216</u>	<u>13,447,133</u>	<u>14,196,228</u>	<u>16,899,327</u>	<u>17,773,444</u>
Total liabilities	<u>5,503,307</u>	<u>4,925,284</u>	<u>15,395,015</u>	<u>15,430,414</u>	<u>20,898,322</u>	<u>20,355,698</u>
Deferred inflows of resources						
Deferred inflows of resources	<u>2,249,487</u>	<u>2,247,126</u>	<u>-</u>	<u>-</u>	<u>2,249,487</u>	<u>2,247,126</u>
Total deferred inflows of resources	<u>2,249,487</u>	<u>2,247,126</u>	<u>-</u>	<u>-</u>	<u>2,249,487</u>	<u>2,247,126</u>
Net Position						
Net investment in capital assets	30,087,393	30,162,804	25,793,804	26,042,734	55,881,197	56,205,538
Restricted	2,897,690	2,375,791	-	-	2,897,690	2,375,791
Unrestricted	<u>9,267,304</u>	<u>7,644,922</u>	<u>7,952,328</u>	<u>7,523,687</u>	<u>17,219,632</u>	<u>15,168,609</u>
Total net position	<u>\$ 42,252,387</u>	<u>\$ 40,183,517</u>	<u>\$ 33,746,132</u>	<u>\$ 33,566,421</u>	<u>\$ 75,998,519</u>	<u>\$ 73,749,938</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2013, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$75,998,519. At year-end, net position was \$42,252,387 and \$33,746,132 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2013, capital assets represented 72.43% of total assets. Capital assets include land, easements and rights of way, construction in progress (CIP), land improvements, buildings, equipment, software and infrastructure. Net investment in capital assets at December 31, 2013, was \$30,087,393 and \$25,793,804 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Assets of governmental activities increased \$2,649,254 or 5.59%. This increase can mainly be attributed to an increase in equity in pooled cash and investments. The increase in equity and pooled cash is mainly the result of an increase in revenues that exceeded expenses. Liabilities and deferred inflows of resources of the governmental activities increased by \$578,023 or 11.74% which is due primarily to an increase in contracts payable related to construction projects.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Assets of business-type activities increased \$144,312 or 0.29%. While equity in pooled cash and investments increased in these activities, capital asset decreased due to current year depreciation. Liabilities of the business-type activities decreased slightly by \$35,399. While long-term liabilities decreased due to payment of principal on bonds and loans, accounts payable, contracts payable and intergovernmental payable all increased from prior year.

As of December 31, 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net position, \$2,897,690, represents resources that are subject to external restriction on how they may be used. This is an increase of \$521,899 from 2012 and is the result of an increase in restricted for securities of persons and property-fire, public health and welfare and general trust. In the governmental activities, the remaining balance of unrestricted net position of \$9,267,304 may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

The table below shows the changes in net position for years 2013 and 2012.

	Change in Net Position					
	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>	Business-Type Activities <u>2013</u>	Business-Type Activities <u>2012</u>	2013 <u>Total</u>	2012 <u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,672,634	\$ 1,508,980	\$ 9,888,744	\$ 9,706,722	\$ 11,561,378	\$ 11,215,702
Operating grants and contributions	1,071,336	1,196,792	28,371	39,998	1,099,707	1,236,790
Capital grants and contributions	<u>1,793,398</u>	<u>3,102,193</u>	<u>-</u>	<u>-</u>	<u>1,793,398</u>	<u>3,102,193</u>
Total program revenues	<u>4,537,368</u>	<u>5,807,965</u>	<u>9,917,115</u>	<u>9,746,720</u>	<u>14,454,483</u>	<u>15,554,685</u>
General revenues:						
Taxes	9,015,971	8,398,406	-	-	9,015,971	8,398,406
Grants and entitlements	1,036,416	1,839,867	-	-	1,036,416	1,839,867
Investment earnings	15,322	16,185	-	-	15,322	16,185
Miscellaneous	<u>129,570</u>	<u>2,055</u>	<u>104,237</u>	<u>58,732</u>	<u>233,807</u>	<u>60,787</u>
Total general revenues	<u>10,197,279</u>	<u>10,256,513</u>	<u>104,237</u>	<u>58,732</u>	<u>10,301,516</u>	<u>10,315,245</u>
Total revenues	<u>14,734,647</u>	<u>16,064,478</u>	<u>10,021,352</u>	<u>9,805,452</u>	<u>24,755,999</u>	<u>25,869,930</u>

--Continued

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Change in Net Position - (Continued)

	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>	Business-type Activities <u>2013</u>	Business-type Activities <u>2012</u>	<u>2013</u> Total	<u>2012</u> Total
Expenses:						
General government	1,916,122	1,914,208	-	-	1,916,122	1,914,208
Security of persons and property:						
Police	3,209,466	3,184,475	-	-	3,209,466	3,184,475
Fire	663,161	731,977	-	-	663,161	731,977
Public health and welfare	1,500,576	1,690,461	-	-	1,500,576	1,690,461
Transportation	3,574,374	3,333,527	-	-	3,574,374	3,333,527
Community environment	402,156	416,531	-	-	402,156	416,531
Leisure time activities	789,887	791,895	-	-	789,887	791,895
Basic utility services	607,310	542,450	-	-	607,310	542,450
Interest and fiscal charges	89,725	94,829	-	-	89,725	94,829
Water	-	-	6,223,675	5,349,166	6,223,675	5,349,166
Sewer	-	-	2,594,504	2,432,758	2,594,504	2,432,758
Garbage	-	-	936,462	860,061	936,462	860,061
Total expenses	<u>12,752,777</u>	<u>12,700,353</u>	<u>9,754,641</u>	<u>8,641,985</u>	<u>22,507,418</u>	<u>21,342,338</u>
Excess before transfers	1,981,870	3,364,125	266,711	1,163,467	2,248,581	4,527,592
Transfers	<u>87,000</u>	<u>75,000</u>	<u>(87,000)</u>	<u>(75,000)</u>	-	-
Change in net position	2,068,870	3,439,125	179,711	1,088,467	2,248,581	4,527,592
Net position at beginning of year	<u>40,183,517</u>	<u>36,744,392</u>	<u>33,566,421</u>	<u>32,477,954</u>	<u>73,749,938</u>	<u>69,222,346</u>
Net position at end of year	<u>\$ 42,252,387</u>	<u>\$ 40,183,517</u>	<u>\$ 33,746,132</u>	<u>\$ 33,566,421</u>	<u>\$ 75,998,519</u>	<u>\$ 73,749,938</u>

Governmental Activities

Governmental activities net position increased \$2,326,268 in 2013.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$3,872,627 of the total expenses of the City. These expenses were partially funded by \$18,814 in direct charges to users of the services. General government expenses totaled \$1,916,122. General government expenses were partially funded by \$461,653 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$1,071,336 in operating grants and contributions and \$1,793,398 in capital grants and contributions. Capital grants and contributions decreased \$1,308,795 due to less amounts received from the Ohio Public Works Commission (OPWC) than in 2012. All of the capital grants and contributions subsidized transportation programs.

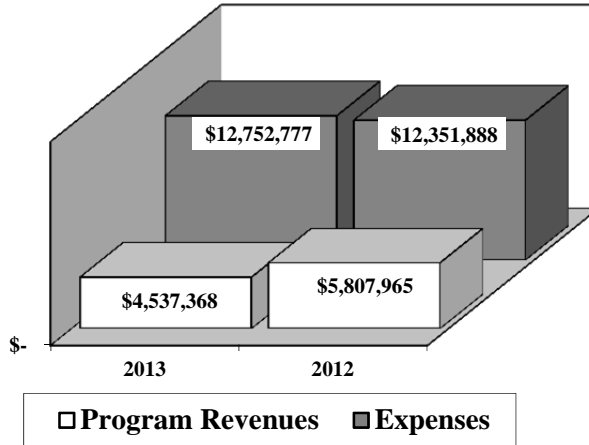
General revenues totaled \$10,197,279, and amounted to 69.21% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$9,015,971, an increase of \$617,565 from 2012 amounts. This increase can be attributed to an increase in income tax revenues which resulted for the rebounding economy. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government, local government revenue assistance, homestead and rollback, making up \$1,036,416. This decreased in comparison to 2012 mainly due to decreases in estate tax receipts and local government funding.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

Governmental Activities – Program Revenues vs. Total Expenses



Governmental Activities

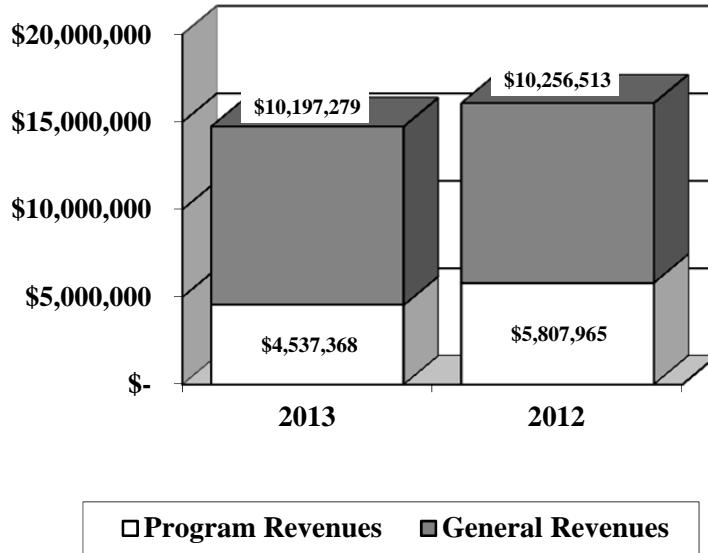
	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>
Program Expenses:				
General government	\$ 1,916,122	\$ 1,454,463	\$ 1,914,208	\$ 1,532,756
Security of persons and property:				
Police	3,209,466	3,056,282	3,184,475	3,162,881
Fire	663,161	650,475	731,977	702,358
Public health and welfare	1,500,576	888,735	1,690,461	904,725
Transportation	3,574,374	902,088	3,333,527	(638,447)
Community environment	402,156	97,382	416,531	154,545
Leisure time activities	789,887	469,619	791,895	436,626
Basic utility services	607,310	606,640	542,450	542,115
Interest and fiscal charges	89,725	89,725	94,829	94,829
Total Expenses	\$ 12,752,777	\$ 8,215,409	\$ 12,700,353	\$ 6,892,388

The dependence upon general revenues for governmental activities is apparent, with 64.42% of expenses supported through taxes and other general revenues in 2013 and 54.27% in 2012.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

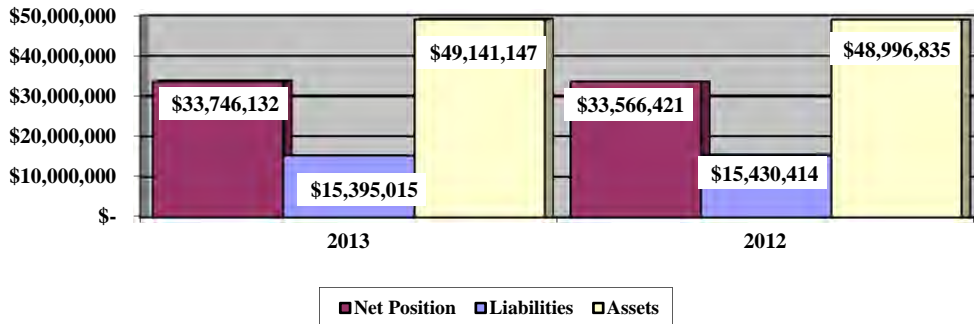
Governmental Activities – General and Program Revenues



Business-Type Activities

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$9,917,115, expenses of \$9,754,641 and general revenues of \$104,237 for 2013. The graph below shows the business-type activities assets, liabilities and net position at year-end.

Net Position in Business - Type Activities



Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$11,964,222 which is \$2,065,799 higher than last year's total of \$9,898,423. The schedule on the next page indicates the fund balances and the total change in fund balances as of December 31, 2013 for all major and nonmajor governmental funds.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Fund Balances 12/31/13	Fund Balances 12/31/12	Increase
Major Funds:			
General	\$ 5,148,552	\$ 4,657,753	\$ 490,799
Emergency Medical Services Levy	361,644	168,349	193,295
Capital Improvement	4,613,562	3,542,135	1,071,427
Other Nonmajor Governmental Funds	<u>1,840,464</u>	<u>1,530,186</u>	<u>310,278</u>
Total	<u>\$ 11,964,222</u>	<u>\$ 9,898,423</u>	<u>\$ 2,065,799</u>

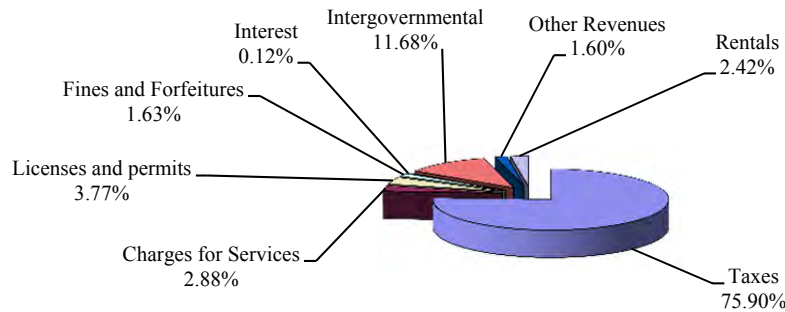
General Fund

The City's general fund balance increased \$490,799. The fund balance increased due primarily to a decrease in transfers out to other funds. The table that follows assists in illustrating the revenues of the general fund.

	2013 Amount	2012 Amount	Increase/ (Decrease)	Percentage Change
Revenues				
Taxes	\$ 6,143,473	\$ 5,865,637	\$ 277,836	4.74 %
Charges for services	233,485	290,394	(56,909)	(19.60) %
Licenses and permits	304,774	261,986	42,788	16.33 %
Fines and forfeitures	132,220	107,502	24,718	22.99 %
Intergovernmental	945,421	1,713,477	(768,056)	(44.82) %
Interest	10,027	13,127	(3,100)	(23.62) %
Rentals	195,880	215,402	(19,522)	(9.06) %
Other	<u>129,570</u>	<u>833</u>	<u>128,737</u>	15,454.62 %
Total	<u>\$ 8,094,850</u>	<u>\$ 8,468,358</u>	<u>\$ (373,508)</u>	(4.41) %

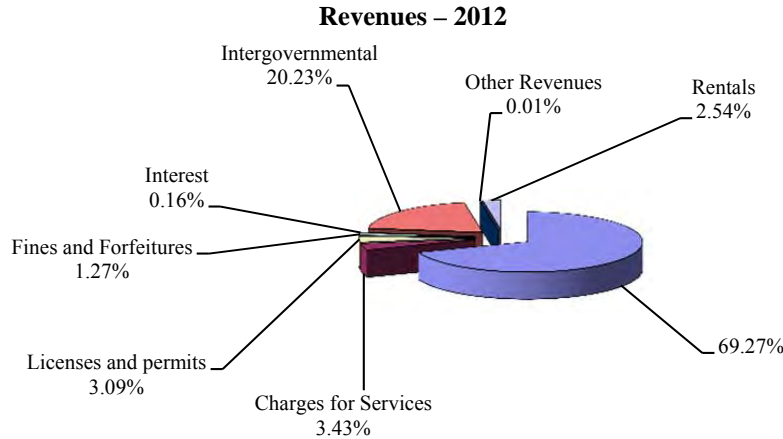
Revenues of the general fund decreased \$373,508 or 4.41%. Tax revenues increased \$277,836 or 4.74%. This increase was the result of an increase in income taxes being reported in the general fund due to an increase in business within the City. The most significant decrease was in the area of intergovernmental revenues. Intergovernmental revenues decreased \$768,056 due mainly to a decrease in estate taxes and local government funding. All other major revenue remained comparable to 2012.

Revenues – 2013



CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013



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

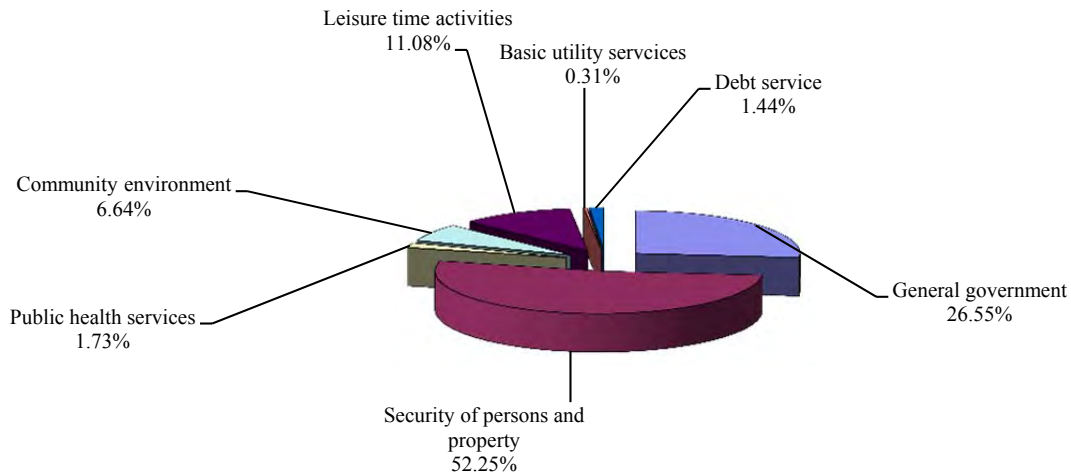
	<u>2013</u> <u>Amount</u>	<u>2012</u> <u>Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
General government	\$ 1,615,429	\$ 1,675,343	\$ (59,914)	(3.58) %
Security of persons and property:				
Police	3,136,132	3,095,637	40,495	1.31 %
Fire	42,292	-	42,292	100.00 %
Public health and welfare	104,980	102,395	2,585	2.52 %
Community environment	404,055	437,425	(33,370)	(7.63) %
Leisure time activities	674,044	684,494	(10,450)	(1.53) %
Basic utility services	19,071	9,571	9,500	99.26 %
Debt service	87,550	89,650	(2,100)	(2.34) %
Total	<u>\$ 6,083,553</u>	<u>\$ 6,094,515</u>	<u>\$ (10,962)</u>	<u>(0.18) %</u>

Expenditures of the general fund decreased \$10,962 or 0.18%. Decreases were consistent among almost all expenditure functions due to cost cutting measures enacted by the City.

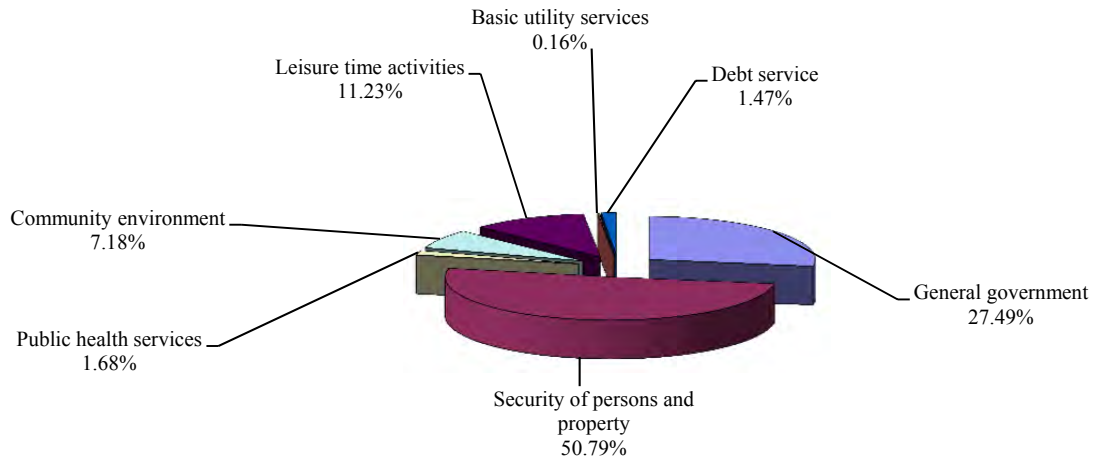
CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013

Expenditures – 2013



Expenditures – 2012



Emergency Medical Services Levy

The emergency medical services levy fund had \$1,528,695 in revenues and other financing sources. The emergency medical services levy fund had expenditures and other financing uses of \$1,335,400. The fund balance of the emergency medical services levy fund increased \$193,295 during 2013 from \$168,349 to \$361,644. The primary reasons for the increase is due to an increase in charges for services related to ambulance runs, an increase in property taxes.

Capital Improvement Fund

The capital improvement major fund had \$3,776,774 in revenues and other financing sources and \$2,705,347 in expenditures in 2013. The fund balance for the capital improvement fund increased \$1,071,427, or 30.25%, from \$3,542,135 in 2012 to \$4,613,562 in 2013. The primary reason for the increase in fund balance is due to a decrease in expenditures compared to 2012.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Budgeting Highlights – General Fund

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$7,261,777 were higher than the final budget amount by \$578,517. This increase is due to estate taxes that were received during 2013 but was not budgeted for. Actual expenditures and other financing uses of \$7,553,014 were lower than the final budget amount by \$724,103. This decrease was primarily due to conservative spending in the police department, permits and inspections, parks department, other general government and a decrease in anticipated transfers out. Budgeted revenues and other financing sources were the same in the original and the final budget. Budgeted expenditures and other financing uses were increased \$129,871 from the original to the final budget.

Proprietary Funds

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

The City's business-type funds (as presented on the Statement of Net Position on page 28) reported a combined net position of \$33,501,647, which is \$121,864 above last year's total of \$33,379,783.

The schedule below indicates the net position and the total change in net position as of December 31, 2013 and December 31, 2012 for all major business-type funds.

	<u>Net Position</u> <u>12/31/13</u>	<u>Net Position</u> <u>12/31/12</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
Water	\$ 24,142,517	\$ 24,225,820	\$ (83,303)
Sewer	9,126,452	8,894,994	231,458
Garbage	<u>232,678</u>	<u>258,969</u>	<u>(26,291)</u>
Total	<u>\$ 33,501,647</u>	<u>\$ 33,379,783</u>	<u>\$ 121,864</u>

Water Fund

The water fund had \$6,241,358 in operating revenues and \$5,794,659 in operating expenses during 2013. The water fund also had \$473,002 in nonoperating expenses and \$57,000 in transfers out. The net position of the water fund decreased \$83,303, or 0.34%, from \$24,225,820 to \$24,142,517. Water rates were increased to cover the costs of this fund.

Sewer Fund

The sewer fund had \$2,866,932 in operating revenues and \$2,600,227 in operating expenses during 2013. The sewer fund also had \$5,247 in nonoperating expenses and \$30,000 in transfers out. The net position of the sewer fund increased \$231,458, or 2.60%, from \$8,894,994 to \$9,126,452. This increase is the result of sewer rates being at a sufficient level to cover the costs in the fund.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Garbage Fund

The garbage fund had \$884,691 in operating revenues and \$939,353 in operating expenses in 2013. The garbage fund also had non-operating revenues of \$28,371. The net position of the garbage fund decreased \$26,291, or 10.15%, from \$258,969 to \$232,678.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2013, the City had \$71,813,892 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software and infrastructure. Of this total, \$31,750,878 was reported in governmental activities and \$40,063,014 was reported in business-type activities. See Note 11 in the basic financial statements for additional capital asset disclosure. The following table shows December 31, 2013 balances compared to December 31, 2012:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 5,117,189	\$ 5,117,189	\$ 1,023,702	\$ 1,023,702	\$ 6,140,891	\$ 6,140,891
Easements and right of ways	612,061	568,310	-	-	612,061	568,310
Construction in progress	3,321,257	2,646,431	691,725	216,647	4,012,982	2,863,078
Land improvements	502,431	463,858	392,460	413,883	894,891	877,741
Buildings	3,087,399	3,092,864	9,703,937	10,116,572	12,791,336	13,209,436
Equipment	2,745,672	2,570,890	1,920,033	2,156,657	4,665,705	4,727,547
Software	78,637	-	-	-	78,637	-
Infrastructure	<u>16,286,232</u>	<u>17,387,821</u>	<u>26,331,157</u>	<u>26,989,621</u>	<u>42,617,389</u>	<u>44,377,442</u>
Totals	<u>\$ 31,750,878</u>	<u>\$ 31,847,363</u>	<u>\$ 40,063,014</u>	<u>\$ 40,917,082</u>	<u>\$ 71,813,892</u>	<u>\$ 72,764,445</u>

Debt

The City had the following long-term obligations outstanding at December 31, 2013 and 2012:

	<u>Governmental Activities 2013</u>	<u>Governmental Activities 2012</u>
General obligation bonds	\$ 2,055,000	\$ 2,195,000
Capital leases	<u>14,427</u>	<u>59,710</u>
Total governmental activities long-term obligations	<u>\$ 2,069,427</u>	<u>\$ 2,254,710</u>

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities <u>2013</u>	Business-type Activities <u>2012</u>
OWDA loans	\$ 7,720,400	\$ 8,250,917
OPWC loans	2,006,651	1,917,980
General obligation bonds	<u>4,585,000</u>	<u>4,845,000</u>
Total business-type activities long-term obligations	<u>\$ 14,312,051</u>	<u>\$ 15,013,897</u>

See Note 16 in the basic financial statements for additional disclosures and detail regarding the City's debt activity.

Economic Factors and Next Year's Budget

The City of North Canton in 2013 saw continued growth in its local economy as the regional economy continued to recover from the Great Recession that started in 2008 and technically ended in 2010. In addition to the Great Recession North Canton faced a bigger hurdle in the loss of its biggest taxpayer in September 2007 (the Hoover Company). This loss accounted for eighteen to twenty percent of the community's tax revenues. However, due to the aggressiveness of the local government, a new development that purchased the Hoover Company, and a significant growth in employment at Walsh University, approximately 1,700 new jobs were created during 2008 through 2011. Most of this new employment occurred at the Hoover District and Walsh University. Growth is expected to continue at the former Hoover Company facility (now referred to as the Hoover District) and two new businesses are expected to move into the complex in 2014. Continued improvement also occurred in the City's storefronts and small office buildings along Main Street, Maple, and Portage Streets as the availability of lease spaces has declined appreciably. However, despite the positive gains in job growth and revenue gains from City Income Tax these increases were offset by continued cuts in revenue streams from the State of Ohio. In addition, the City's costs to provide services to its residents continue to increase due to inflationary pressures, higher utility and gasoline prices, and increased costs of employee health care.

The City's Engineering and Permits & Development Department have been aggressively pursuing grants to assist in projects to stretch its scarce infrastructure funding as much as possible. Several examples include the \$350,000 Community Development Block Grant (CDBG) for waterline replacement on North Main Street, the approximately \$4,000,000 in Ohio Public Works Commission (OPWC) Grant for Phases V and VI of the North Main Reconstruction and Widening, and multiple CDBG Grants totaling over \$500,000 for four (4) waterline replacement projects and one (1) storm sewer replacement. In addition to the infrastructure grants, the City has also completed over \$745,000 in OPWC Zero Interest Loans for the repainting for the City's water towers and the Lynbrook Sewer Line replacement project.

In addition to the aforementioned redevelopment of the Hoover District and Walsh University, the City completed the construction of approximately 1,000 lineal foot of roadway now known as Waterside Drive (Waterside Center). The project was funded partially by a 2008 application to the State of Ohio for 629 Research and Development Roadway Assistance Grant Program for grant funding. The roadway opened up approximately seventeen acres of vacant land for development as a compact research/technology office park to house research and technology companies. The roadway was completed in 2009/2010 at the height of the Great Recession and occupancy of the park has been slow. However, with the recovering economy, interest in Waterside Center is increasing and the City is working with the developer to co-market the site for businesses and companies in high technology pursuits.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013

At the end of 2013, the City had approximately 437 businesses in the community. Vacancy rates for businesses continued to decline from 2012 levels to approximately six to eight percent. As in 2012, investment in the City continued with investment values of almost \$11,460,000 in new commercial and residential investments being made in the community. Residential home construction had a large increase and eighteen new homes were constructed in North Canton in 2013. Further, the construction of the approximately \$2,263,000 new forty unit Northridge apartment complex added more residential units to the City's housing stock. Commercial investment in 2013 included almost \$1,000,000 in new alterations in the Hoover District, and sizable new construction or alterations at the Akron Children's Hospital Whipple Ave branch (\$140,000), the YMCA Daycare (\$740,000), Walsh University Betzler Hall renovations (\$230,000), a medical office addition for Dr. Agelopoulos (\$157,000) and the Stark State College lab renovation (\$150,000) to name a few. New business construction included restaurants BAM Healthy Cuisine, Pita Pit, and the Winking Lizard all totaling over \$423,000.

The City of North Canton has committed itself to financial excellence. The City is preparing its twenty-sixth Comprehensive Annual Financial Report. We will be submitting our 2013 CAFR for the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting.

Requests for Information

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

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CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
Assets:				
Equity in pooled cash and investments	\$ 12,856,730	\$ 7,361,258	\$ 20,217,988	\$ -
Cash and cash equivalents				
In segregated accounts	230,144	-	230,144	-
With fiscal agents	-	-	-	420,830
With escrow agent	457,000	-	457,000	-
Receivables:				
Property taxes	2,332,080	-	2,332,080	-
Municipal income taxes	1,281,128	-	1,281,128	-
Accounts	181,037	1,117,606	1,298,643	-
Intergovernmental	1,122,106	-	1,122,106	457,000
Special assessments	8,466	77,663	86,129	-
Accrued interest	8,353	-	8,353	-
Materials and supplies inventory	13,910	274,354	288,264	-
Prepayments	7,834	2,767	10,601	-
Internal balance	(244,485)	244,485	-	-
Capital assets:				
Land and construction in progress	9,050,507	1,715,427	10,765,934	71,439
Depreciable capital assets, net	22,700,371	38,347,587	61,047,958	406,180
Total capital assets, net	31,750,878	40,063,014	71,813,892	477,619
Total assets	50,005,181	49,141,147	99,146,328	1,355,449
Liabilities:				
Accounts payable	341,614	192,534	534,148	-
Contracts payable	1,009,644	416,174	1,425,818	-
Accrued wages and benefits payable	204,036	70,419	274,455	-
Intergovernmental payable	202,414	197,678	400,092	-
Accrued interest payable	8,141	155,286	163,427	-
Claims payable	61,252	-	61,252	-
Long-term liabilities:				
Due within one year	224,012	915,791	1,139,803	-
Due in more than one year	3,452,194	13,447,133	16,899,327	-
Total liabilities	5,503,307	15,395,015	20,898,322	-
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,249,487	-	2,249,487	-
City contributions not available	-	-	-	457,000
Total deferred inflows of resources	2,249,487	-	2,249,487	457,000
Total liabilities and deferred inflows of resources	7,752,794	15,395,015	23,147,809	457,000
Net position:				
Net investment in capital assets	30,087,393	25,793,804	55,881,197	477,619
Restricted for:				
Capital projects	202,578	-	202,578	-
Computer systems	9,249	-	9,249	-
Security of persons and property - police	41,790	-	41,790	-
Security of persons and property - fire	116,726	-	116,726	-
Public health and welfare	572,499	-	572,499	-
Transportation	1,215,859	-	1,215,859	-
Basic utilities	536,338	-	536,338	-
General trust	190,613	-	190,613	-
Mayors court	12,038	-	12,038	-
Unrestricted	9,267,304	7,952,328	17,219,632	420,830
Total net position	\$ 42,252,387	\$ 33,746,132	\$ 75,998,519	\$ 898,449

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government	\$ 1,916,122	\$ 461,653	\$ 6	\$ -
Security of persons and property:				
Police	3,209,466	18,814	134,370	-
Fire	663,161	-	12,686	-
Public health and welfare	1,500,576	599,043	12,798	-
Transportation	3,574,374	-	878,888	1,793,398
Community environment	402,156	304,774	-	-
Leisure time activities	789,887	288,350	31,918	-
Basic utility services	607,310	-	670	-
Interest and fiscal charges	89,725	-	-	-
Total governmental activities	<u>12,752,777</u>	<u>1,672,634</u>	<u>1,071,336</u>	<u>1,793,398</u>
Business-type activities:				
Water	6,223,675	6,150,482	-	-
Sewer	2,594,504	2,854,520	-	-
Garbage	936,462	883,742	28,371	-
Total business-type activities	<u>9,754,641</u>	<u>9,888,744</u>	<u>28,371</u>	<u>-</u>
Total primary government	<u>\$ 22,507,418</u>	<u>\$ 11,561,378</u>	<u>\$ 1,099,707</u>	<u>\$ 1,793,398</u>
Component Unit:				
North Canton Community Improvement Corporation	<u>\$ 25,545</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>

General revenues:

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

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
\$ (1,454,463)	\$ -	\$ (1,454,463)	\$ -
(3,056,282)	-	(3,056,282)	-
(650,475)	-	(650,475)	-
(888,735)	-	(888,735)	-
(902,088)	-	(902,088)	-
(97,382)	-	(97,382)	-
(469,619)	-	(469,619)	-
(606,640)	-	(606,640)	-
(89,725)	-	(89,725)	-
<u>(8,215,409)</u>	<u>-</u>	<u>(8,215,409)</u>	<u>-</u>
-	(73,193)	(73,193)	-
-	260,016	260,016	-
-	(24,349)	(24,349)	-
-	<u>162,474</u>	<u>162,474</u>	<u>-</u>
<u>(8,215,409)</u>	<u>162,474</u>	<u>(8,052,935)</u>	<u>-</u>
-	-	-	<u>74,455</u>
721,721	-	721,721	-
153,665	-	153,665	-
771,523	-	771,523	-
318,334	-	318,334	-
318,261	-	318,261	-
5,504,737	-	5,504,737	-
1,227,730	-	1,227,730	-
1,036,416	-	1,036,416	-
15,322	-	15,322	195
129,570	104,237	233,807	-
<u>10,197,279</u>	<u>104,237</u>	<u>10,301,516</u>	<u>195</u>
<u>87,000</u>	<u>(87,000)</u>	<u>-</u>	<u>-</u>
<u>10,284,279</u>	<u>17,237</u>	<u>10,301,516</u>	<u>195</u>
2,068,870	179,711	2,248,581	74,650
<u>40,183,517</u>	<u>33,566,421</u>	<u>73,749,938</u>	<u>823,799</u>
<u>\$ 42,252,387</u>	<u>\$ 33,746,132</u>	<u>\$ 75,998,519</u>	<u>\$ 898,449</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 4,352,597	\$ 417,904	\$ 4,980,364	\$ 2,100,984	\$ 11,851,849
Cash and cash equivalents:					
In segregated accounts	-	-	-	230,144	230,144
With escrow agent	457,000	-	-	-	457,000
Receivables:					
Property taxes	740,573	795,937	-	795,570	2,332,080
Municipal income taxes	1,014,738	-	266,390	-	1,281,128
Accounts	34,855	145,687	-	495	181,037
Intergovernmental	215,961	59,341	323,460	523,344	1,122,106
Special assessments	8,466	-	-	-	8,466
Interfund loans	130,000	-	-	-	130,000
Accrued interest	8,353	-	-	-	8,353
Materials and supplies inventory	4,965	4,892	-	4,053	13,910
Prepayments	7,379	239	-	99	7,717
Total assets	<u>\$ 6,974,887</u>	<u>\$ 1,424,000</u>	<u>\$ 5,570,214</u>	<u>\$ 3,654,689</u>	<u>\$ 17,623,790</u>
Liabilities:					
Accounts payable	\$ 46,976	\$ 9,597	\$ -	\$ 285,041	\$ 341,614
Contracts payable	-	-	814,367	195,277	1,009,644
Accrued wages and benefits payable	131,370	39,809	-	32,857	204,036
Compensated absences payable	19,210	-	-	-	19,210
Interfund loans payable	-	-	-	130,000	130,000
Intergovernmental payable	133,975	35,863	-	32,576	202,414
Total liabilities	<u>331,531</u>	<u>85,269</u>	<u>814,367</u>	<u>675,751</u>	<u>1,906,918</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	714,660	767,597	-	767,230	2,249,487
Delinquent property tax revenue not available	25,913	28,340	-	28,340	82,593
Accrued interest not available	8,353	-	-	-	8,353
Special assessments revenue not available	8,466	-	-	-	8,466
Miscellaneous revenue not available	6,000	-	-	-	6,000
Income tax revenue not available	541,997	-	142,285	-	684,282
Other nonexchange transactions not available	189,415	59,341	-	342,904	591,660
Charges for services revenue not available	-	121,809	-	-	121,809
Total deferred inflows of resources	<u>1,494,804</u>	<u>977,087</u>	<u>142,285</u>	<u>1,138,474</u>	<u>3,752,650</u>
Fund balances:					
Nonspendable	12,344	5,131	-	4,152	21,627
Restricted	-	356,513	471,764	1,951,160	2,779,437
Committed	2,973,122	-	4,141,798	-	7,114,920
Assigned	1,521,722	-	-	-	1,521,722
Unassigned (deficit)	641,364	-	-	(114,848)	526,516
Total fund balances	<u>5,148,552</u>	<u>361,644</u>	<u>4,613,562</u>	<u>1,840,464</u>	<u>11,964,222</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,974,887</u>	<u>\$ 1,424,000</u>	<u>\$ 5,570,214</u>	<u>\$ 3,654,689</u>	<u>\$ 17,623,790</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013

Total governmental fund balances	\$	11,964,222
<i>Amounts reported for governmental activities on the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		31,750,878
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 82,593	
Municipal income taxes receivable	684,282	
Accounts receivable	132,764	
Special assessments receivable	8,466	
Intergovernmental receivable	586,705	
Accrued interest receivable	8,353	
Total	1,503,163	1,503,163
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Position.		943,746
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(244,485)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(8,141)
Unamortized premiums on bond issuances are not recognized in the funds.		(65,822)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,521,747)	
Capital lease payable	(14,427)	
General obligation bonds payable	(2,055,000)	
Total	(3,591,174)	(3,591,174)
Net position of governmental activities	\$	42,252,387

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 712,966	\$ 761,607	\$ -	\$ 780,345	\$ 2,254,918
Municipal income taxes	5,430,507	-	1,203,119	-	6,633,626
Charges for services.	233,485	527,448	-	-	760,933
Licenses and permits	304,774	-	-	-	304,774
Fines and forfeitures	132,220	-	-	199,540	331,760
Intergovernmental.	945,421	117,707	1,757,538	1,349,483	4,170,149
Interest	10,027	-	-	6	10,033
Rentals	195,880	-	-	-	195,880
Contributions and donations.	-	-	-	168,186	168,186
Other	129,570	11,933	16,117	31,513	189,133
Total revenues	<u>8,094,850</u>	<u>1,418,695</u>	<u>2,976,774</u>	<u>2,529,073</u>	<u>15,019,392</u>
Expenditures:					
Current:					
General government	1,615,429	-	-	195,070	1,810,499
Security of persons and property:					
Police	3,136,132	-	-	31,395	3,167,527
Fire	42,292	-	-	538,939	581,231
Public health and welfare.	104,980	1,315,400	-	1,076	1,421,456
Transportation	-	-	-	1,426,291	1,426,291
Community environment	404,055	-	-	-	404,055
Leisure time activities	674,044	-	-	4,882	678,926
Basic utility services.	19,071	-	-	365,447	384,518
Capital outlay	-	-	2,511,692	459,875	2,971,567
Debt service:					
Principal retirement.	60,000	-	125,283	-	185,283
Interest and fiscal charges	27,550	-	68,372	-	95,922
Total expenditures	<u>6,083,553</u>	<u>1,315,400</u>	<u>2,705,347</u>	<u>3,022,975</u>	<u>13,127,275</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>2,011,297</u>	<u>103,295</u>	<u>271,427</u>	<u>(493,902)</u>	<u>1,892,117</u>
Other financing sources (uses):					
Sale of capital assets.	30,502	-	-	56,180	86,682
Transfers in	132,000	110,000	800,000	773,000	1,815,000
Transfers out.	(1,683,000)	(20,000)	-	(25,000)	(1,728,000)
Total other financing sources (uses)	<u>(1,520,498)</u>	<u>90,000</u>	<u>800,000</u>	<u>804,180</u>	<u>173,682</u>
Net change in fund balances	490,799	193,295	1,071,427	310,278	2,065,799
Fund balances at beginning of year	<u>4,657,753</u>	<u>168,349</u>	<u>3,542,135</u>	<u>1,530,186</u>	<u>9,898,423</u>
Fund balances at end of year	<u>\$ 5,148,552</u>	<u>\$ 361,644</u>	<u>\$ 4,613,562</u>	<u>\$ 1,840,464</u>	<u>\$ 11,964,222</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Net change in fund balances - total governmental funds \$ 2,065,799

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.

Capital asset additions	\$ 1,811,647	
Current year depreciation	<u>(1,891,722)</u>	
Total		(80,075)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (16,410)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	28,586	
Municipal income taxes	98,841	
Charges for services	70,373	
Special assessments	1,692	
Intergovernmental	(495,532)	
Interest	5,295	
Rentals	<u>6,000</u>	
Total		(284,745)

Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position. 185,283

In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.

Decrease in accrued interest payable	1,128	
Amortization of bond premiums	<u>5,069</u>	
Total		6,197

Some expenses reported in the Statement of Activities, such as compensated absences and pollution remediation, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 61,316

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

131,505

Change in net position of governmental activities \$ 2,068,870

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 709,000	\$ 709,000	\$ 712,966	\$ 3,966
Municipal income taxes	4,570,300	4,570,300	4,570,300	-
Charges for services	282,500	282,500	233,485	(49,015)
Licenses and permits	181,600	181,600	296,723	115,123
Fines and forfeitures	53,500	53,500	131,756	78,256
Intergovernmental	444,060	444,060	940,392	496,332
Interest	50,000	50,000	20,339	(29,661)
Rentals	199,300	199,300	196,380	(2,920)
Other	30,000	30,000	128,934	98,934
Total revenues	<u>6,520,260</u>	<u>6,520,260</u>	<u>7,231,275</u>	<u>711,015</u>
Expenditures:				
Current:				
General government	1,582,582	1,549,327	1,326,300	223,027
Security of persons and property:				
Police	3,343,362	3,344,651	3,198,572	146,079
Public health and welfare	105,600	105,600	104,981	619
Community environment	371,935	404,400	333,251	71,149
Leisure time activities	793,267	792,589	672,360	120,229
Debt service:				
Principal retirement	60,000	60,000	60,000	-
Interest and fiscal charges	27,500	27,550	27,550	-
Total expenditures	<u>6,284,246</u>	<u>6,284,117</u>	<u>5,723,014</u>	<u>561,103</u>
Excess of revenues over expenditures	<u>236,014</u>	<u>236,143</u>	<u>1,508,261</u>	<u>1,272,118</u>
Other financing sources (uses):				
Sale of capital assets	-	-	30,502	30,502
Advances out	-	(130,000)	(130,000)	-
Transfers in	163,000	163,000	-	(163,000)
Transfers out	(1,863,000)	(1,863,000)	(1,700,000)	163,000
Total other financing sources (uses)	<u>(1,700,000)</u>	<u>(1,830,000)</u>	<u>(1,799,498)</u>	<u>30,502</u>
Net change in fund balances	(1,463,986)	(1,593,857)	(291,237)	1,302,620
Fund balances at beginning of year	1,893,600	1,893,600	1,893,600	-
Prior year encumbrances appropriated	64,626	64,626	64,626	-
Fund balance at end of year	<u>\$ 494,240</u>	<u>\$ 364,369</u>	<u>\$ 1,666,989</u>	<u>\$ 1,302,620</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMERGENCY MEDICAL SERVICES LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 807,000	\$ 807,000	\$ 761,607	\$ (45,393)
Charges for services.	463,000	463,000	548,801	85,801
Intergovernmental.	66,520	66,520	117,707	51,187
Other	-	-	11,933	11,933
Total revenues	<u>1,336,520</u>	<u>1,336,520</u>	<u>1,440,048</u>	<u>103,528</u>
Expenditures:				
Current:				
Public health and welfare.	1,420,042	1,460,042	1,354,987	105,055
Total expenditures	<u>1,420,042</u>	<u>1,460,042</u>	<u>1,354,987</u>	<u>105,055</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(83,522)</u>	<u>(123,522)</u>	<u>85,061</u>	<u>208,583</u>
Other financing sources (uses):				
Transfers in	110,000	110,000	110,000	-
Transfers out.	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net change in fund balances	6,478	(33,522)	175,061	208,583
Fund balance at beginning of year	<u>200,965</u>	<u>200,965</u>	<u>200,965</u>	<u>-</u>
Fund balance at end of year	<u>\$ 207,443</u>	<u>\$ 167,443</u>	<u>\$ 376,026</u>	<u>\$ 208,583</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage	Total	
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 4,369,645	\$ 2,753,655	\$ 237,958	\$ 7,361,258	\$ 1,004,881
Receivables:					
Accounts	874,155	239,170	4,281	1,117,606	-
Special assessments	2,857	74,806	-	77,663	-
Materials and supplies inventory	178,124	96,230	-	274,354	-
Prepayments	1,689	539	539	2,767	117
Total current assets	<u>5,426,470</u>	<u>3,164,400</u>	<u>242,778</u>	<u>8,833,648</u>	<u>1,004,998</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	1,549,952	165,475	-	1,715,427	-
Depreciable capital assets, net	31,882,218	6,465,369	-	38,347,587	-
Total capital assets, net	<u>33,432,170</u>	<u>6,630,844</u>	<u>-</u>	<u>40,063,014</u>	<u>-</u>
Total assets	<u>38,858,640</u>	<u>9,795,244</u>	<u>242,778</u>	<u>48,896,662</u>	<u>1,004,998</u>
Liabilities:					
Current liabilities:					
Accounts payable	120,998	66,279	5,257	192,534	-
Contracts payable	416,174	-	-	416,174	-
Accrued wages and benefits payable	52,198	15,664	2,557	70,419	-
Intergovernmental payable	46,816	148,576	2,286	197,678	-
Accrued interest payable	152,691	2,595	-	155,286	-
General obligation bonds payable	250,000	-	-	250,000	-
OWDA loans payable	542,938	6,953	-	549,891	-
OPWC loans payable	100,932	14,968	-	115,900	-
Claims and judgements payable	-	-	-	-	61,252
Total current liabilities	<u>1,682,747</u>	<u>255,035</u>	<u>10,100</u>	<u>1,947,882</u>	<u>61,252</u>
Long-term liabilities:					
General obligation bonds payable	4,335,000	-	-	4,335,000	-
OWDA loans payable	7,026,170	144,339	-	7,170,509	-
OPWC loans payable	1,621,333	269,418	-	1,890,751	-
Unamortized premium on bonds	50,873	-	-	50,873	-
Total long-term liabilities	<u>13,033,376</u>	<u>413,757</u>	<u>-</u>	<u>13,447,133</u>	<u>-</u>
Total liabilities	<u>14,716,123</u>	<u>668,792</u>	<u>10,100</u>	<u>15,395,015</u>	<u>61,252</u>
Net position:					
Net investment in capital assets	19,598,638	6,195,166	-	25,793,804	-
Unrestricted	4,543,879	2,931,286	232,678	7,707,843	943,746
Total net position	<u>\$ 24,142,517</u>	<u>\$ 9,126,452</u>	<u>\$ 232,678</u>	<u>33,501,647</u>	<u>\$ 943,746</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				244,485	
Net position of business-type activities				<u>\$ 33,746,132</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Garbage	Total	
Operating revenues:					
Charges for services	\$ 6,120,163	\$ 2,736,641	\$ 883,742	\$ 9,740,546	\$ 1,263,790
Tap-in fees	30,319	117,879	-	148,198	-
Other operating revenues	90,876	12,412	949	104,237	-
Total operating revenues.	<u>6,241,358</u>	<u>2,866,932</u>	<u>884,691</u>	<u>9,992,981</u>	<u>1,263,790</u>
Operating expenses:					
Personal services	1,664,422	446,286	86,084	2,196,792	-
Contract services.	1,705,003	1,743,469	825,449	4,273,921	210,376
Materials and supplies.	869,624	114,267	27,820	1,011,711	-
Claims expense	-	-	-	-	864,062
Depreciation.	1,553,733	296,205	-	1,849,938	-
Other	1,877	-	-	1,877	-
Total operating expenses.	<u>5,794,659</u>	<u>2,600,227</u>	<u>939,353</u>	<u>9,334,239</u>	<u>1,074,438</u>
Operating income (loss)	<u>446,699</u>	<u>266,705</u>	<u>(54,662)</u>	<u>658,742</u>	<u>189,352</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(473,002)	(5,247)	-	(478,249)	-
Intergovernmental	-	-	28,371	28,371	-
Total nonoperating revenues (expenses).	<u>(473,002)</u>	<u>(5,247)</u>	<u>28,371</u>	<u>(449,878)</u>	<u>-</u>
Income (loss) before transfers	(26,303)	261,458	(26,291)	208,864	189,352
Transfer out	<u>(57,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>(87,000)</u>	<u>-</u>
Change in net position	(83,303)	231,458	(26,291)	121,864	189,352
Net position at beginning of year	<u>24,225,820</u>	<u>8,894,994</u>	<u>258,969</u>		<u>754,394</u>
Net position at end of year	<u>\$ 24,142,517</u>	<u>\$ 9,126,452</u>	<u>\$ 232,678</u>		<u>\$ 943,746</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>57,847</u>	
Change in net position of business-type activities.				<u>\$ 179,711</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 6,029,166	\$ 2,741,057	\$ 884,455	\$ 9,654,678	\$ -
Cash received from interfund services	-	-	-	-	1,263,790
Cash received from tap-in fees	30,319	117,879	-	148,198	-
Cash received from other operations	92,957	12,412	949	106,318	-
Cash payments for personal services	(1,660,592)	(442,088)	(84,864)	(2,187,544)	-
Cash payments for contractual services	(1,618,342)	(1,556,059)	(826,620)	(4,001,021)	(210,493)
Cash payments for materials and supplies	(598,607)	(164,288)	(27,820)	(790,715)	-
Cash payments for claims	-	-	-	-	(862,300)
Cash payments for other expenses	(1,877)	-	-	(1,877)	-
Net cash provided by (used in) operating activities	2,273,024	708,913	(53,900)	2,928,037	190,997
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies	-	-	38,587	38,587	-
Cash used in transfers out	(57,000)	(30,000)	-	(87,000)	-
Net cash provided by (used in) noncapital financing activities	(57,000)	(30,000)	38,587	(48,413)	-
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(443,061)	(136,635)	-	(579,696)	-
OPWC loan proceeds	204,571	-	-	204,571	-
Principal payments - bonds	(260,000)	-	-	(260,000)	-
Principal payments - OWDA loans	(523,796)	(6,721)	-	(530,517)	-
Principal payments - OPWC loans	(100,932)	(14,968)	-	(115,900)	-
Interest and fiscal charges - bonds	(198,152)	-	-	(198,152)	-
Interest and fiscal charges - OWDA loans	(288,158)	(5,362)	-	(293,520)	-
Net cash used in capital and related financing activities	(1,609,528)	(163,686)	-	(1,773,214)	-
Net increase (decrease) in cash and cash equivalents	606,496	515,227	(15,313)	1,106,410	190,997
Cash and cash equivalents at beginning of year	3,763,149	2,238,428	253,271	6,254,848	813,884
Cash and cash equivalents at end of year	\$ 4,369,645	\$ 2,753,655	\$ 237,958	\$ 7,361,258	\$ 1,004,881

- - Continued

CITY OF NORTH CANTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 446,699	\$ 266,705	\$ (54,662)	\$ 658,742	\$ 189,352
Adjustments:					
Depreciation	1,553,733	296,205	-	1,849,938	-
Changes in assets and liabilities:					
Decrease (increase) in materials and supplies inventory	275,856	(49,804)	-	226,052	-
Decrease (increase) in accounts receivable	(90,558)	(406)	713	(90,251)	-
Decrease in special assessments receivable	1,642	4,822	-	6,464	-
Decrease (increase) in prepayments	12,589	1,346	(539)	13,396	(117)
Increase (decrease) in accounts payable	69,233	51,759	(632)	120,360	-
Increase in accrued wages and benefits	7,482	1,809	621	9,912	-
Increase (decrease) in intergovernmental payable	(3,652)	136,477	599	133,424	-
Increase in claims payable	-	-	-	-	1,762
Net cash provided by (used in) operating activities	<u>\$ 2,273,024</u>	<u>\$ 708,913</u>	<u>\$ (53,900)</u>	<u>\$ 2,928,037</u>	<u>\$ 190,997</u>

Noncash transactions:

During 2013, the water fund purchased \$416,174 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2013

	<u>Agency</u>
Assets:	
Cash in segregated accounts	\$ 120,944
Total assets	<u>\$ 120,994</u>
Liabilities:	
Deposits held and due to others	\$ 120,994
Total liabilities	<u>\$ 120,994</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - DESCRIPTION OF THE CITY

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

Reporting Entity

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's Governing Board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. The City has one component unit.

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

The City participates in two jointly governed organizations, the Stark Council of Governments and the Stark County Combined General Health District. These organizations are described in Note 20 of the Basic Financial Statements.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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

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

B. Fund Accounting

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's only agency fund is used to keep track of required deposits.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

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

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

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2013, are recorded as deferred inflows of resources on the governmental fund financial statements.

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. Budgetary information for the Mayor's Court special revenue fund is not maintained because it is not included in the entity for which the "appropriated budget" is adopted. The major documents prepared are the alternate tax budget, the Certificate of Estimated Resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternate tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund function level for all funds. Budgetary modification may only be made by resolution of the City Council at the legal level of control. Budgetary statements are presented beyond that legal level of control for information purposes only.

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

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

F. Cash and Investments

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

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

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

During 2013, investments were limited to Federal National Mortgage Association (FNMA) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, repurchase agreements, non-negotiable certificates of deposit and negotiable certificates of deposit.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2013 amounted to \$10,027, which includes \$9,035 assigned from other City funds.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

H. Inventory

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

I. Capital Assets

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by 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 fair market values as of the date received. The City's capitalization threshold is \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

J. Interfund Balances

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

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies (resolutions) of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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

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

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Position reports \$2,897,690 of restricted net position, none of which is restricted by enabling legislation.

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

O. Operating Revenues and Expenses

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

P. Contributions of Capital

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

Q. Internal Activity

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

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

R. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

S. Unamortized Bond Premiums/Bond Issuance Costs

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

On the governmental fund financial statements, bond premiums are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the Statement of Net Position is presented in Note 16.

Bond issuance costs are expensed when they occur.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2013.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2013, the City has implemented GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*" and GASB Statement No. 66, "*Technical Corrections-2012*".

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the City.

GASB Statement No. 66 improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements; GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements". The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances at December 31, 2013 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Hoover district improvement fund	\$ 114,848

The general fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies may be deposited or invested in the following:

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash in Segregated Accounts

At year end, the City had monies held outside of the City treasury. These depository accounts were established for the general trust fund (a nonmajor governmental fund), the law enforcement trust fund (a nonmajor governmental fund), Mayor's Court fund (a nonmajor governmental fund) and for deposit and construction escrow (agency fund). These depository accounts are included in "deposits with financial institutions" below.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At December 31, 2013, the carrying amount of all City deposits was \$11,728,909, exclusive of the \$6,850,000 repurchase agreement included in investments on the next page. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2013, \$9,267,784 of the City’s bank balance of \$11,887,179 was exposed to custodial risk as discussed below, while \$2,619,395 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

C. Investments

As of December 31, 2013, the City had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FNMA	\$ 6,717	\$ -	\$ -	\$ -	\$ -	\$ 6,717
FHLMC	246,675	-	-	-	-	246,675
Negotiable CD's	2,193,775	-	249,658	249,230	499,007	1,195,880
Repurchase agreement	<u>6,850,000</u>	<u>6,850,000</u>	-	-	-	-
Total	<u>\$ 9,297,167</u>	<u>\$ 6,850,000</u>	<u>\$ 249,658</u>	<u>\$ 249,230</u>	<u>\$ 499,007</u>	<u>\$ 1,449,272</u>

The weighted average of maturity of investments is 0.79 years.

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

Credit Risk: The City’s investments in federal agency securities, were rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. The City limits its investments to those authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty’s trust department or agent, but not in the City’s name. Of the City’s investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment’s counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Director of Finance or qualified trustee.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2013:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FNMA	\$ 6,717	0.07
FHLMC	246,675	2.65
Negotiable CD's	2,193,775	23.60
Repurchase agreement	<u>6,850,000</u>	<u>73.68</u>
Total	<u>\$ 9,297,167</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position as of December 31, 2013:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,728,909
Investments	<u>9,297,167</u>
Total	<u>\$ 21,026,076</u>

<u>Cash and investments per Statement of Net Position</u>	
Governmental activities	\$ 13,543,874
Business-type activities	7,361,258
Agency fund	<u>120,944</u>
Total	<u>\$ 21,026,076</u>

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 5 - PROPERTY TAXES - (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of North Canton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2013 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2013 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2013 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2013 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 271,964,980
Commercial/industrial/mineral	73,735,850
Public utility	<u>8,047,470</u>
Total assessed value	<u><u>\$ 353,748,300</u></u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2013, consisted primarily of municipal income taxes, property and other taxes and intergovernmental receivables arising from grants, entitlements, and shared revenues, special assessments, accrued interest on investments and accounts (billings for utility service).

An allowance for doubtful accounts in the amount of \$71,756 has been recorded for accounts that are expected to be uncollectible. All receivables except for delinquent property taxes and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$77,614. At December 31, 2013, the amount of delinquent special assessments was \$8,515.

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental activities:

Local government	\$ 155,733
Drug use prevention grant	4,955
Homestead and rollback	55,273
Street construction, maintenance and repair	346,362
Fire operating levy	11,866
Emergency medical services	59,341
Storm sewer levy	23,740
Street levy	23,739
Municipal road	117,637
Capital improvement	<u>323,460</u>
Total governmental activities	<u><u>\$ 1,122,106</u></u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 6 - RECEIVABLES - (Continued)

B. Municipal Income Taxes

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

According to the City's Income Tax Ordinance, income tax revenues are to be allocated as follows: after paying all costs associated with the operation of the income tax department, the balance of the first 1.0 percent is to be allocated 30 percent to the capital improvement fund and 70 percent to the general fund. The remaining 0.5 percent shall be allocated for the payment of debt service on bonds outstanding, the capital improvement of waterworks and to the extent not so appropriated, for general municipal operations and capital improvements as determined by Council. Additional increases in the income tax rate would require voter approval.

NOTE 7 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2013, the City contracted with Houston Casualty Company for general liability, buildings and contents, automobile, crime, contractor's equipment, public officials' liability and police and professional liability insurance. Houston Casualty Company provides coverage for boiler and machinery, while Hartford Life and Accident covers emergency medical service and fire, accidental disability and death insurance. The City also purchases umbrella coverage from Houston Casualty Company with a general aggregate of \$5,000,000. Ohio Farmers provides performance bonds for all officials.

Public official's liability has a deductible of \$10,000, building and contents have a deductible of \$1,000, and vehicles have a \$500 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

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

The City has elected to provide employee medical/surgical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical/surgical plan with a \$100 single and \$200 family deductible for in-network providers and a \$250 single and \$500 family deductible for out-of-network providers. The City uses a third party administrator to review, process and pay all claims on behalf of the City.

The City purchases stop-loss coverage for claims in excess of \$50,000 per employee per year and an aggregate of \$1,000,000. The City pays into the self-insurance internal service fund \$1,131 for family coverage or \$434 for individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 7 - RISK MANAGEMENT - (Continued)

The claims liability of \$61,252 reported in the internal service fund at December 31, 2013 is estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amounts in 2013 and 2012 are:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2013	\$ 59,490	\$ 864,062	\$ (862,300)	\$ 61,252
2012	56,974	943,422	(940,906)	59,490

NOTE 8 - OPERATING LEASE

In July 2003, the City acquired the premises known as Arrowhead Country Club for \$4.2 million. This area, approximately 105 acres, includes a golf course, clubhouse and pool. The City intends to keep the property operating as a golf course. The property is insured by the operating tenant with certificate of insurance provided to the City which is provided protection as an additional insured on the liability section and loss payee on the property section.

In December 2003, the City entered into a triple-net lease agreement with a golf course operator effective January 1, 2004. A triple-net lease means the lessee is responsible for operations, insurance and taxes. The initial lease agreement was for five years with an option to extend. Upon the expiration of the original agreement, a new lease agreement was entered into in December 2008 with a golf course operator, R&S Golf Properties, Inc. The new lease agreement is for an initial term of three years with an option to extend it an additional three years. On December 12, 2011, the lease agreement was extended for another three years. The lessee is responsible for the complete operations of the golf course and clubhouse. The lessee is also required to make \$80,000 in capital improvements in each of the first three years of the lease. The assets involved in the lease are as follows:

	<u>Governmental Activities</u>
Asset:	
Land	\$ 1,780,214
Buildings	1,648,340
Land improvements	592,759
Equipment	<u>176,749</u>
Subtotal	4,198,062
Less: accumulated depreciation	<u>(961,726)</u>
Total	<u>\$ 3,236,336</u>

The future minimum lease payments under this non-cancelable lease as of December 31, 2013, are the following:

	<u>Minimum Commitment</u>
2014	<u>\$ 100,000</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 9 - CONTRACTUAL COMMITMENTS

The City had the following contractual commitments outstanding at December 31, 2013:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
North Canton Truck Center, Inc.	\$ 55,334	\$ (47,597)	\$ 7,737
Morton Salt, Inc.	155,000	(148,851)	6,149
Superior Paving & Materials, Inc.	1,229,478	(588,442)	641,036
Arcadis G&M of Ohio, Inc.	265,000	(179,364)	85,636
North Star Asphalt, Inc.	646,499	(570,725)	75,774
MS Consultants, Inc.	227,625	(223,324)	4,301
Central Allied, Inc.	3,023,266	(2,744,240)	279,026
Perram Electric & Lampion	810,364	(102,159)	708,205
Omipro Services	81,632	(58,939)	22,693
Software Solutions	77,000	(76,515)	485
Wenger Excavating, Inc.	472,058	(182,847)	289,211
Stark Co Treasurer	1,083,068	(901,806)	181,262
Canton City Utilities	<u>230,000</u>	<u>(166,064)</u>	<u>63,936</u>
Total Contractual Commitments	<u>\$ 8,356,324</u>	<u>\$ (5,990,873)</u>	<u>\$ 2,365,451</u>

NOTE 10 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year End Encumbrances</u>
General fund	\$ 91,067
Emergency medical service levy fund	32,281
Capital improvement fund	1,162,021
Other governmental	<u>152,648</u>
Total	<u>\$ 1,438,017</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 11 - CAPITAL ASSETS

A. Governmental activities

Governmental capital asset activity for the year ended December 31, 2013, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/13</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,117,189	\$ -	\$ -	\$ 5,117,189
Easements and rights-of-way	568,310	43,751	-	612,061
Construction in progress	<u>2,646,431</u>	<u>1,155,210</u>	<u>(480,384)</u>	<u>3,321,257</u>
Total capital assets, not being depreciated	<u>8,331,930</u>	<u>1,198,961</u>	<u>(480,384)</u>	<u>9,050,507</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	935,164	85,620	-	1,020,784
Buildings	7,798,550	177,803	-	7,976,353
Equipment	7,007,005	581,793	(442,940)	7,145,858
Software	57,000	87,375	(27,700)	116,675
Infrastructure - streets subsystem	26,692,257	160,479	-	26,852,736
Infrastructure - storm sewers subsystem	10,011,271	-	-	10,011,271
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated	<u>52,704,247</u>	<u>1,093,070</u>	<u>(470,640)</u>	<u>53,326,677</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(471,306)	(47,047)	-	(518,353)
Buildings	(4,705,686)	(183,268)	-	(4,888,954)
Equipment	(4,436,115)	(390,601)	426,530	(4,400,186)
Software	(57,000)	(8,738)	27,700	(38,038)
Infrastructure - streets subsystem	(15,062,886)	(1,036,274)	-	(16,099,160)
Infrastructure - storm sewers subsystem	(4,305,096)	(220,052)	-	(4,525,148)
Infrastructure - bridge subsystem	<u>(150,725)</u>	<u>(5,742)</u>	<u>-</u>	<u>(156,467)</u>
Total accumulated depreciation	<u>(29,188,814)</u>	<u>(1,891,722)</u>	<u>454,230</u>	<u>(30,626,306)</u>
Total capital assets, being depreciated, net	<u>23,515,433</u>	<u>(798,652)</u>	<u>(16,410)</u>	<u>22,700,371</u>
Governmental activities capital assets, net	<u>\$ 31,847,363</u>	<u>\$ 400,309</u>	<u>\$ (496,794)</u>	<u>\$ 31,750,878</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 124,666
Police	73,615
Fire	108,804
Public health and welfare	85,497
Transportation	1,162,374
Leisure time activities	116,321
Basic utility services	<u>220,445</u>
Total depreciation expense - governmental activities	<u>\$ 1,891,722</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 11 - CAPITAL ASSETS - (Continued)

B. Business-type activities

Business-type activities capital asset activity for 2013 is as follows:

<u>Business-type activities:</u>	<u>Balance</u> 12/31/12	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 12/31/13
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>216,647</u>	<u>875,659</u>	<u>(400,581)</u>	<u>691,725</u>
Total capital assets, not being depreciated	<u>1,240,349</u>	<u>875,659</u>	<u>(400,581)</u>	<u>1,715,427</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	590,077	-	-	590,077
Buildings	17,406,399	-	-	17,406,399
Equipment	5,955,121	120,211	(151,856)	5,923,476
Software	5,124	-	-	5,124
Infrastructure - water lines	31,379,983	263,946	-	31,643,929
Infrastructure - sewer lines	<u>13,740,404</u>	<u>136,635</u>	<u>-</u>	<u>13,877,039</u>
Total capital assets, being depreciated	<u>69,077,108</u>	<u>520,792</u>	<u>(151,856)</u>	<u>69,446,044</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(176,194)	(21,423)	-	(197,617)
Buildings	(7,289,827)	(412,635)	-	(7,702,462)
Equipment	(3,798,464)	(356,835)	151,856	(4,003,443)
Software	(5,124)	-	-	(5,124)
Infrastructure - water lines	(10,957,352)	(776,688)	-	(11,734,040)
Infrastructure - sewer lines	<u>(7,173,414)</u>	<u>(282,357)</u>	<u>-</u>	<u>(7,455,771)</u>
Total accumulated depreciation	<u>(29,400,375)</u>	<u>(1,849,938)</u>	<u>151,856</u>	<u>(31,098,457)</u>
Total capital assets, being depreciated, net	<u>39,676,733</u>	<u>(1,329,146)</u>	<u>-</u>	<u>38,347,587</u>
Business-type activities capital assets, net	<u>\$ 40,917,082</u>	<u>\$ (453,487)</u>	<u>\$ (400,581)</u>	<u>\$ 40,063,014</u>

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

Water	\$ 1,553,733
Sewer	<u>296,205</u>
Total depreciation expense - business-type activities:	<u>\$ 1,849,938</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 12 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and contribution rates were consistent across all three plans. The 2013 member contribution rates were 10.00% for members. The City's contribution rate for 2013 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2013 was 13.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2013 was 13.00%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$539,911, \$420,323, and \$457,913, respectively; 91.95% has been contributed for 2013 and 100% has been contributed for 2012 and 2011. The remaining 2013 pension liability has been reported as intergovernmental payable on the basic financial statements. Contributions to the member-directed plan for 2013 were \$12,901 made by the City and \$9,215 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

Funding Policy - From January 1, 2013 through July 1, 2013, plan members were required to contribute 10.00% of their annual covered salary. From July 2, 2013 through December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, the City was required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 12 - PENSION PLANS - (Continued)

For 2013, the portion of the City's contributions to fund pension obligations was 14.81% for January 1, 2013 through May 31, 2013 and 16.65% for June 1, 2013 through December 31, 2013 for police officers and 19.31% for January 1, 2013 through May 31, 2013 and 21.15% for June 1, 2013 through December 31, 2013 for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$243,196 and \$32,344 for the year ended December 31, 2013, \$193,970 and \$29,567 for the year ended December 31, 2012, and \$190,999 and \$25,556, for the year ended December 31, 2011. The full amount has been contributed for 2012 and 2011. 91.28% has been contributed for police and 88.07% has been contributed for firefighters for 2013. The remaining 2013 pension liability has been reported as intergovernmental payable on the basic financial statements.

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2013, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2013 was 1.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2013 was 1.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$41,532, \$174,625, and \$187,995, respectively; 91.95% has been contributed for 2013 and 100% has been contributed for 2012 and 2011. The remaining 2013 post-employment health care benefits liability has been reported as intergovernmental payable on the basic financial statements.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

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

OP&F maintains funds for health care in two separate accounts, one account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 through May 31, 2013 and 2.85% of covered payroll from June 1, 2013 through December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$51,825 and \$5,358, respectively, for the year ended December 31, 2013, \$102,690 and \$11,570, respectively, for the year ended December 31, 2012, and \$101,117 and \$10,000, respectively, for the year ended December 31, 2011. The full amount has been contributed for 2012 and 2011. 91.28% has been contributed for police and 88.07% has been contributed for firefighters for 2013. The remaining 2013 post-employment health care benefits liability has been reported as intergovernmental payable on the basic financial statements.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

A. Compensated Absences

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

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

Sick leave is earned for all full time employees at the rate of 4.6 hours per pay with the exception of full time employees of emergency medical services who receive 6.15 hours per pay. Employees, at the time of retirement, are paid for 50 percent of their accumulated sick leave.

B. Insurance

The City provides life insurance and accidental death and dismemberment insurance to its employees through Sun Life Assurance Company of Canada.

NOTE 15 - CAPITAL LEASE

In prior years, the City entered into leases for a Toro Groundsmaster 5900 mower and an ambulance. Assets acquired through a capital lease were capitalized at the present value of the minimum lease payments at the time the lease was entered into.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 255,110
Less: accumulated depreciation	(86,453)
Total	<u>\$ 168,657</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 15 - CAPITAL LEASE - (Continued)

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

	<u>Governmental Activities</u>
2014	\$ 15,390
Total minimum lease payments	15,390
Less: amount representing interest	<u>(963)</u>
Present value of minimum lease payments	<u>\$ 14,427</u>

NOTE 16 - LONG-TERM OBLIGATIONS

<u>Debt Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Business-type activities:			
OWDA loans			
Water treatment plant improvement 2003	3.65	6,789,904	July 1, 2024
Water treatment plant improvement 2004	3.76	3,022,687	July 1, 2025
Water treatment backwash tank 2005	3.25	1,670,933	January 1, 2026
Portage St./W. Park sanitary sewer 2010	3.43	173,849	January 1, 2030
OPWC loans			
Booster pump station 2007	0	1,020,904	January 1, 2028
Applegrove waterline 2008	0	419,088	January 1, 2039
North Main St. waterline 2010	0	320,335	January 1, 2032
Water Tower #1 exterior painting	0	398,000	January 1, 2033
Lynbrook sanitary sewer	0	299,354	January 1, 2033
Other long-term liabilities			
Bonds payable - water system Series 2007	4.00 - 4.125	4,415,000	December 1, 2026
Raw waterline - Series 2011A	2.00 - 5.50	915,000	December 1, 2030
Frank/Applegrove waterline - Series 2011A	2.00 - 5.50	600,000	December 1, 2030
Governmental activities:			
General obligation bonds			
City Hall Roof/Civic Center Roof/			
Salt Storage - Series 2011A	2.00 - 5.50	1,300,000	December 1, 2030
N. Main Street & Various Street			
Reconstruction Projects - Series 2011A	2.00 - 5.00	500,000	December 1, 2025
Real Estate Acquisition - Series 2011B	3.50 - 5.50	700,000	December 1, 2020

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

The changes in long-term obligations during the year were as follows:

	<u>Balance</u> <u>12/31/2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Amounts Due</u> <u>in One Year</u>
Business-type activities:					
OWDA loans					
Water treatment plant improvement	\$ 4,643,282	\$ -	\$ (314,677)	\$ 4,328,605	\$ 326,268
Water treatment plant improvement	2,208,851	-	(134,569)	2,074,282	139,677
Water treatment backwash tank	1,240,771	-	(74,550)	1,166,221	76,993
Portage St./W. Park sanitary	<u>158,013</u>	<u>-</u>	<u>(6,721)</u>	<u>151,292</u>	<u>6,953</u>
Total OWDA loans	<u>8,250,917</u>	<u>-</u>	<u>(530,517)</u>	<u>7,720,400</u>	<u>549,891</u>
OPWC loans					
Booster pump station	765,679	-	(51,045)	714,634	51,045
Applegrove waterline	363,208	-	(13,970)	349,238	13,970
North Main St. waterline	296,310	-	(16,017)	280,293	16,017
Water Tower #1 exterior painting	193,429	204,571	(19,900)	378,100	19,900
Lynbrook sanitary sewer	<u>299,354</u>	<u>-</u>	<u>(14,968)</u>	<u>284,386</u>	<u>14,968</u>
Total OPWC loans	<u>1,917,980</u>	<u>204,571</u>	<u>(115,900)</u>	<u>2,006,651</u>	<u>115,900</u>
General obligation bonds					
General obligation bonds - Series 2007	3,460,000	-	(200,000)	3,260,000	190,000
General obligation bonds - Series 2011A	835,000	-	(35,000)	800,000	35,000
General obligation bonds - Series 2011A	<u>550,000</u>	<u>-</u>	<u>(25,000)</u>	<u>525,000</u>	<u>25,000</u>
Total general obligation bonds	<u>4,845,000</u>	<u>-</u>	<u>(260,000)</u>	<u>4,585,000</u>	<u>250,000</u>
Total business-type activities	<u>\$ 15,013,897</u>	<u>\$ 204,571</u>	<u>\$ (906,417)</u>	14,312,051	<u>\$ 915,791</u>
				Add: unamortized premiums	50,873
				Total on Statement of Net Position	<u>\$ 14,362,924</u>
Governmental activities:					
General obligation bonds					
City Hall/Civic Center/					
Salt Storage - Series 2011A	\$ 1,185,000	\$ -	\$ (50,000)	\$ 1,135,000	\$ 50,000
N. Main Street & Various Street					
Reconstruction Projects - Series 2011A	440,000	-	(30,000)	410,000	30,000
Real Estate Acquisition - Series 2011B	<u>570,000</u>	<u>-</u>	<u>(60,000)</u>	<u>510,000</u>	<u>65,000</u>
Total GO bonds	<u>2,195,000</u>	<u>-</u>	<u>(140,000)</u>	<u>2,055,000</u>	<u>145,000</u>
Other long-term liabilities					
Compensated absences	1,483,063	106,746	(48,852)	1,540,957	64,585
Capital lease	59,710	-	(45,283)	14,427	14,427
Pollution remediation	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 3,837,773</u>	<u>\$ 106,746</u>	<u>\$ (334,135)</u>	3,610,384	<u>\$ 224,012</u>
				Add: unamortized premiums	65,822
				Total on Statement of Net Position	<u>\$ 3,676,206</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

In January 2003, the City was approved for a construction loan through the Water Supply Revolving Loan Fund, which is administered by the Ohio Environmental Protection Agency, for the purpose of funding the improvements and upgrades to the City's Water Treatment Plant. The loan, which is administered by the Ohio Water Development Authority, is at a rate of 3.65 percent and is to be repaid over 20 years. The total amount of the loan, including capitalized interest, was \$7.2 million. In January, 2004, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.76 percent and is to be repaid over 20 years. The total amount of the loan was for \$3.0 million, repayments began in 2005. In July, 2005, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.25 percent for \$1.7 million and is to be repaid over 20 years.

The City has pledged future water and sewer revenues to repay OWDA loans. The loans are payable solely from water and sewer fund revenues and are payable through 2026. Annual principal and interest payments on the loans are expected to require 32.15 percent of net revenues and 9.05 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$9,518,662. Principal and interest paid for the current year were \$824,038, total net revenues were \$2,563,342 and total revenues were \$9,108,290.

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

Long-term general obligation bonds in the water fund were issued in 2007 in the amount of \$4,415,000 at interest rates that vary from 4.0 to 4.125 percent for the purpose of retiring the long-term water system notes. The bonds were issued for a twenty year period with final maturity in December 2026. The bonds are backed by the full faith and credit of the City and will be repaid from water revenues.

On March 23, 2011, the City issued \$3,315,000 in Series 2011A Various Purpose General Obligation Bonds. In business-type activities, \$915,000 in bonds was used to retire bond anticipation notes maturing on March 25, 2011 and \$600,000 in bonds was used for the Frank/Applegrove waterline. In governmental activities, \$1,300,000 in bonds will be used for the City Hall Roof/Civic Center Roof and salt storage and \$500,000 in bonds were will be used for North Main Street and various street reconstruction projects. At December 31, 2013, there were \$471,764 in unspent bond proceeds in the governmental activities.

On March 23, 2011, the City issued \$700,000 in Series 2011B General Obligation Real Estate Acquisition Bonds that issued to refund \$700,000 in manuscript debt that was originally issued to purchase the Arrowhead County Club.

The pollution remediation obligation was for the clean up of polluted lands due to improper disposal of street sweeping clippings as directed by the Ohio Environmental Protection Agency. \$18,840 was paid and there is no longer a liability as the original amount was an estimate.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the outstanding debt at December 31, 2013, are as follows:

Year Ending December 31,	Ohio Public Works Commission			OWDA Loans		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 115,900	\$ -	\$ 115,900	\$ 549,891	\$ 274,149	\$ 824,040
2015	115,900	-	115,900	569,972	254,066	824,038
2016	115,900	-	115,900	590,788	233,255	824,043
2017	115,900	-	115,900	612,367	211,671	824,038
2018	115,900	-	115,900	634,736	189,303	824,039
2019 - 2023	579,500	-	579,500	3,538,919	581,271	4,120,190
2024 - 2028	528,459	-	528,459	1,206,206	53,943	1,260,149
2029 - 2033	249,354	-	249,354	17,521	604	18,125
2034 - 2038	<u>69,838</u>	<u>-</u>	<u>69,838</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,006,651</u>	<u>\$ -</u>	<u>\$ 2,006,651</u>	<u>\$ 7,720,400</u>	<u>\$ 1,798,262</u>	<u>\$ 9,518,662</u>
		Series 2007			Series 2011A	
Year Ending December 31,	Water System General Obligation Bonds			Raw Waterline		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 190,000	\$ 131,377	\$ 321,377	\$ 35,000	\$ 34,813	\$ 69,813
2015	200,000	123,777	323,777	35,000	34,113	69,113
2016	210,000	115,777	325,777	35,000	33,238	68,238
2017	220,000	107,377	327,377	40,000	32,275	72,275
2018	230,000	98,577	328,577	40,000	31,075	71,075
2019 - 2023	1,310,000	345,288	1,655,288	215,000	134,075	349,075
2024 - 2028	900,000	74,851	974,851	270,000	80,100	350,100
2029 - 2030	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,000</u>	<u>10,725</u>	<u>140,725</u>
Total	<u>\$ 3,260,000</u>	<u>\$ 997,024</u>	<u>\$ 4,257,024</u>	<u>\$ 800,000</u>	<u>\$ 390,414</u>	<u>\$ 1,190,414</u>
		Series 2011A		Total Business-Type Activities		
Year Ending December 31,	Frank/Applegrove Waterline			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 25,000	\$ 22,762	\$ 47,762	\$ 250,000	\$ 188,952	\$ 438,952
2015	25,000	22,263	47,263	260,000	180,153	440,153
2016	25,000	21,637	46,637	270,000	170,652	440,652
2017	25,000	20,950	45,950	285,000	160,602	445,602
2018	25,000	20,200	45,200	295,000	149,852	444,852
2019 - 2023	140,000	87,462	227,462	1,665,000	566,825	2,231,825
2024 - 2028	175,000	52,325	227,325	1,345,000	207,276	1,552,276
2029 - 2030	<u>85,000</u>	<u>7,150</u>	<u>92,150</u>	<u>215,000</u>	<u>17,875</u>	<u>232,875</u>
Total	<u>\$ 525,000</u>	<u>\$ 254,749</u>	<u>\$ 779,749</u>	<u>\$ 4,585,000</u>	<u>\$ 1,642,187</u>	<u>\$ 6,227,187</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Series 2011A - City Hall Roof/ Civic Center Roof/Salt Storage			Series 2011A - N. Main Street and Various Street Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 50,000	\$ 49,450	\$ 99,450	\$ 30,000	\$ 15,212	\$ 45,212
2015	50,000	48,450	98,450	30,000	14,613	44,613
2016	50,000	47,200	97,200	30,000	13,863	43,863
2017	55,000	45,825	100,825	30,000	13,037	43,037
2018	55,000	44,175	99,175	30,000	12,137	42,137
2019 - 2023	305,000	191,088	496,088	180,000	43,387	223,387
2024 - 2028	385,000	114,100	499,100	80,000	6,000	86,000
2029 - 2030	<u>185,000</u>	<u>15,399</u>	<u>200,399</u>	-	-	-
Total	<u>\$ 1,135,000</u>	<u>\$ 555,687</u>	<u>\$ 1,690,687</u>	<u>\$ 410,000</u>	<u>\$ 118,249</u>	<u>\$ 528,249</u>

Year Ending December 31,	Series 2011B Real Estate Acquisition			Total Governmental General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 65,000	\$ 25,450	\$ 90,450	\$ 145,000	\$ 90,112	\$ 235,112
2015	65,000	23,175	88,175	145,000	86,238	231,238
2016	70,000	20,900	90,900	150,000	81,963	231,963
2017	70,000	17,050	87,050	155,000	75,912	230,912
2018	75,000	13,200	88,200	160,000	69,512	229,512
2019 - 2023	165,000	13,750	178,750	650,000	248,225	898,225
2024 - 2028	-	-	-	465,000	120,100	585,100
2029 - 2030	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,000</u>	<u>15,399</u>	<u>200,399</u>
Total	<u>\$ 510,000</u>	<u>\$ 113,525</u>	<u>\$ 623,525</u>	<u>\$ 2,055,000</u>	<u>\$ 787,461</u>	<u>\$ 2,842,461</u>

From time to time, the City has issued Industrial Revenue Bonds to provide assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans; ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2013, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$16,860,000.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2013, the City's total debt margin was \$35,088,572 and the unvoted debt margin was \$17,401,157.

NOTE 17 - INTERFUND ACTIVITY

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

<u>Transfer to</u>	<u>Transfer from</u>					<u>Total</u>
	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Nonmajor funds</u>	<u>Water</u>	<u>Sewer</u>	
Major funds						
General fund	\$ -	\$ 20,000	\$ 25,000	\$ 57,000	\$ 30,000	\$ 132,000
Emergency medical services levy	110,000	-	-	-	-	110,000
Capital improvement	800,000	-	-	-	-	800,000
Nonmajor funds						
Fire operating levy	460,000	-	-	-	-	460,000
Street construction	150,000	-	-	-	-	150,000
Hoover district	163,000	-	-	-	-	163,000
Total	\$ 1,683,000	\$ 20,000	\$ 25,000	\$ 57,000	\$ 30,000	\$ 1,815,000

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental funds and business-type activities are presented as transfers on the Statement of Activities and include capital contribution activity between governmental funds and business-type activities as described in Note 2.Q. The transfers from various funds into the general fund are to fund future termination payments.

- B. Interfund loans receivable/payable consisted of the following at December 31, 2013, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 130,000</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 17 - INTERFUND ACTIVITY - (Continued)

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	<u>General Fund</u>	Emergency Medical Services <u>Levy Fund</u>
Budget basis	\$ (291,237)	\$ 175,061
Net adjustment for revenue accruals	(5,140)	(21,353)
Net adjustment for expenditure accruals	25,378	(2,291)
Net adjustment for other sources/uses	(33,000)	-
Funds budgeted elsewhere	663,100	-
Adjustment for encumbrances	<u>131,698</u>	<u>41,878</u>
GAAP basis	<u>\$ 490,799</u>	<u>\$ 193,295</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

NOTE 19 - FUND BALANCE

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

Fund balance	General	Emergency Medical Services Levy Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 4,965	\$ 4,892	\$ -	\$ 4,053	\$ 13,910
Prepays	7,379	239	-	99	7,717
Total nonspendable	<u>12,344</u>	<u>5,131</u>	<u>-</u>	<u>4,152</u>	<u>21,627</u>
Restricted:					
Capital improvements	-	-	471,764	202,578	674,342
Security of persons and property police	-	-	-	41,790	41,790
Security of persons and property fire	-	-	-	99,192	99,192
Public health and welfare	-	356,513	-	1,365	357,878
Computer systems	-	-	-	9,150	9,150
Transportation	-	-	-	893,172	893,172
Utility services	-	-	-	501,262	501,262
General trust	-	-	-	190,613	190,613
Mayor's court	-	-	-	12,038	12,038
Total restricted	<u>-</u>	<u>356,513</u>	<u>471,764</u>	<u>1,951,160</u>	<u>2,779,437</u>
Committed:					
Capital improvements	-	-	4,141,798	-	4,141,798
Income tax	1,678,205	-	-	-	1,678,205
CIC escrow	457,000	-	-	-	457,000
Compensated absences	837,917	-	-	-	837,917
Total committed	<u>2,973,122</u>	<u>-</u>	<u>4,141,798</u>	<u>-</u>	<u>7,114,920</u>
Assigned:					
General government	52,926	-	-	-	52,926
Community environment	28,134	-	-	-	28,134
Security of persons and property police	3,300	-	-	-	3,300
Utility services	2,331	-	-	-	2,331
Subsequent year appropriation	1,435,031	-	-	-	1,435,031
Total assigned	<u>1,521,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,521,722</u>
Unassigned (deficit)	<u>641,364</u>	<u>-</u>	<u>-</u>	<u>(114,848)</u>	<u>526,516</u>
Total fund balances	<u>\$ 5,148,552</u>	<u>\$ 361,644</u>	<u>\$ 4,613,562</u>	<u>\$ 1,840,464</u>	<u>\$ 11,964,222</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

Stark Council of Governments

The City participates in the Stark Council of Governments (the "Council") which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships which direct the operations of the Stark County Metropolitan Narcotics Unit and the Stark County Crime Laboratory. Of the 27 Board Members, the City has one appointed member. Each member's control over the operation of the Council is limited to its representation on the Board. The Board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City did not contribute any funds to the Council in 2013. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

Stark County Combined General Health District

The City participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, and the City of North Canton. Of the 7 Board Members, the City has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$104,981 to the Health District in 2013. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

NOTE 21 - LITIGATION

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

NOTE 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Summary of Significant Accounting Policies

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

The CIC's significant accounting policies are described below.

A. Basis of Accounting

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

B. Cash

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

C. Capital Assets and Depreciation

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The CIC maintains a capitalization threshold of \$500. The CIC does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

D. Net Position

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

E. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Deposits

At December 31, 2013, the carrying amount of the CIC's deposits was \$420,830. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2013, \$170,830 of the bank balance of \$420,830 was exposed to custodial credit risk as described below while \$250,000 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the CIC's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the CIC. The CIC has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the CIC to a successful claim by the FDIC.

Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/13</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 71,439	\$ -	\$ -	\$ 71,439
<i>Total capital assets, not being depreciated</i>	<u>71,439</u>	<u>-</u>	<u>-</u>	<u>71,439</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	44,200	-	-	44,200
Equipment	444,000	-	-	444,000
<i>Total capital assets, being depreciated</i>	<u>488,200</u>	<u>-</u>	<u>-</u>	<u>488,200</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(22,100)	(4,420)	-	(26,520)
Equipment	(44,400)	(11,100)	-	(55,500)
<i>Total accumulated depreciation</i>	<u>(66,500)</u>	<u>(15,520)</u>	<u>-</u>	<u>(82,020)</u>
Total capital assets, net	<u>\$ 493,139</u>	<u>\$ (15,520)</u>	<u>\$ -</u>	<u>\$ 477,619</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

Intergovernmental Receivable

In 2005, the North Canton City Council approved the funding of the CIC in the amount of \$1.5 million out of the City's general fund. This funding is to assist the City's economic development efforts by creating or retaining businesses and jobs. As of December 31, 2013, the CIC has received \$1,043,000 under this funding mechanism.

Litigation

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

GENERAL FUND

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

Major Special Revenue Fund

Emergency Medical Services Levy Fund

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

Major Capital Projects Fund

Capital Improvement Fund

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

Major Enterprise Funds

Water Fund

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

Sewer Fund

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

Garbage Fund

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

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 709,000	\$ 709,000	\$ 712,966	\$ 3,966
Municipal income taxes	4,570,300	4,570,300	4,570,300	-
Charges for services	282,500	282,500	233,485	(49,015)
Licenses and permits	181,600	181,600	296,723	115,123
Fines and forfeitures	53,500	53,500	131,756	78,256
Intergovernmental	444,060	444,060	940,392	496,332
Interest	50,000	50,000	20,339	(29,661)
Rentals	199,300	199,300	196,380	(2,920)
Other	30,000	30,000	128,934	98,934
Total revenues	<u>6,520,260</u>	<u>6,520,260</u>	<u>7,231,275</u>	<u>711,015</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Personal services	92,100	92,100	86,397	5,703
Contract services	10,300	10,300	7,518	2,782
Materials and supplies	854	855	636	219
Total mayor	<u>103,254</u>	<u>103,255</u>	<u>94,551</u>	<u>8,704</u>
Director of Administration:				
Personal services	130,235	102,671	89,884	12,787
Contract services	16,330	15,733	11,858	3,875
Materials and supplies	1,500	2,097	1,876	221
Capital outlay	1,500	1,000	-	1,000
Total director of administration	<u>149,565</u>	<u>121,501</u>	<u>103,618</u>	<u>17,883</u>
Director of Finance:				
Personal services	150,200	150,200	121,561	28,639
Contract services	52,150	49,150	36,801	12,349
Materials and supplies	3,903	3,899	2,423	1,476
Capital outlay	1,572	1,572	580	992
Total director of finance	<u>207,825</u>	<u>204,821</u>	<u>161,365</u>	<u>43,456</u>
Electronic Data Processing:				
Contract services	13,222	21,522	20,651	871
Materials and supplies	75	75	-	75
Capital outlay	1,872	572	237	335
Total electronic data processing	<u>15,169</u>	<u>22,169</u>	<u>20,888</u>	<u>1,281</u>
Director of Law:				
Personal services	62,800	62,800	58,849	3,951
Contract services	47,100	41,497	21,648	19,849
Materials and supplies	3,000	3,300	2,396	904
Capital outlay	600	600	-	600
Total director of law	<u>113,500</u>	<u>108,197</u>	<u>82,893</u>	<u>25,304</u>

Continued

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
City Council:				
Personal services	\$ 178,810	\$ 168,810	\$ 161,344	\$ 7,466
Contract services	49,700	48,700	46,768	1,932
Materials and supplies.	2,670	2,600	2,421	179
Capital outlay	1,400	1,400	1,248	152
Total city council	<u>232,580</u>	<u>221,510</u>	<u>211,781</u>	<u>9,729</u>
Civil Service Commission:				
Personal services	8,009	8,009	7,617	392
Contract services	19,780	19,780	2,363	17,417
Materials and supplies.	250	250	-	250
Total civil service commission	<u>28,039</u>	<u>28,039</u>	<u>9,980</u>	<u>18,059</u>
City Hall Maintenance:				
Contract services	112,915	109,000	100,525	8,475
Materials and supplies.	-	3,800	3,406	394
Capital outlay	120	120	-	120
Total city hall maintenance.	<u>113,035</u>	<u>112,920</u>	<u>103,931</u>	<u>8,989</u>
Department of Engineering:				
Personal services	170,800	176,853	176,229	624
Contract services	86,417	85,667	84,228	1,439
Materials and supplies.	12,386	12,383	11,789	594
Capital outlay	14,574	13,574	13,573	1
Total department of engineering	<u>284,177</u>	<u>288,477</u>	<u>285,819</u>	<u>2,658</u>
Other General Government:				
Personal services	75,000	71,000	63,679	7,321
Contract services	162,338	169,338	109,162	60,176
Capital outlay	1,600	1,600	-	1,600
Other.	96,500	96,500	78,633	17,867
Total other general government	<u>335,438</u>	<u>338,438</u>	<u>251,474</u>	<u>86,964</u>
Total General Government	<u>1,582,582</u>	<u>1,549,327</u>	<u>1,326,300</u>	<u>223,027</u>
Security of Persons and Property:				
Police:				
Personal services	2,864,220	2,865,510	2,797,443	68,067
Contract services	366,951	356,250	286,830	69,420
Materials and supplies.	102,680	103,380	96,188	7,192
Capital outlay	9,511	19,511	18,111	1,400
Total police	<u>3,343,362</u>	<u>3,344,651</u>	<u>3,198,572</u>	<u>146,079</u>
Total Security of Persons and Property.	<u>3,343,362</u>	<u>3,344,651</u>	<u>3,198,572</u>	<u>146,079</u>

Continued

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Health and Welfare:				
County Health Department:				
Contract services	\$ 105,600	\$ 105,600	\$ 104,981	\$ 619
Total county health department	<u>105,600</u>	<u>105,600</u>	<u>104,981</u>	<u>619</u>
Total Public Health and Welfare	<u>105,600</u>	<u>105,600</u>	<u>104,981</u>	<u>619</u>
Community Environment:				
Permits and Inspections:				
Personal services	284,580	266,580	217,411	49,169
Contract services	34,188	52,207	44,296	7,911
Materials and supplies.	6,200	12,081	9,535	2,546
Capital outlay	5,900	-	-	-
Total permits and inspections.	<u>330,868</u>	<u>330,868</u>	<u>271,242</u>	<u>59,626</u>
Planning Commission:				
Contract services	3,459	3,460	1,247	2,213
Materials and supplies.	290	290	290	-
Total planning commission	<u>3,749</u>	<u>3,750</u>	<u>1,537</u>	<u>2,213</u>
Zoning and Building:				
Contract services	50	50	-	50
Total zoning and building	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Economic Development:				
Contract services	34,998	67,462	58,202	9,260
Materials and supplies.	2,270	2,270	2,270	-
Total economic development.	<u>37,268</u>	<u>69,732</u>	<u>60,472</u>	<u>9,260</u>
Total Community Environment.	<u>371,935</u>	<u>404,400</u>	<u>333,251</u>	<u>71,149</u>
Leisure Time Activities:				
Dogwood Shelter:				
Contract services	14,549	16,511	14,868	1,643
Total dogwood shelter	<u>14,549</u>	<u>16,511</u>	<u>14,868</u>	<u>1,643</u>
Swimming Pool:				
Personal services	140,350	140,300	126,315	13,985
Contract services	52,700	52,200	47,813	4,387
Materials and supplies.	47,200	47,200	33,572	13,628
Capital outlay	1,000	1,000	1,000	-
Total swimming pool	<u>241,250</u>	<u>240,700</u>	<u>208,700</u>	<u>32,000</u>
Parks Department:				
Personal services	202,400	202,400	163,678	38,722
Contract services	105,100	105,100	95,394	9,706
Materials and supplies.	26,500	26,500	19,761	6,739
Total parks department.	<u>334,000</u>	<u>334,000</u>	<u>278,833</u>	<u>55,167</u>

Continued

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civic Center:				
Contract services	\$ 56,538	\$ 54,448	\$ 47,491	\$ 6,957
Materials and supplies.	3,300	3,300	1,416	1,884
Total civic center	<u>59,838</u>	<u>57,748</u>	<u>48,907</u>	<u>8,841</u>
Recreation Department:				
Personal services	110,030	110,030	103,018	7,012
Contract services	7,750	7,900	7,240	660
Materials and supplies.	15,950	15,800	6,090	9,710
Total recreation department.	<u>133,730</u>	<u>133,730</u>	<u>116,348</u>	<u>17,382</u>
Recreation Program:				
Contract services	9,900	9,900	4,704	5,196
Total recreation program	<u>9,900</u>	<u>9,900</u>	<u>4,704</u>	<u>5,196</u>
Total Leisure Time Activities.	<u>793,267</u>	<u>792,589</u>	<u>672,360</u>	<u>120,229</u>
Debt Service:				
Principal retirement	60,000	60,000	60,000	-
Interest and fiscal charges	27,500	27,550	27,550	-
Total debt service.	<u>87,500</u>	<u>87,550</u>	<u>87,550</u>	<u>-</u>
Total expenditures	<u>6,284,246</u>	<u>6,284,117</u>	<u>5,723,014</u>	<u>561,103</u>
Excess of revenues over expenditures.	<u>236,014</u>	<u>236,143</u>	<u>1,508,261</u>	<u>1,272,118</u>
Other financing source (uses):				
Sale of capital assets	-	-	30,502	30,502
Advances out	-	(130,000)	(130,000)	-
Transfers in	163,000	163,000	-	(163,000)
Transfers out	(1,863,000)	(1,863,000)	(1,700,000)	163,000
Total other financing sources (uses).	<u>(1,700,000)</u>	<u>(1,830,000)</u>	<u>(1,799,498)</u>	<u>30,502</u>
Net change in fund balance	(1,463,986)	(1,593,857)	(291,237)	1,302,620
Fund balance at beginning of year	1,893,600	1,893,600	1,893,600	-
Prior year encumbrances appropriated	64,626	64,626	64,626	-
Fund balance at end of year	<u>\$ 494,240</u>	<u>\$ 364,369</u>	<u>\$ 1,666,989</u>	<u>\$ 1,302,620</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 807,000	\$ 807,000	\$ 761,607	\$ (45,393)
Charges for services	463,000	463,000	548,801	85,801
Intergovernmental	66,520	66,520	117,707	51,187
Other	-	-	11,933	11,933
Total revenues	<u>1,336,520</u>	<u>1,336,520</u>	<u>1,440,048</u>	<u>103,528</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Personal services	1,208,300	1,187,580	1,114,256	73,324
Contract services	165,942	165,962	158,226	7,736
Materials and supplies.	39,500	45,500	40,105	5,395
Capital outlay	6,300	61,000	42,400	18,600
Total expenditures.	<u>1,420,042</u>	<u>1,460,042</u>	<u>1,354,987</u>	<u>105,055</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(83,522)</u>	<u>(123,522)</u>	<u>85,061</u>	<u>208,583</u>
Other financing sources (uses):				
Transfers in	110,000	110,000	110,000	-
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total other financing sources (uses).	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net change in fund balance	6,478	(33,522)	175,061	208,583
Fund balance at beginning of year	<u>200,965</u>	<u>200,965</u>	<u>200,965</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 207,443</u>	<u>\$ 167,443</u>	<u>\$ 376,026</u>	<u>\$ 208,583</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,199,800	\$ 1,199,800	\$ 1,199,800	\$ -
Intergovernmental	1,653,989	1,653,989	1,358,546	(295,443)
Other	-	-	16,117	16,117
Total revenues	<u>2,853,789</u>	<u>2,853,789</u>	<u>2,574,463</u>	<u>(279,326)</u>
Expenditures:				
Capital Outlay:				
Contract services	4,918,311	5,224,527	2,400,579	2,823,948
Capital outlay	1,504,253	1,598,038	994,066	603,972
Total capital outlay	<u>6,422,564</u>	<u>6,822,565</u>	<u>3,394,645</u>	<u>3,427,920</u>
Debt service:				
Principal retirement	125,283	125,283	125,283	-
Interest and fiscal charges	68,386	68,385	68,372	13
Total debt service	<u>193,669</u>	<u>193,668</u>	<u>193,655</u>	<u>13</u>
Total expenditures	<u>6,616,233</u>	<u>7,016,233</u>	<u>3,588,300</u>	<u>3,427,933</u>
Excess of expenditures over revenues	<u>(3,762,444)</u>	<u>(4,162,444)</u>	<u>(1,013,837)</u>	<u>3,148,607</u>
Other financing sources:				
Transfers in	3,889,402	800,000	800,000	-
Total other financing sources	<u>3,889,402</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Net change in fund balance	126,958	(3,362,444)	(213,837)	3,148,607
Fund balance at beginning of year	2,324,566	2,324,566	2,324,566	-
Prior year encumbrances appropriated	1,474,105	1,474,105	1,474,105	-
Fund balance at end of year	<u>\$ 3,925,629</u>	<u>\$ 436,227</u>	<u>\$ 3,584,834</u>	<u>\$ 3,148,607</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Operating revenues:				
Charges for services	\$ 5,905,000	\$ 5,905,000	\$ 6,029,166	\$ 124,166
Tap-in fees	15,000	15,000	30,319	15,319
Other	20,000	20,000	79,557	59,557
Total operating revenues.	<u>5,940,000</u>	<u>5,940,000</u>	<u>6,139,042</u>	<u>199,042</u>
Operating expenses:				
Personal services.	1,820,070	1,814,436	1,660,592	153,844
Contract services	1,727,957	1,776,608	1,555,843	220,765
Materials and supplies	743,653	741,167	600,965	140,202
Capital outlay	3,014,473	2,873,923	1,509,309	1,364,614
Other.	44,900	44,900	1,877	43,023
Total operating expenses.	<u>7,351,053</u>	<u>7,251,034</u>	<u>5,328,586</u>	<u>1,922,448</u>
Operating income (loss)	<u>(1,411,053)</u>	<u>(1,311,034)</u>	<u>810,456</u>	<u>2,121,490</u>
Nonoperating revenues (expenses):				
Sale of capital assets	-	-	13,400	13,400
OPWC loan proceeds	206,571	206,571	204,571	(2,000)
Debt service:				
Principal retirement	(902,652)	(902,652)	(884,728)	17,924
Interest and fiscal charges.	(486,311)	(486,311)	(486,310)	1
Total nonoperating revenues (expenses).	<u>(1,182,392)</u>	<u>(1,182,392)</u>	<u>(1,153,067)</u>	<u>29,325</u>
Loss before transfers	(2,593,445)	(2,493,426)	(342,611)	2,150,815
Transfers out.	<u>(57,000)</u>	<u>(57,000)</u>	<u>(57,000)</u>	<u>-</u>
Net change in fund equity	(2,650,445)	(2,550,426)	(399,611)	2,150,815
Fund equity at beginning of year.	3,349,356	3,349,356	3,349,356	-
Prior year encumbrances appropriated	<u>413,793</u>	<u>413,793</u>	<u>413,793</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,112,704</u>	<u>\$ 1,212,723</u>	<u>\$ 3,363,538</u>	<u>\$ 2,150,815</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 3,300,000	\$ 2,800,000	\$ 2,741,057	\$ (58,943)
Tap-in fees	21,000	21,000	117,879	96,879
Other	5,000	5,000	12,412	7,412
Total operating revenues	<u>3,326,000</u>	<u>2,826,000</u>	<u>2,871,348</u>	<u>45,348</u>
Operating expenses:				
Personal services	564,500	564,237	442,088	122,149
Contract services	2,200,291	2,227,564	1,792,286	435,278
Materials and supplies	21,223	21,223	16,818	4,405
Capital outlay	1,439,022	1,407,489	349,650	1,057,839
Total operating expenses	<u>4,225,036</u>	<u>4,220,513</u>	<u>2,600,842</u>	<u>1,619,671</u>
Operating income (loss)	<u>(899,036)</u>	<u>(1,394,513)</u>	<u>270,506</u>	<u>1,665,019</u>
Nonoperating revenues (expenses):				
OWDA loan proceeds	356,497	356,497	-	(356,497)
Debt service:				
Principal retirement	(35,251)	(35,251)	(21,689)	13,562
Interest and fiscal charges	(7,297)	(7,297)	(5,362)	1,935
Total nonoperating revenues (expenses)	<u>313,949</u>	<u>313,949</u>	<u>(27,051)</u>	<u>(341,000)</u>
Income (loss) before transfers	(585,087)	(1,080,564)	243,455	1,324,019
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Change in net assets	(615,087)	(1,110,564)	213,455	1,324,019
Fund equity at beginning of year	1,806,722	1,806,722	1,806,722	-
Prior year encumbrances appropriated	<u>431,706</u>	<u>431,706</u>	<u>431,706</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,623,341</u>	<u>\$ 1,127,864</u>	<u>\$ 2,451,883</u>	<u>\$ 1,324,019</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GARBAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 850,000	\$ 850,000	\$ 884,455	\$ 34,455
Other	-	-	949	949
Total operating revenues	<u>850,000</u>	<u>850,000</u>	<u>885,404</u>	<u>35,404</u>
Operating expenses:				
Personal services	100,475	96,665	84,864	11,801
Contract services	838,494	839,835	826,620	13,215
Materials and supplies	26,413	25,072	24,015	1,057
Capital outlay	-	3,810	3,805	5
Total operating expenses	<u>965,382</u>	<u>965,382</u>	<u>939,304</u>	<u>26,078</u>
Operating loss	<u>(115,382)</u>	<u>(115,382)</u>	<u>(53,900)</u>	<u>61,482</u>
Nonoperating revenues:				
Intergovernmental	<u>55,000</u>	<u>55,000</u>	<u>38,587</u>	<u>(16,413)</u>
Total nonoperating revenues	<u>55,000</u>	<u>55,000</u>	<u>38,587</u>	<u>(16,413)</u>
Net change in fund equity	(60,382)	(60,382)	(15,313)	45,069
Fund equity at beginning of year	252,214	252,214	252,214	-
Prior year encumbrances appropriated . . .	<u>1,057</u>	<u>1,057</u>	<u>1,057</u>	<u>-</u>
Fund equity at end of year	<u>\$ 192,889</u>	<u>\$ 192,889</u>	<u>\$ 237,958</u>	<u>\$ 45,069</u>

CITY OF NORTH CANTON, OHIO

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

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Fire Operating Levy Fund

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

Computer Fund

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

Enforcement and Education Fund

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

Street Construction, Maintenance and Repair Fund

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

Storm Sewer Levy Fund

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

Street Levy Fund

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

Municipal Road Fund

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

General Trust Fund

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

Law Enforcement Trust Fund

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

Continuing Professional Education Fund

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

Community Disaster Relief Fund

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

Mayor's Court Fund

This fund accounts for activity that is restricted for the City's Mayor's Court. Budgetary information is not reported because it is not included in the entity for which the "appropriated budget" is adopted and does not maintain a separate budgetary record.

CITY OF NORTH CANTON, OHIO

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

Nonmajor Special Revenue Funds

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

Income Tax Fund

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

Compensated Absences Fund

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

North Canton CIC Escrow Fund

This fund accounts for money that has been committed to fund the North Canton Community Improvement Corporation (CIC).

CAPITAL PROJECTS FUND

Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The following is a description of all nonmajor capital project funds:

Nonmajor Capital Projects Fund

Issue II Fund

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

Hoover District Improvement Fund

This fund accounts for revenues that are restricted for the redevelopment of the Hoover District Site.

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,817,977	\$ 283,007	\$ 2,100,984
Cash and cash equivalents:			
In segregated accounts	230,144	-	230,144
Receivables:			
Property taxes	795,570	-	795,570
Accounts	495	-	495
Intergovernmental	523,344	-	523,344
Materials and supplies inventory	4,053	-	4,053
Prepayments	99	-	99
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,371,682</u>	<u>\$ 283,007</u>	<u>\$ 3,654,689</u>
Liabilities:			
Accounts payable	\$ 285,041	\$ -	\$ 285,041
Contracts payable	-	195,277	195,277
Accrued wages and benefits payable	32,857	-	32,857
Interfund loan payable	130,000	-	130,000
Intergovernmental payable	32,576	-	32,576
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>480,474</u>	<u>195,277</u>	<u>675,751</u>
Deferred Inflows of Resources:			
Property taxes levied for the next fiscal year	767,230	-	767,230
Delinquent property tax revenue not available	28,340	-	28,340
Other nonexchange transactions not available	342,904	-	342,904
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u>1,138,474</u>	<u>-</u>	<u>1,138,474</u>
Fund Balances:			
Nonspendable	4,152	-	4,152
Restricted	1,748,582	202,578	1,951,160
Unassigned (deficit)	-	(114,848)	(114,848)
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>1,752,734</u>	<u>87,730</u>	<u>1,840,464</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 3,371,682</u>	<u>\$ 283,007</u>	<u>\$ 3,654,689</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Other Governmental Funds
Revenues:			
Property taxes	\$ 780,345	\$ -	\$ 780,345
Fines and forfeitures	199,540	-	199,540
Intergovernmental	981,275	368,208	1,349,483
Interest	6	-	6
Contributions and donations	168,186	-	168,186
Other	31,513	-	31,513
Total revenues	<u>2,160,865</u>	<u>368,208</u>	<u>2,529,073</u>
Expenditures:			
Current:			
General government	195,070	-	195,070
Security of persons and property:			
Police	31,395	-	31,395
Fire	538,939	-	538,939
Public health and welfare	1,076	-	1,076
Transportation	1,426,291	-	1,426,291
Leisure time activities	4,882	-	4,882
Basic utility services	365,447	-	365,447
Capital outlay	-	459,875	459,875
Total expenditures	<u>2,563,100</u>	<u>459,875</u>	<u>3,022,975</u>
Excess of expenditures over revenues	<u>(402,235)</u>	<u>(91,667)</u>	<u>(493,902)</u>
Other financing sources (uses):			
Sale of capital assets	56,180	-	56,180
Transfers in	610,000	163,000	773,000
Transfers out	<u>(25,000)</u>	-	<u>(25,000)</u>
Total other financing sources (uses)	<u>641,180</u>	<u>163,000</u>	<u>804,180</u>
Net change in fund balances	238,945	71,333	310,278
Fund balances at beginning of year	<u>1,513,789</u>	<u>16,397</u>	<u>1,530,186</u>
Fund balances at end of year	<u>\$ 1,752,734</u>	<u>\$ 87,730</u>	<u>\$ 1,840,464</u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2013

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Assets:				
Equity in pooled cash and investments	\$ 142,721	\$ 8,741	\$ 13,757	\$ 572,641
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
Receivables:				
Property taxes	159,192	-	-	-
Accounts	-	495	-	-
Intergovernmental	11,866	-	-	346,362
Materials and supplies inventory	-	-	-	4,053
Prepayments	-	99	-	-
Total assets	<u>\$ 313,779</u>	<u>\$ 9,335</u>	<u>\$ 13,757</u>	<u>\$ 923,056</u>
Liabilities:				
Accounts payable	\$ 2,602	\$ 86	\$ -	\$ 16,883
Accrued wages and benefits	20,052	-	-	12,805
Interfund loans payable	-	-	-	-
Intergovernmental payable	20,875	-	-	11,091
Total liabilities	<u>43,529</u>	<u>86</u>	<u>-</u>	<u>40,779</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	153,524	-	-	-
Delinquent property tax revenue not available	5,668	-	-	-
Other nonexchange transactions not available	11,866	-	-	283,559
Total deferred inflows of resources	<u>171,058</u>	<u>-</u>	<u>-</u>	<u>283,559</u>
Fund Balances:				
Nonspendable	-	99	-	4,053
Restricted	99,192	9,150	13,757	594,665
Total fund balances	<u>99,192</u>	<u>9,249</u>	<u>13,757</u>	<u>598,718</u>
Total liabilities and fund balance	<u>\$ 313,779</u>	<u>\$ 9,335</u>	<u>\$ 13,757</u>	<u>\$ 923,056</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 528,805	\$ 535,263	\$ 14,144	\$ -	\$ -
-	-	-	190,613	27,493
318,188	318,190	-	-	-
-	-	-	-	-
23,740	23,739	117,637	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 870,733</u>	<u>\$ 877,192</u>	<u>\$ 131,781</u>	<u>\$ 190,613</u>	<u>\$ 27,493</u>
\$ 26,933	\$ 238,537	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	130,000	-	-
610	-	-	-	-
<u>27,543</u>	<u>238,537</u>	<u>130,000</u>	<u>-</u>	<u>-</u>
306,852	306,854	-	-	-
11,336	11,336	-	-	-
23,740	23,739	-	-	-
<u>341,928</u>	<u>341,929</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
501,262	296,726	1,781	190,613	27,493
<u>501,262</u>	<u>296,726</u>	<u>1,781</u>	<u>190,613</u>	<u>27,493</u>
<u>\$ 870,733</u>	<u>\$ 877,192</u>	<u>\$ 131,781</u>	<u>\$ 190,613</u>	<u>\$ 27,493</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2013

	Continuing Professional Education	Community Disaster Relief	Mayor's Court	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 540	\$ 1,365	\$ -	\$ 1,817,977
Cash and cash equivalents:				
In segregated accounts	-	-	12,038	230,144
Receivables:				
Property taxes	-	-	-	795,570
Accounts	-	-	-	495
Intergovernmental	-	-	-	523,344
Materials and supplies inventory	-	-	-	4,053
Prepayments	-	-	-	99
Total assets	<u>\$ 540</u>	<u>\$ 1,365</u>	<u>\$ 12,038</u>	<u>\$ 3,371,682</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 285,041
Accrued wages and benefits	-	-	-	32,857
Interfund loans payable	-	-	-	130,000
Intergovernmental payable	-	-	-	32,576
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,474</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	-	-	-	767,230
Delinquent property tax revenue not available	-	-	-	28,340
Other nonexchange transactions not available	-	-	-	342,904
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,138,474</u>
Fund Balances:				
Nonspendable	-	-	-	4,152
Restricted	540	1,365	12,038	1,748,582
Total fund balances	<u>540</u>	<u>1,365</u>	<u>12,038</u>	<u>1,752,734</u>
Total liabilities and fund balance	<u>\$ 540</u>	<u>\$ 1,365</u>	<u>\$ 12,038</u>	<u>\$ 3,371,682</u>

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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Revenues:				
Property taxes	\$ 151,682	\$ -	\$ -	\$ -
Fines and forfeitures	-	7,436	3,060	-
Intergovernmental	24,034	-	-	743,728
Interest	-	-	-	-
Contributions and donations	-	-	-	-
Other	9,966	-	-	20,877
Total revenues	<u>185,682</u>	<u>7,436</u>	<u>3,060</u>	<u>764,605</u>
Expenditures:				
Current:				
General government	-	10,617	-	-
Security of persons and property:				
Police	-	-	1,250	-
Fire	538,939	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	832,489
Leisure time activities	-	-	-	-
Basic utility services	-	-	-	-
Total expenditures	<u>538,939</u>	<u>10,617</u>	<u>1,250</u>	<u>832,489</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(353,257)</u>	<u>(3,181)</u>	<u>1,810</u>	<u>(67,884)</u>
Other financing sources (uses):				
Sale of capital assets	800	-	-	55,380
Transfers in	460,000	-	-	150,000
Transfers out	(10,000)	-	-	(15,000)
Total other financing sources (uses)	<u>450,800</u>	<u>-</u>	<u>-</u>	<u>190,380</u>
Net change in fund balances	97,543	(3,181)	1,810	122,496
Fund balances at beginning of year	<u>1,649</u>	<u>12,430</u>	<u>11,947</u>	<u>476,222</u>
Fund balances at end of year	<u>\$ 99,192</u>	<u>\$ 9,249</u>	<u>\$ 13,757</u>	<u>\$ 598,718</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 314,368	\$ 314,295	\$ -	\$ -	\$ -
-	-	-	-	6,516
47,095	47,094	117,637	-	1,687
-	-	-	-	-
-	-	-	167,321	-
670	-	-	-	-
<u>362,133</u>	<u>361,389</u>	<u>117,637</u>	<u>167,321</u>	<u>8,203</u>
-	-	-	-	-
-	-	-	20,294	9,851
-	-	-	-	-
-	-	-	416	-
-	476,166	117,636	-	-
-	-	-	4,882	-
365,447	-	-	-	-
<u>365,447</u>	<u>476,166</u>	<u>117,636</u>	<u>25,592</u>	<u>9,851</u>
(3,314)	(114,777)	1	141,729	(1,648)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(3,314)	(114,777)	1	141,729	(1,648)
504,576	411,503	1,780	48,884	29,141
<u>\$ 501,262</u>	<u>\$ 296,726</u>	<u>\$ 1,781</u>	<u>\$ 190,613</u>	<u>\$ 27,493</u>

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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Continuing Professional Education	Community Disaster Relief	Mayor's Court	Total Nonmajor Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 780,345
Fines and forfeitures	-	-	182,528	199,540
Intergovernmental	-	-	-	981,275
Interest	-	-	6	6
Contributions and donations	-	865	-	168,186
Other	-	-	-	31,513
Total revenues	-	865	182,534	2,160,865
Expenditures:				
Current:				
General government	-	-	184,453	195,070
Security of persons and property:				
Police	-	-	-	31,395
Fire	-	-	-	538,939
Public health and welfare	-	660	-	1,076
Transportation	-	-	-	1,426,291
Leisure time activities	-	-	-	4,882
Basic utility services	-	-	-	365,447
Total expenditures	-	660	184,453	2,563,100
Excess (deficiency) of revenues over (under) expenditures	-	205	(1,919)	(402,235)
Other financing sources (uses):				
Sale of capital assets	-	-	-	56,180
Transfers in	-	-	-	610,000
Transfers out	-	-	-	(25,000)
Total other financing sources (uses)	-	-	-	641,180
Net change in fund balances	-	205	(1,919)	238,945
Fund balances at beginning of year	540	1,160	13,957	1,513,789
Fund balances at end of year	\$ 540	\$ 1,365	\$ 12,038	\$ 1,752,734

CITY OF NORTH CANTON, OHIO

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

FIRE OPERATING LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 157,700	\$ 157,700	\$ 151,682	\$ (6,018)
Intergovernmental	13,800	13,800	24,034	10,234
Other	-	-	10,079	10,079
Total revenues	<u>171,500</u>	<u>171,500</u>	<u>185,795</u>	<u>14,295</u>
Expenditures:				
Current:				
Security of Person and Property:				
Fire:				
Personal services	485,400	476,500	415,623	60,877
Contract services	111,740	119,674	106,085	13,589
Materials and supplies.	27,500	29,016	23,663	5,353
Capital outlay	1,000	450	-	450
Total expenditures.	<u>625,640</u>	<u>625,640</u>	<u>545,371</u>	<u>80,269</u>
Excess of expenditures over revenues	<u>(454,140)</u>	<u>(454,140)</u>	<u>(359,576)</u>	<u>94,564</u>
Other financing sources (uses):				
Sale of capital assets	-	-	800	800
Transfers in	460,000	460,000	460,000	-
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing sources (uses).	<u>450,000</u>	<u>450,000</u>	<u>450,800</u>	<u>800</u>
Net change in fund balance	(4,140)	(4,140)	91,224	95,364
Fund balance at beginning of year	49,273	49,273	49,273	-
Prior year encumbrances appropriated	680	680	680	-
Fund balance at end of year	<u>\$ 45,813</u>	<u>\$ 45,813</u>	<u>\$ 141,177</u>	<u>\$ 95,364</u>

CITY OF NORTH CANTON, OHIO

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

COMPUTER FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,200	\$ 5,200	\$ 6,966	\$ 1,766
Total revenues	<u>5,200</u>	<u>5,200</u>	<u>6,966</u>	<u>1,766</u>
Expenditures:				
Current:				
General Government:				
Computer:				
Contract services	6,300	6,300	5,440	860
Materials and supplies	900	900	891	9
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>4,991</u>	<u>9</u>
Total expenditures	<u>12,200</u>	<u>12,200</u>	<u>11,322</u>	<u>878</u>
Net change in fund balance	(7,000)	(7,000)	(4,356)	2,644
Fund balance at beginning of year	<u>12,561</u>	<u>12,561</u>	<u>12,561</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,561</u>	<u>\$ 5,561</u>	<u>\$ 8,205</u>	<u>\$ 2,644</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,300	\$ 1,300	\$ 3,185	\$ 1,885
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>3,185</u>	<u>1,885</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	6,000	6,000	1,250	4,750
Materials and supplies	2,000	2,000	-	2,000
Capital outlay	3,747	3,747	-	3,747
Total expenditures.	<u>11,747</u>	<u>11,747</u>	<u>1,250</u>	<u>10,497</u>
Net change in fund balance	(10,447)	(10,447)	1,935	12,382
Fund balance at beginning of year	<u>11,822</u>	<u>11,822</u>	<u>11,822</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,375</u>	<u>\$ 1,375</u>	<u>\$ 13,757</u>	<u>\$ 12,382</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 699,000	\$ 699,000	\$ 740,833	\$ 41,833
Other	5,000	5,000	20,877	15,877
Total revenues	<u>704,000</u>	<u>704,000</u>	<u>761,710</u>	<u>57,710</u>
Expenditures:				
Current:				
Transportation:				
Personal services	441,200	441,200	318,269	122,931
Contract services	173,761	222,419	186,814	35,605
Materials and supplies.	437,050	261,288	252,024	9,264
Capital outlay	128,000	255,104	114,321	140,783
Total expenditures.	<u>1,180,011</u>	<u>1,180,011</u>	<u>871,428</u>	<u>308,583</u>
Excess expenditures over revenues	<u>(476,011)</u>	<u>(476,011)</u>	<u>(109,718)</u>	<u>366,293</u>
Other financing sources (uses):				
Sale of capital assets	-	-	55,380	55,380
Transfers in	150,000	150,000	150,000	-
Transfers out	(15,000)	(15,000)	(15,000)	-
Total other financing sources (uses).	<u>135,000</u>	<u>135,000</u>	<u>190,380</u>	<u>55,380</u>
Net change in fund balance	(341,011)	(341,011)	80,662	421,673
Fund balance at beginning of year	<u>456,447</u>	<u>456,447</u>	<u>456,447</u>	<u>-</u>
Fund balance at end of year	<u>\$ 115,436</u>	<u>\$ 115,436</u>	<u>\$ 537,109</u>	<u>\$ 421,673</u>

CITY OF NORTH CANTON, OHIO

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

STORM SEWER LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 307,000	\$ 307,000	\$ 314,368	\$ 7,368
Intergovernmental	49,500	49,500	47,095	(2,405)
Other	-	-	670	670
Total revenues	<u>356,500</u>	<u>356,500</u>	<u>362,133</u>	<u>5,633</u>
Expenditures:				
Current:				
Basic Utility Services:				
Storm Sewers:				
Personal services	55,000	55,000	55,000	-
Contract services	750,306	756,306	406,366	349,940
Materials and supplies.	20,000	20,000	6,689	13,311
Capital outlay	29,000	23,000	-	23,000
Total expenditures.	<u>854,306</u>	<u>854,306</u>	<u>468,055</u>	<u>386,251</u>
Net change in fund balance	(497,806)	(497,806)	(105,922)	391,884
Fund balance at beginning of year	342,234	342,234	342,234	-
Prior year encumbrances appropriated .	<u>177,306</u>	<u>177,306</u>	<u>177,306</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,734</u>	<u>\$ 21,734</u>	<u>\$ 413,618</u>	<u>\$ 391,884</u>

CITY OF NORTH CANTON, OHIO

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

STREET LEVY FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 345,000	\$ 345,000	\$ 314,295	\$ (30,705)
Intergovernmental	12,000	12,000	47,094	35,094
Total revenues	<u>357,000</u>	<u>357,000</u>	<u>361,389</u>	<u>4,389</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Personal services	55,000	55,000	55,000	-
Contract services	641,420	641,420	467,063	174,357
Materials and supplies.	6,800	6,800	-	6,800
Capital outlay	57,000	57,000	-	57,000
Total expenditures.	<u>760,220</u>	<u>760,220</u>	<u>522,063</u>	<u>238,157</u>
Net change in fund balance	(403,220)	(403,220)	(160,674)	242,546
Fund balance at beginning of year	314,205	314,205	314,205	-
Prior year encumbrances appropriated .	<u>97,290</u>	<u>97,290</u>	<u>97,290</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,275</u>	<u>\$ 8,275</u>	<u>\$ 250,821</u>	<u>\$ 242,546</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL ROAD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 130,000	\$ -	\$ -	\$ -
Total revenues	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	\$ 131,780	\$ 131,780	\$ 117,636	\$ 14,144
Total expenditures.	<u>131,780</u>	<u>131,780</u>	<u>117,636</u>	<u>14,144</u>
Excess of expenditures over revenues	<u>(1,780)</u>	<u>(131,780)</u>	<u>(117,636)</u>	<u>14,144</u>
Other financing sources:				
Advances in	-	130,000	130,000	-
Total other financing sources	<u>-</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net change in fund balance	(1,780)	(1,780)	12,364	14,144
Fund balance at beginning of year	<u>1,780</u>	<u>1,780</u>	<u>1,780</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,144</u>	<u>\$ 14,144</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 400	\$ 154,684	\$ 174,671	\$ 19,987
Total revenues	400	154,684	174,671	19,987
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Contract services	3,500	3,500	-	3,500
Total General Government	3,500	3,500	-	3,500
Security of Persons and Property:				
Police:				
Contract services	7,506	7,506	1,496	6,010
Total police	7,506	7,506	1,496	6,010
Fire:				
Contract services	26,772	26,773	18,798	7,975
Total fire	26,772	26,773	18,798	7,975
Total Security of Persons and Property	34,278	34,279	20,294	13,985
Public Health and Welfare:				
E.M.S.:				
Contract services	2,201	2,200	416	1,784
Total E.M.S.	2,201	2,200	416	1,784
Total Public Health and Welfare	2,201	2,200	416	1,784
Leisure Time Activities:				
Park Department:				
Contract services	1,555	7,155	4,882	2,273
Total park department	1,555	7,155	4,882	2,273
Total Leisure Time Activities	1,555	7,155	4,882	2,273
Total expenditures	41,534	47,134	25,592	21,542
Net change in fund balance	(41,134)	107,550	149,079	41,529
Fund balance at beginning of year	41,534	41,534	41,534	-
Fund balance at end of year	<u>\$ 400</u>	<u>\$ 149,084</u>	<u>\$ 190,613</u>	<u>\$ 41,529</u>

CITY OF NORTH CANTON, OHIO

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

LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 6,516	\$ 3,516
Intergovernmental	-	-	1,687	1,687
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>8,203</u>	<u>5,203</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Materials and supplies	25,638	25,638	9,851	15,787
Total expenditures	<u>25,638</u>	<u>25,638</u>	<u>9,851</u>	<u>15,787</u>
Net change in fund balance	(22,638)	(22,638)	(1,648)	20,990
Fund balance at beginning of year	<u>29,141</u>	<u>29,141</u>	<u>29,141</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,503</u>	<u>\$ 6,503</u>	<u>\$ 27,493</u>	<u>\$ 20,990</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONTINUING PROFESSIONAL EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	\$ 540	\$ 540	\$ -	\$ 540
Total expenditures	<u>540</u>	<u>540</u>	<u>-</u>	<u>540</u>
Net change in fund balance	(540)	(540)	-	540
Fund balance at beginning of year	<u>540</u>	<u>540</u>	<u>540</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 540</u></u>	<u><u>\$ 540</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DISASTER RELIEF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations	\$ 300	\$ 300	\$ 865	\$ 565
Total revenues	<u>300</u>	<u>300</u>	<u>865</u>	<u>565</u>
Expenditures:				
Current:				
General Government:				
Income Tax Division:				
Contract services	600	660	660	-
Total expenditures	<u>600</u>	<u>660</u>	<u>660</u>	<u>-</u>
Net change in fund balance	(300)	(360)	205	565
Fund balance at beginning of year	<u>1,160</u>	<u>1,160</u>	<u>1,160</u>	<u>-</u>
Fund balance at end of year	<u>\$ 860</u>	<u>\$ 800</u>	<u>\$ 1,365</u>	<u>\$ 565</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 149,900	\$ 149,900	\$ 867,606	\$ 717,706
Other	-	-	1,109	1,109
Total revenues	<u>149,900</u>	<u>149,900</u>	<u>868,715</u>	<u>718,815</u>
Expenditures:				
Current:				
General Government:				
Personal services	170,500	170,500	156,401	14,099
Contract services	75,870	75,874	39,166	36,708
Materials and supplies.	4,403	4,399	2,590	1,809
Capital outlay	6,802	6,802	3,170	3,632
Other.	<u>185,000</u>	<u>185,000</u>	<u>151,996</u>	<u>33,004</u>
Total General Government.	<u>442,575</u>	<u>442,575</u>	<u>353,323</u>	<u>89,252</u>
Total expenditures	<u>442,575</u>	<u>442,575</u>	<u>353,323</u>	<u>89,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(292,675)</u>	<u>(292,675)</u>	<u>515,392</u>	<u>808,067</u>
Other financing sources (uses):				
Transfers in	163,000	163,000	-	(163,000)
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>158,000</u>	<u>158,000</u>	<u>(5,000)</u>	<u>(163,000)</u>
Net change in fund balance	(134,675)	(134,675)	510,392	645,067
Fund balance at beginning of year	1,164,992	1,164,992	1,164,992	-
Prior year encumbrances appropriated	<u>7,080</u>	<u>7,080</u>	<u>7,080</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,037,397</u>	<u>\$ 1,037,397</u>	<u>\$ 1,682,464</u>	<u>\$ 645,067</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMPENSATED ABSENCES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General Government:				
Personal services	\$ 143,926	\$ 143,926	\$ 8,632	\$ 135,294
Total General Government.	143,926	143,926	8,632	135,294
Security of Persons and Property:				
Police:				
Personal services	27,000	27,000	19,821	7,179
Total Police	27,000	27,000	19,821	7,179
Fire:				
Personal services	24,000	24,000	3,261	20,739
Total Fire	24,000	24,000	3,261	20,739
Total Security of Persons and Property	51,000	51,000	23,082	27,918
Public Health and Welfare:				
Personal services	31,000	31,000	-	31,000
Total Public Health and Welfare	31,000	31,000	-	31,000
Community Environment:				
Personal services	1,000	1,000	-	1,000
Total Community Environment.	1,000	1,000	-	1,000
Basic Utilities Services:				
Personal services	114,466	114,466	19,071	95,395
Total Basic Utility Services.	114,466	114,466	19,071	95,395
Leisure Time Activities:				
Personal services	44,250	44,250	-	44,250
Total Leisure Time Activities.	44,250	44,250	-	44,250
Transportation:				
Personal services	31,695	31,695	-	31,695
Total Transportation	31,695	31,695	-	31,695
Total expenditures	417,337	417,337	50,785	366,552
Excess expenditures over revenues	(417,337)	(417,337)	(50,785)	366,552
Other financing sources:				
Transfers in	317,000	317,000	317,000	-
Total other financing sources.	317,000	317,000	317,000	-
Net change in fund balance	(100,337)	(100,337)	266,215	366,552
Fund balance at beginning of year	590,912	590,912	590,912	-
Fund balance at end of year	\$ 490,575	\$ 490,575	\$ 857,127	\$ 366,552

CITY OF NORTH CANTON, OHIO

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

NORTH CANTON CIC ESCROW FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Community Environment:				
Personal services	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total Community Environment	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(100,000)	(100,000)	(100,000)	-
Fund balance at beginning of year	<u>557,000</u>	<u>557,000</u>	<u>557,000</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 457,000</u></u>	<u><u>\$ 457,000</u></u>	<u><u>\$ 457,000</u></u>	<u><u>\$ -</u></u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Issue II</u>	<u>Hoover District Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Equity in pooled cash and investments.	\$ 202,578	\$ 80,429	\$ 283,007
Total assets.	<u>\$ 202,578</u>	<u>\$ 80,429</u>	<u>\$ 283,007</u>
Liabilities:			
Contracts payable	\$ -	\$ 195,277	\$ 195,277
Total liabilities	<u>-</u>	<u>195,277</u>	<u>195,277</u>
Fund Balances:			
Restricted	202,578	-	202,578
Unassigned (deficit)	-	(114,848)	(114,848)
Total fund balances (deficit)	<u>202,578</u>	<u>(114,848)</u>	<u>87,730</u>
Total liabilities and fund balance.	<u>\$ 202,578</u>	<u>\$ 80,429</u>	<u>\$ 283,007</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Issue II</u>	<u>Hoover District Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Intergovernmental	\$ -	\$ 368,208	\$ 368,208
Total revenues	<u>-</u>	<u>368,208</u>	<u>368,208</u>
Expenditures:			
Capital outlay	-	459,875	459,875
Total expenditures	<u>-</u>	<u>459,875</u>	<u>459,875</u>
Excess of expenditures over revenues	-	<u>(91,667)</u>	<u>(91,667)</u>
Other financing sources:			
Transfers in	-	163,000	163,000
Total other financing sources	<u>-</u>	<u>163,000</u>	<u>163,000</u>
Net change in fund balances	-	71,333	71,333
Fund balances (deficit) at beginning of year . .	<u>202,578</u>	<u>(186,181)</u>	<u>16,397</u>
Fund balances (deficit) at end of year	<u>\$ 202,578</u>	<u>\$ (114,848)</u>	<u>\$ 87,730</u>

CITY OF NORTH CANTON, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 202,578	\$ 202,578	\$ 202,578	\$ -
Fund balance at end of year.	<u>\$ 202,578</u>	<u>\$ 202,578</u>	<u>\$ 202,578</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HOOVER DISTRICT IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,574,069	\$ 423,798	\$ 368,208	\$ (55,590)
Total revenues	<u>1,574,069</u>	<u>423,798</u>	<u>368,208</u>	<u>(55,590)</u>
Expenditures:				
Capital outlay	1,376,769	403,297	270,034	133,263
Total expenditures	<u>1,376,769</u>	<u>403,297</u>	<u>270,034</u>	<u>133,263</u>
Excess of revenues over expenditures.	<u>197,300</u>	<u>20,501</u>	<u>98,174</u>	<u>77,673</u>
Other financing uses:				
Advance out	(163,000)	-	-	-
Total other financing uses.	<u>(163,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	34,300	20,501	98,174	77,673
Fund balance (deficit) at beginning of year.	(23,145)	(23,145)	(23,145)	-
Prior year encumbrances appropriated .	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,855</u>	<u>\$ 56</u>	<u>\$ 77,729</u>	<u>\$ 77,673</u>

CITY OF NORTH CANTON, OHIO

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

ENTERPRISE FUNDS

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

INTERNAL SERVICE FUNDS

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

Internal Service Fund

Insurance Fund

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

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Charges for services	\$ 1,115,000	\$ 1,115,000	\$ 1,263,790	\$ 148,790
Total operating revenues	<u>1,115,000</u>	<u>1,115,000</u>	<u>1,263,790</u>	<u>148,790</u>
Operating Expenses:				
Contract services	261,505	242,240	242,240	-
Claims	1,172,298	1,115,578	949,389	166,189
Total operating expenses	<u>1,433,803</u>	<u>1,357,818</u>	<u>1,191,629</u>	<u>166,189</u>
Operating loss/change in fund equity . .	(318,803)	(242,818)	72,161	314,979
Fund equity at beginning of year	722,181	722,181	722,181	-
Prior year encumbrances appropriated .	<u>91,703</u>	<u>91,703</u>	<u>91,703</u>	<u>-</u>
Fund equity at end of year	<u>\$ 495,081</u>	<u>\$ 571,066</u>	<u>\$ 886,045</u>	<u>\$ 314,979</u>

CITY OF NORTH CANTON, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - FIDUCIARY FUNDS**

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agency for individuals, private organizations, other governments and/or funds. The following are the City's fiduciary fund types:

Agency Fund

Agency funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results. The following is the City's agency fund.

Deposits and Fees Fund

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

CITY OF NORTH CANTON, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Beginning Balance 12/31/2012	Additions	Reductions	Ending Balance 12/31/2013
Deposits and Fees				
Assets:				
Cash and cash equivalents in segregated accounts.	\$ 101,197	\$ 65,901	\$ 46,154	\$ 120,944
Total assets.	<u>\$ 101,197</u>	<u>\$ 65,901</u>	<u>\$ 46,154</u>	<u>\$ 120,944</u>
Liabilities:				
Deposits held and due to others	\$ 101,197	\$ 65,901	\$ 46,154	\$ 120,944
Total liabilities	<u>\$ 101,197</u>	<u>\$ 65,901</u>	<u>\$ 46,154</u>	<u>\$ 120,944</u>

STATISTICAL SECTION

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CITY OF NORTH CANTON, OHIO

STATISTICAL SECTION
TABLE CONTENTS

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	114-125
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the income tax.	126-133
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.	134-139
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	140-143
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.	144-149

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

CITY OF NORTH CANTON, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011 (2)</u>	<u>2010</u>
Governmental Activities				
Net investment in capital assets	\$ 30,087,393	\$ 30,162,804	\$ 28,206,677	\$ 28,683,552
Restricted for:				
Capital projects	202,578	202,578	164,021	1,843,983
Street construction, maintenance and repair	-	-	-	1,134,308
Emergency medical services	-	-	-	190,534
Fire operations	-	-	-	133,317
Computer systems	9,249	12,430	15,834	22,113
Security of persons and property - police	41,790	41,628	95,411	-
Security of persons and property - fire	116,726	17,036	-	-
Public health and welfare	572,499	296,690	-	-
Transportation	1,215,859	1,207,215	1,304,606	-
Basic utilities	536,338	535,373	479,041	-
General trust	190,613	48,884	15,951	-
Mayors Court	12,038	13,957	1,840	-
Storm sewer	-	-	-	535,073
Donations and supplies	-	-	-	16,830
Other purposes	-	-	-	27,933
Unrestricted	9,267,304	7,644,922	6,461,011	1,311,616
Total governmental activities net position	<u>\$ 42,252,387</u>	<u>\$ 40,183,517</u>	<u>\$ 36,744,392</u>	<u>\$ 33,899,259</u>
Business-type Activities				
Net investment in capital assets	\$ 25,793,804	\$ 26,042,734	\$ 25,897,087	\$ 25,702,585
Unrestricted	7,952,328	7,523,687	6,580,867	5,699,657
Total business-type activities net position	<u>\$ 33,746,132</u>	<u>\$ 33,566,421</u>	<u>\$ 32,477,954</u>	<u>\$ 31,402,242</u>
Total Primary Government				
Net investment in capital assets	\$ 55,881,197	\$ 56,205,538	\$ 54,103,764	\$ 54,386,137
Restricted	2,897,690	2,375,791	2,076,704	3,904,091
Unrestricted	17,219,632	15,168,609	13,041,878	7,011,273
Total primary government net position	<u>\$ 75,998,519</u>	<u>\$ 73,749,938</u>	<u>\$ 69,222,346</u>	<u>\$ 65,301,501</u>

Source: City financial records.

(1) Amounts have been restated to reflect 2008's presentation.

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

2009	2008	2007 (1)	2006	2005	2004
\$ 28,598,354	\$ 28,494,366	\$ 27,680,040	\$ 26,870,342	\$ 22,671,549	\$ 22,785,936
1,057,592	976,112	2,364,897	1,859,062	2,926,256	1,560,922
1,042,924	774,996	651,009	854,455	211,489	280,980
190,303	128,653	235,207	205,388	28,623	124,284
95,270	44,003	-	17,550	22,563	52,635
15,472	34,987	14,502	13,719	29,538	27,848
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
483,356	524,203	526,185	349,624	99,180	79,103
32,363	17,062	35,054	36,864	31,479	30,354
36,808	17,822	6,858	6,614	7,844	9,552
2,053,244	3,252,531	3,245,584	5,070,626	5,151,595	6,033,820
<u>\$ 33,605,686</u>	<u>\$ 34,264,735</u>	<u>\$ 34,759,336</u>	<u>\$ 35,284,244</u>	<u>\$ 31,180,116</u>	<u>\$ 30,985,434</u>
\$ 25,353,521	\$ 24,501,565	\$ 24,165,821	\$ 22,808,223	\$ 22,540,242	\$ 19,996,103
4,524,526	4,781,693	3,842,872	4,053,862	2,862,283	2,894,243
<u>\$ 29,878,047</u>	<u>\$ 29,283,258</u>	<u>\$ 28,008,693</u>	<u>\$ 26,862,085</u>	<u>\$ 25,402,525</u>	<u>\$ 22,890,346</u>
\$ 53,951,875	\$ 52,995,931	\$ 51,845,861	\$ 49,678,565	\$ 45,211,791	\$ 42,782,039
2,954,088	2,517,838	3,833,712	3,343,276	3,356,972	2,165,678
6,577,770	8,034,224	7,088,456	9,124,488	8,013,878	8,928,063
<u>\$ 63,483,733</u>	<u>\$ 63,547,993</u>	<u>\$ 62,768,029</u>	<u>\$ 62,146,329</u>	<u>\$ 56,582,641</u>	<u>\$ 53,875,780</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 461,653	\$ 381,444	\$ 316,780	\$ 306,383
Security of persons and property:				
Police	18,814	11,298	23,934	14,976
Fire	-	-	-	340
Public health and welfare	599,043	498,983	528,999	458,502
Community environment	304,774	261,986	194,781	178,145
Leisure time activities	288,350	355,269	376,177	384,118
Subtotal - charges for services	<u>1,672,634</u>	<u>1,508,980</u>	<u>1,440,671</u>	<u>1,342,464</u>
Operating grants and contributions				
General government	6	8	6	6
Security of persons and property:				
Police	134,370	10,296	3,818	-
Fire	12,686	29,619	92,010	6
Public health and welfare	12,798	286,753	24	50,211
Transportation	878,888	869,781	740,998	905,023
Leisure time activities	31,918	-	198	-
Economic development	-	-	-	-
Basic utility services	670	335	-	29,995
Subtotal - operating grants and contributions	<u>1,071,336</u>	<u>1,196,792</u>	<u>837,054</u>	<u>985,241</u>
Capital grants and contributions				
Security of persons and property:				
Fire	-	-	-	-
Transportation	1,793,398	3,102,193	1,089,922	762,392
Leisure time activities	-	-	-	-
Subtotal - capital grants and contributions	<u>1,793,398</u>	<u>3,102,193</u>	<u>1,089,922</u>	<u>762,392</u>
Total governmental activities program revenues	<u>4,537,368</u>	<u>5,807,965</u>	<u>3,367,647</u>	<u>3,090,097</u>
Business-type activities:				
Charges for services:				
Water	6,150,482	6,051,273	5,891,652	5,898,393
Sewer	2,854,520	2,773,669	2,729,854	2,431,111
Garbage	883,742	881,780	845,184	811,940
Subtotal - charges for services	<u>9,888,744</u>	<u>9,706,722</u>	<u>9,466,690</u>	<u>9,141,444</u>
Operating grants and contributions:				
Garbage	28,371	39,998	38,498	51,768
Subtotal - operating grants and contributions	<u>28,371</u>	<u>39,998</u>	<u>38,498</u>	<u>51,768</u>
Capital grants and contributions:				
Water	-	-	-	240,000
Sewer	-	-	-	359,520
Subtotal - capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,520</u>
Total business-type activities program revenues	<u>9,917,115</u>	<u>9,746,720</u>	<u>9,505,188</u>	<u>9,792,732</u>
Total primary government	<u>\$ 14,454,483</u>	<u>\$ 15,554,685</u>	<u>\$ 12,872,835</u>	<u>\$ 12,882,829</u>

2009	2008	2007	2006	2005	2004
\$ 361,766	\$ 236,634	\$ 206,652	\$ 196,809	\$ 250,259	\$ 173,109
22,274	8,006	7,213	9,779	11,741	8,136
-	-	-	-	-	-
416,579	231,002	352,106	311,999	314,046	233,047
193,024	154,156	119,756	131,988	104,782	108,151
329,340	389,748	375,713	379,916	376,381	310,922
<u>1,322,983</u>	<u>1,019,546</u>	<u>1,061,440</u>	<u>1,030,491</u>	<u>1,057,209</u>	<u>833,365</u>
-	42,885	-	-	3,750	-
3,146	8,948	722	16,964	22,463	18,595
289	2,459	17,468	3,300	8,568	3,043
3,330	266	33,246	7,000	4,000	10,699
681,889	841,285	712,773	539,001	517,377	500,117
350	501	-	-	-	-
4,197,409	-	-	-	-	-
448,424	-	54,906	-	-	-
<u>5,334,837</u>	<u>896,344</u>	<u>819,115</u>	<u>566,265</u>	<u>556,158</u>	<u>532,454</u>
-	-	-	36,536	-	46,019
491,915	36,818	1,220,785	3,037,809	150,425	154,015
-	32,245	-	-	-	-
<u>491,915</u>	<u>69,063</u>	<u>1,220,785</u>	<u>3,074,345</u>	<u>150,425</u>	<u>200,034</u>
<u>7,149,735</u>	<u>1,984,953</u>	<u>3,101,340</u>	<u>4,671,101</u>	<u>1,763,792</u>	<u>1,565,853</u>
5,885,354	5,949,012	5,740,648	5,181,984	4,760,279	3,893,098
2,286,131	2,167,750	2,063,478	2,239,988	2,060,530	1,963,871
812,774	759,547	708,666	634,144	558,940	553,006
<u>8,984,259</u>	<u>8,876,309</u>	<u>8,512,792</u>	<u>8,056,116</u>	<u>7,379,749</u>	<u>6,409,975</u>
49,802	63,655	61,800	60,000	60,000	60,000
<u>49,802</u>	<u>63,655</u>	<u>61,800</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
65,702	188,670	588,162	513,604	1,015,828	867,300
-	-	42,215	308,369	623,350	-
<u>65,702</u>	<u>188,670</u>	<u>630,377</u>	<u>821,973</u>	<u>1,639,178</u>	<u>867,300</u>
9,099,763	9,128,634	9,204,969	8,938,089	9,078,927	7,337,275
<u>\$ 16,249,498</u>	<u>\$ 11,113,587</u>	<u>\$ 12,306,309</u>	<u>\$ 13,609,190</u>	<u>\$ 10,842,719</u>	<u>\$ 8,903,128</u>

(Continued)

CITY OF NORTH CANTON, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>
Expenses:				
Governmental Activities				
General government	\$ 1,916,122	\$ 1,914,208	\$ 1,882,729	\$ 1,958,753
Security of persons and property:				
Police	3,209,466	3,184,475	3,027,294	3,269,935
Fire	663,161	731,977	797,998	623,594
Public health and welfare	1,500,576	1,690,461	1,657,395	1,537,536
Transportation	3,574,374	3,333,527	2,210,572	2,420,679
Community environment	402,156	416,531	404,088	456,226
Leisure time activities	789,887	791,895	808,252	903,568
Economic development	-	-	-	207,434
Basic utility services	607,310	542,450	672,814	406,544
Intergovernmental	-	-	-	-
Interest and fiscal charges	89,725	94,829	171,435	20,525
Total governmental activities expenses	<u>12,752,777</u>	<u>12,700,353</u>	<u>11,632,577</u>	<u>11,804,794</u>
Business-type activities:				
Water	\$ 6,223,675	\$ 5,349,166	\$ 5,236,367	\$ 5,176,387
Sewer	2,594,504	2,432,758	2,306,528	2,256,669
Garbage	936,462	860,061	856,923	879,774
Total business-type activities expenses	<u>9,754,641</u>	<u>8,641,985</u>	<u>8,399,818</u>	<u>8,312,830</u>
Total primary government program expenses	<u>\$ 22,507,418</u>	<u>\$ 21,342,338</u>	<u>\$ 20,032,395</u>	<u>\$ 20,117,624</u>
Net (Expense) Revenue				
Governmental activities	(8,215,409)	(6,892,388)	(8,264,930)	(8,714,697)
Business-type activities	162,474	1,104,735	1,105,370	1,479,902
Total primary government net expense	<u>\$ (8,052,935)</u>	<u>\$ (5,787,653)</u>	<u>\$ (7,159,560)</u>	<u>\$ (7,234,795)</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 2,154,096	\$ 2,235,205	\$ 2,253,710	\$ 2,040,584	\$ 2,299,022	\$ 2,320,121
3,271,884	3,049,396	3,587,425	3,026,053	3,038,460	2,989,872
750,783	705,273	819,062	693,324	602,558	698,556
1,567,495	1,476,085	1,703,059	1,311,606	1,290,268	1,265,192
2,629,812	2,575,379	3,213,072	1,075,130	1,988,890	2,392,977
503,388	619,805	547,013	380,145	397,328	312,279
909,636	965,725	1,356,650	1,207,578	1,190,514	1,100,428
4,100,754	-	-	-	-	-
401,269	566,496	558,990	1,164,581	287,468	323,784
-	-	-	100,000	100,000	-
22,707	55,072	184,341	136,057	83,215	40,583
<u>16,311,824</u>	<u>12,248,436</u>	<u>14,223,322</u>	<u>11,135,058</u>	<u>11,277,723</u>	<u>11,443,792</u>
\$ 5,660,450	\$ 5,106,672	\$ 5,349,070	\$ 4,485,688	\$ 4,062,394	\$ 3,291,706
2,017,112	1,946,158	2,031,424	2,296,527	1,960,523	1,998,674
974,743	742,158	789,005	676,949	584,994	571,971
<u>8,652,305</u>	<u>7,794,988</u>	<u>8,169,499</u>	<u>7,459,164</u>	<u>6,607,911</u>	<u>5,862,351</u>
<u>\$ 24,964,129</u>	<u>\$ 20,043,424</u>	<u>\$ 22,392,821</u>	<u>\$ 18,594,222</u>	<u>\$ 17,885,634</u>	<u>\$ 17,306,143</u>
(9,162,089)	(10,263,483)	(11,121,982)	(6,463,957)	(9,513,931)	(9,877,939)
447,458	1,333,646	1,035,470	1,478,925	2,471,016	1,474,924
<u>\$ (8,714,631)</u>	<u>\$ (8,929,837)</u>	<u>\$ (10,086,512)</u>	<u>\$ (4,985,032)</u>	<u>\$ (7,042,915)</u>	<u>\$ (8,403,015)</u>

(Continued)

CITY OF NORTH CANTON, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 721,721	\$ 764,213	\$ 764,958	\$ 782,658
Fire operating levy	153,665	84,705	84,094	84,225
Emergency medical services levy	771,523	642,001	631,196	159,739
Storm sewer levy	318,334	344,947	349,384	327,430
Street levy	318,261	339,593	353,000	366,943
Municipal income taxes levied for:				
General purposes	5,504,737	5,098,669	4,871,528	4,342,052
Capital improvement	1,227,730	1,124,278	944,577	1,274,696
Grants and entitlements not restricted to				
Specific programs	1,036,416	1,839,867	2,958,944	1,606,528
Interest	15,322	16,185	7,767	11,782
Gain on sale of capital assets	-	-	-	-
Miscellaneous	129,570	2,055	69,615	37,139
Transfers	87,000	75,000	75,000	15,078
Total governmental activities	<u>10,284,279</u>	<u>10,331,513</u>	<u>11,110,063</u>	<u>9,008,270</u>
Business-type activities				
Interest	\$ -	\$ -	\$ -	\$ -
Gain on sale of capital assets	-	-	-	-
Miscellaneous	104,237	58,732	45,342	59,371
Transfers	<u>(87,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>(15,078)</u>
Total business-type activities	<u>17,237</u>	<u>(16,268)</u>	<u>(29,658)</u>	<u>44,293</u>
Total primary government	<u>\$ 10,301,516</u>	<u>\$ 10,315,245</u>	<u>\$ 11,080,405</u>	<u>\$ 9,052,563</u>
Change in Net Position				
Governmental activities	\$ 2,068,870	\$ 3,439,125	\$ 2,845,133	\$ 293,573
Business-type activities	179,711	1,088,467	1,075,712	1,524,195
Total primary government	<u>\$ 2,248,581</u>	<u>\$ 4,527,592</u>	<u>\$ 3,920,845</u>	<u>\$ 1,817,768</u>

Source: City financial records.

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 797,287	\$ 836,437	\$ 846,147	\$ 825,186	\$ 780,276	\$ 791,294
82,972	83,655	93,144	96,955	91,580	94,888
148,236	149,878	169,256	176,194	166,613	173,177
323,509	323,116	341,288	355,276	97,410	102,581
323,509	323,116	341,288	355,276	97,410	102,581
4,331,485	4,465,795	4,591,652	5,085,423	4,013,121	6,072,113
1,166,334	1,106,163	1,254,058	1,178,141	2,576,293	-
1,418,091	2,041,947	2,199,383	1,803,539	1,551,328	1,405,706
23,936	269,837	606,217	537,976	295,629	190,782
-	-	82,873	-	-	-
35,012	109,857	33,134	110,979	38,953	137,593
(147,331)	59,081	38,634	43,140	-	-
<u>8,503,040</u>	<u>9,768,882</u>	<u>10,597,074</u>	<u>10,568,085</u>	<u>9,708,613</u>	<u>9,070,715</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,317
-	-	16,339	-	11,286	-
-	-	133,433	23,775	29,877	89,178
147,331	(59,081)	(38,634)	(43,140)	-	-
147,331	(59,081)	111,138	(19,365)	41,163	94,495
<u>\$ 8,650,371</u>	<u>\$ 9,709,801</u>	<u>\$ 10,708,212</u>	<u>\$ 10,548,720</u>	<u>\$ 9,749,776</u>	<u>\$ 9,165,210</u>
\$ (659,049)	\$ (494,601)	\$ (524,908)	\$ 4,104,128	\$ 194,682	\$ (807,224)
594,789	1,274,565	1,146,608	1,459,560	2,512,179	1,569,419
<u>\$ (64,260)</u>	<u>\$ 779,964</u>	<u>\$ 621,700</u>	<u>\$ 5,563,688</u>	<u>\$ 2,706,861</u>	<u>\$ 762,195</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Restated 2010</u>
General Fund				
Nonspendable	\$ 12,344	\$ 19,469	\$ 24,826	\$ -
Committed	2,973,122	2,310,330	1,839,023	-
Assigned	1,521,722	1,455,511	2,365,977	-
Unassigned	641,364	872,443	503,206	-
Reserved	-	-	-	106,491
Unreserved	-	-	-	1,917,072
Total general fund	<u>\$ 5,148,552</u>	<u>\$ 4,657,753</u>	<u>\$ 4,733,032</u>	<u>\$ 2,023,563</u>
All Other Governmental Funds				
Nonspendable	\$ 9,283	\$ 26,015	\$ 84,851	\$ -
Restricted	2,779,437	2,154,328	2,683,823	-
Committed	4,141,798	3,249,558	1,951,833	-
Unassigned (deficit)	(114,848)	(189,231)	(303,360)	-
Reserved	-	-	-	2,192,721
Unreserved, reported in:				
Special revenue funds	-	-	-	1,093,839
Capital projects funds	-	-	-	(256,225)
Total all other governmental funds	<u>\$ 6,815,670</u>	<u>\$ 5,240,670</u>	<u>\$ 4,417,147</u>	<u>\$ 3,030,335</u>
Total governmental funds	<u>\$ 11,964,222</u>	<u>\$ 9,898,423</u>	<u>\$ 9,150,179</u>	<u>\$ 5,053,898</u>

Source: City financial records.

The City implemented GASB 54 in 2011.

2009	2008	Restated 2007	2006	2005	2004
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,772	81,670	59,073	27,388	13,292	58,705
2,199,198	3,055,386	3,620,768	4,811,853	5,254,767	8,247,016
<u>\$ 2,307,970</u>	<u>\$ 3,137,056</u>	<u>\$ 3,679,841</u>	<u>\$ 4,839,241</u>	<u>\$ 5,268,059</u>	<u>\$ 8,305,721</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
737,856	899,423	952,745	2,154,751	2,997,278	365,087
1,522,698	1,133,862	1,059,744	1,032,842	379,908	654,623
(436,156)	192,097	666,448	(1,125,401)	(1,694,856)	1,212,427
<u>\$ 1,824,398</u>	<u>\$ 2,225,382</u>	<u>\$ 2,678,937</u>	<u>\$ 2,062,192</u>	<u>\$ 1,682,330</u>	<u>\$ 2,232,137</u>
<u>\$ 4,132,368</u>	<u>\$ 5,362,438</u>	<u>\$ 6,358,778</u>	<u>\$ 6,901,433</u>	<u>\$ 6,950,389</u>	<u>\$ 10,537,858</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
Taxes	\$ 8,888,544	\$ 8,385,266	\$ 8,025,579	\$ 7,292,004
Charges for services	760,933	809,929	768,067	748,250
Licenses and permits	304,774	261,986	194,781	178,145
Fines and forfeitures	331,760	262,870	178,961	168,102
Intergovernmental	4,170,149	5,707,775	4,991,646	4,189,234
Interest	10,033	13,135	7,773	11,788
Rentals	195,880	215,402	243,282	257,595
Contributions and donations	168,186	62,514	3,500	52,292
Ambulance fees	-	-	-	-
Other	189,133	87,254	79,090	44,185
Total revenues	<u>15,019,392</u>	<u>15,806,131</u>	<u>14,492,679</u>	<u>12,941,595</u>
Expenditures				
Current:				
General government	1,810,499	1,810,943	1,832,330	1,841,185
Security of persons and property:				
Police	3,167,527	3,102,962	3,195,293	3,283,034
Fire	581,231	617,881	721,363	577,900
Public health and welfare	1,421,456	1,612,523	1,600,747	1,474,212
Transportation	1,426,291	1,584,937	1,191,111	1,494,494
Community environment	404,055	437,425	422,242	463,094
Leisure time activities	678,926	684,494	764,555	781,696
Basic utility services	384,518	347,093	482,492	432,980
Economic development	-	-	-	207,434
Settlement agreement	-	-	-	-
Capital outlay	2,971,567	4,623,693	2,269,727	1,523,078
Debt service:				
Principal retirement	185,283	214,952	401,315	282,274
Interest and fiscal charges	95,922	101,984	83,223	20,403
Bond issuance costs	-	-	86,340	-
Total expenditures	<u>13,127,275</u>	<u>15,138,887</u>	<u>13,050,738</u>	<u>12,381,784</u>
Excess (deficiency) of revenues over (under) expenditures	1,892,117	667,244	1,441,941	559,811
Other Financing Sources (Uses)				
Sale of capital assets	86,682	6,000	-	41,594
Notes issued	-	-	-	-
Current refunding	-	-	-	-
Bond issuance	-	-	2,500,000	-
Premium on bond issuance	-	-	79,340	-
Inception of capital lease	-	-	-	255,125
Transfers in	1,815,000	2,665,122	952,692	1,993,035
Transfers out	(1,728,000)	(2,590,122)	(877,692)	(1,928,035)
Total other financing sources (uses)	<u>173,682</u>	<u>81,000</u>	<u>2,654,340</u>	<u>361,719</u>
Net change in fund balances	<u>\$ 2,065,799</u>	<u>\$ 748,244</u>	<u>\$ 4,096,281</u>	<u>\$ 921,530</u>
Capital expenditures	\$ 1,811,647	\$ 4,085,424	\$ 2,256,845	\$ 1,923,064
Debt service as a percentage of noncapital expenditures	2.49%	2.87%	4.49%	2.89%

Source: City financial records.

2009	2008	Restated 2007	2006	2005	2004
\$ 7,176,340	\$ 7,298,228	\$ 7,629,826	\$ 8,105,152	\$ 7,362,787	\$ 7,306,072
720,470	418,432	291,477	277,741	481,565	310,922
193,024	154,156	117,981	132,200	-	108,151
215,144	108,903	103,838	96,561	164,104	179,365
5,184,081	2,777,801	4,395,082	5,397,544	1,806,389	2,171,045
28,898	289,131	576,917	549,893	304,147	162,281
277,537	202,932	208,767	212,202	96,054	-
1,415,992	82,644	-	-	6,250	-
-	-	337,602	311,999	314,046	233,047
42,410	123,852	33,134	110,979	38,953	137,593
<u>15,253,896</u>	<u>11,456,079</u>	<u>13,694,624</u>	<u>15,194,271</u>	<u>10,574,295</u>	<u>10,608,476</u>
2,028,118	2,149,856	1,731,013	1,775,064	2,112,916	1,985,704
3,094,169	3,038,698	2,950,401	2,898,587	2,914,728	2,773,795
580,697	578,707	582,303	590,204	532,590	527,577
1,487,863	1,416,316	1,337,240	1,225,749	1,255,865	1,191,434
1,206,706	1,515,298	1,700,177	1,158,714	1,330,351	1,285,060
455,515	589,150	499,427	500,264	493,027	323,573
817,514	941,185	1,079,086	1,070,913	1,043,587	947,010
904,835	460,158	213,207	176,012	116,710	130,038
4,100,754	-	-	-	-	-
-	-	-	558,315	1,500,000	-
1,570,678	1,460,150	3,736,296	4,566,756	2,978,281	2,873,416
249,111	287,196	552,414	644,661	2,213	-
28,006	61,445	189,890	121,128	78,017	12,833
-	-	-	-	-	-
<u>16,523,966</u>	<u>12,498,159</u>	<u>14,571,454</u>	<u>15,286,367</u>	<u>14,358,285</u>	<u>12,050,440</u>
(1,270,070)	(1,042,080)	(876,830)	(92,096)	(3,783,990)	(1,441,964)
-	-	84,000	-	50,521	-
-	-	-	1,200,000	1,800,000	1,800,000
-	-	-	(1,200,000)	(1,800,000)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,087,721	-	146,000	-
2,140,000	1,936,060	3,039,119	2,572,880	1,515,000	3,895,000
(2,100,000)	(1,890,320)	(2,984,799)	(2,529,740)	(1,515,000)	(3,895,000)
<u>40,000</u>	<u>45,740</u>	<u>1,226,041</u>	<u>43,140</u>	<u>196,521</u>	<u>1,800,000</u>
<u>\$ (1,230,070)</u>	<u>\$ (996,340)</u>	<u>\$ 349,211</u>	<u>\$ (48,956)</u>	<u>\$ (3,587,469)</u>	<u>\$ 358,036</u>
\$ 1,908,358	\$ 1,709,755	\$ 1,896,914	\$ 5,149,276	\$ 3,226,978	\$ 2,322,247
1.90%	3.23%	5.86%	7.55%	0.72%	0.13%

CITY OF NORTH CANTON, OHIO

ASSESSSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated actual value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed value	Estimated actual value
2013	\$ 271,964,980	\$ 73,735,850	\$ 987,716,657	\$ 8,047,470	\$ 9,144,852
2012	294,910,260	74,675,700	1,055,959,886	7,443,350	8,458,352
2011	294,828,710	75,981,140	1,059,456,714	7,086,110	8,052,398
2010	295,352,930	76,190,710	1,061,553,257	7,086,110	8,052,398
2009	306,412,350	76,848,090	1,095,029,829	6,213,470	7,060,761
2008	304,274,660	83,600,100	1,108,213,600	5,829,460	6,624,386
2007	300,242,990	82,856,980	1,094,571,343	9,468,540	10,759,705
2006	282,557,950	70,647,520	1,009,158,486	9,822,620	11,162,068
2005	277,423,330	73,768,930	1,003,406,457	10,739,360	12,203,818
2004	271,203,360	72,036,110	980,684,200	10,721,710	12,183,761

Source: County Auditor.

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax started being phased out in 2006. For collection year 2008, both types of general business tangible personal property were assessed at 6.25 percent. The percentage was zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Tangible Personal Property

<u>General Business</u>		<u>Total</u>			
<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Ratio</u>	<u>Total Direct Tax Rate</u>
\$ -	\$ -	\$ 353,748,300	\$ 996,861,509	35.49%	\$ 7.40
-	-	377,029,310	1,064,418,238	35.42%	7.40
-	-	377,895,960	1,067,509,112	35.40%	7.40
-	-	378,629,750	1,069,605,655	35.40%	5.90
1,083,510	8,668,080	390,557,420	1,110,758,670	35.16%	5.90
8,547,249	68,377,992	402,251,469	1,183,215,978	34.00%	5.90
16,973,399	135,787,192	409,541,909	1,241,118,240	33.00%	5.90
23,869,790	127,305,547	386,897,880	1,147,626,101	33.71%	5.90
25,771,993	103,087,972	387,703,613	1,118,698,247	34.66%	5.90
31,315,868	125,263,472	385,277,048	1,118,131,433	34.46%	5.90

CITY OF NORTH CANTON, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Unvoted Millage				
Operating	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
Voted Millage				
2005 Storm Sewer	1.0000	1.0000	1.0000	1.0000
2005 Street Improvement	1.0000	1.0000	1.0000	1.0000
1982 & 2011 Ambulance & E.M.S.	2.5000	2.5000	2.5000	1.0000
1983 Fire	0.5000	0.5000	0.5000	0.5000
Total Voted Millage	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>3.5000</u>
Total Millage	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 5.9000</u>
Overlapping Rates By Taxing District				
North Canton City School District				
Residential/Agricultural Real	\$ 38.9173	\$ 38.9173	\$ 45.4133	\$ 38.8841
Commercial/Industrial and Public Utility Real	47.0395	47.0395	53.7905	46.5217
General Business and Public Utility	76.0000	76.0000	83.4000	76.0000
Stark County				
Residential/Agricultural Real	8.9180	8.9180	8.7993	8.9134
Commercial/Industrial and Public Utility Real	9.5912	9.5912	9.5912	9.4212
General Business and Public Utility	11.5000	11.5000	11.5000	11.5000
Plain Township				
Residential/Agricultural Real	0.1000	0.1000	0.1000	0.1000
Commercial/Industrial and Public Utility Real	0.1000	0.1000	0.1000	0.1000
General Business and Public Utility	0.1000	0.1000	0.1000	0.1000
Special Taxing Districts (1)				
Residential/Agricultural Real	2.3031	1.7797	1.7797	2.0555
Commercial/Industrial and Public Utility Real	2.3606	1.8370	1.8370	1.8344
General Business and Public Utility	2.5000	2.0000	2.0000	1.3818

Source: County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

The City has no charter millage.

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

(1) North Canton Library, Stark County Park District

2009	2008	2007	2006	2005	2004
\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000

\$ 34.0290	\$ 34.5888	\$ 34.7169	\$ 29.6110	\$ 29.6110	\$ 29.8692
42.0846	39.7213	39.3218	37.7864	37.7864	37.7094
72.3000	72.8000	72.8000	65.8000	65.8000	65.8000
6.9852	3.9848	6.9848	7.3694	7.3694	7.7612
7.8365	7.6556	7.4909	8.3378	8.3378	9.2125
10.1000	10.1000	10.1000	10.1000	10.1000	11.5000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	1.0000
0.7673	0.7677	0.6712	0.7232	0.7232	0.7315
0.8249	0.7974	0.7090	0.8281	0.8281	0.8276
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

CITY OF NORTH CANTON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2013	\$ 2,617,737	\$ 2,547,990	97.34%	\$ 43,517	\$ 2,591,507
2012	2,453,472	2,409,800	98.22%	52,325	2,462,125
2011	2,461,163	2,400,180	97.52%	80,727	2,480,907
2010	1,887,486	1,837,223	97.34%	39,215	1,876,438
2009	1,908,956	1,865,586	97.73%	72,493	1,938,079
2008	1,963,272	1,895,920	96.57%	42,201	1,938,121
2007	2,004,956	1,958,900	97.70%	33,875	1,992,775
2006	1,984,367	1,932,148	97.37%	45,467	1,977,615
2005	1,440,031	1,404,479	97.53%	28,300	1,432,779
2004	1,456,096	1,414,519	97.14%	21,076	1,435,595

Source: County Auditor

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

Note: The County does not identify delinquent collections by the year for which the tax was levied.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
99.00%	\$ 76,312	2.92%
100.35%	90,405	3.68%
100.80%	79,766	3.24%
99.41%	99,510	5.27%
101.53%	64,992	3.40%
98.72%	69,768	3.55%
99.39%	40,556	2.02%
99.66%	6,752	0.34%
99.50%	7,252	0.50%
98.59%	20,501	1.41%

CITY OF NORTH CANTON, OHIO
PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO

2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
McKinley Development Leasing Co. Ltd.	\$ 5,968,320	1	1.73%
Versailles Gardens Ltd.	4,983,860	2	1.44%
Mullinax Ford of North Canton	2,290,480	3	0.66%
Albrecht Incorporated	2,169,780	4	0.63%
Waterford At St. Luke	2,092,010	5	0.61%
Maple Street Commerce LLC.	2,013,470	6	0.58%
Berlin Commons Ltd.	1,978,990	7	0.57%
Williamsburg Apartments Ltd.	1,853,000	8	0.54%
Euro Development Ltd.	1,413,400	9	0.41%
Beckford Place Apartments	1,282,930	10	0.37%
Total	<u>\$ 26,046,240</u>		<u>7.54%</u>
Total Assessed Valuation	<u>\$ 345,700,830</u>		

2004			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Maytag Corporation - Hoover Company	\$ 8,474,000	1	2.47%
Versailles Gardens Ltd.	4,000,680	2	1.17%
McKinley Development Leasing Co. Ltd.	3,349,040	3	0.98%
Albrecht Incorporated	2,203,010	4	0.64%
Potsdamer Platz LLC	2,096,990	5	0.61%
Waterford at Saint Luke	2,029,980	6	0.59%
Berlin Commons Ltd.	1,783,830	7	0.52%
Williamsburg Apartments Ltd.	1,597,480	8	0.47%
CETA Group Limited Partnership	1,404,100	9	0.41%
Euro Development Ltd.	1,284,990	10	0.37%
Total	<u>\$ 28,224,100</u>		<u>8.23%</u>
Total Assessed Valuation	<u>\$ 343,239,470</u>		

Source: Stark County, Ohio, Auditor's Office

CITY OF NORTH CANTON, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS (CASH BASIS)
LAST TEN YEARS

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholdings	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2013	1.50%	\$ 6,637,706	\$ 4,274,021	64.39%	\$ 698,631	10.53%	\$ 1,665,054	25.08%
2012	1.50%	6,174,122	4,233,577	68.57%	493,972	8.00%	1,446,572	23.43%
2011	1.50%	5,942,112	3,970,865	66.83%	524,170	8.82%	1,447,077	24.35%
2010	1.50%	5,367,101	3,719,256	69.30%	309,501	5.77%	1,338,344	24.94%
2009	1.50%	5,460,640	3,531,379	64.67%	290,707	5.32%	1,638,554	30.01%
2008	1.50%	5,656,592	3,850,815	68.08%	326,172	5.77%	1,352,921	23.92%
2007	1.50%	6,400,520	4,404,728	68.82%	359,862	5.62%	1,635,930	25.56%
2006	1.50%	6,377,273	4,274,631	67.03%	502,516	7.88%	1,600,126	25.09%
2005	1.50%	6,553,223	4,793,884	73.15%	370,626	5.66%	1,388,713	21.19%
2004	1.50%	6,223,014	4,522,215	72.67%	401,058	6.44%	1,299,741	20.89%

Source: The City of North Canton Income Tax Department.

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

CITY OF NORTH CANTON, OHIO

LEGAL DEBT MARGIN
LAST TEN YEARS

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Assessed Property Value	\$ 353,748,300	\$ 377,029,310	\$ 377,895,960	\$ 378,629,750
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>37,143,572</u>	<u>39,588,078</u>	<u>39,679,076</u>	<u>39,756,124</u>
Debt Outstanding				
Various Improvement Note	-	-	-	-
Governmental General Obligation Bonds	2,055,000	2,195,000	2,335,000	-
Water System Bonds	4,585,000	4,845,000	5,080,000	3,815,000
Water Notes	-	-	-	915,000
Sewer Notes	-	-	-	-
OPWC Loans	2,006,651	1,917,980	1,506,229	1,448,320
OWDA Loans	<u>7,720,400</u>	<u>8,250,917</u>	<u>8,760,422</u>	<u>9,255,783</u>
Total gross indebtedness	<u>16,367,051</u>	<u>17,208,897</u>	<u>17,681,651</u>	<u>15,434,103</u>
Less:				
Water System Bonds	4,585,000	4,845,000	5,080,000	3,815,000
Water Notes	-	-	-	915,000
Sewer Notes	-	-	-	-
OPWC Loans	2,006,651	1,917,980	1,506,229	1,448,320
OWDA Loans	<u>7,720,400</u>	<u>8,250,917</u>	<u>8,760,422</u>	<u>9,255,783</u>
Total net debt applicable to debt limit	<u>2,055,000</u>	<u>2,195,000</u>	<u>2,335,000</u>	<u>-</u>
Legal debt margin within 10 1/2 % limitation	\$ <u>35,088,572</u>	\$ <u>37,393,078</u>	\$ <u>37,344,076</u>	\$ <u>39,756,124</u>
Legal debt margin as a percentage of the debt limit	94.47%	94.46%	94.12%	100.00%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>19,456,157</u>	<u>20,736,612</u>	<u>20,784,278</u>	<u>20,824,636</u>
Total gross indebtedness	16,367,051	17,208,897	17,681,651	15,434,103
Less:				
Water System Bonds	4,585,000	4,845,000	5,080,000	3,815,000
Water Notes	-	-	-	915,000
Sewer Notes	-	-	-	-
OPWC Loans	2,006,651	1,917,980	1,506,229	1,448,320
OWDA Loans	<u>7,720,400</u>	<u>8,250,917</u>	<u>8,760,422</u>	<u>9,255,783</u>
Net debt within 5 1/2 % limitations	<u>2,055,000</u>	<u>2,195,000</u>	<u>2,335,000</u>	<u>-</u>
Unvoted legal debt margin within 5 1/2 % limitations	\$ <u>17,401,157</u>	\$ <u>18,541,612</u>	\$ <u>18,449,278</u>	\$ <u>20,824,636</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	89.44%	89.41%	88.77%	100.00%

Source: City financial records.

Note: Beginning in 2008 the amount of assessed valuation for railroad and telephone personal property has been excluded from the debt margin calculation.

2009	2008	Restated 2007	2006	2005	2004
<u>\$ 389,904,030</u>	<u>\$ 394,082,950</u>	<u>\$ 409,541,909</u>	<u>\$ 386,897,880</u>	<u>\$ 387,703,613</u>	<u>\$ 385,277,048</u>
<u>40,939,923</u>	<u>41,378,710</u>	<u>43,001,900</u>	<u>40,624,277</u>	<u>40,708,879</u>	<u>40,454,090</u>
-	-	750,000	1,000,000	1,500,000	-
-	-	-	-	-	-
3,985,000	4,145,000	4,300,000	-	-	-
-	-	-	4,300,000	3,000,000	2,850,000
-	-	175,000	350,000	548,000	-
1,323,932	1,388,947	1,020,904	-	-	-
<u>9,686,773</u>	<u>10,263,181</u>	<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>
<u>14,995,705</u>	<u>15,797,128</u>	<u>17,059,104</u>	<u>16,959,281</u>	<u>15,681,475</u>	<u>12,054,935</u>
3,985,000	4,145,000	4,300,000	-	-	-
-	-	-	4,300,000	3,000,000	2,850,000
-	-	175,000	350,000	548,000	-
1,323,932	1,388,947	1,020,904	-	-	-
<u>9,686,773</u>	<u>10,263,181</u>	<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>
-	-	750,000	1,000,000	1,500,000	-
<u>\$ 40,939,923</u>	<u>\$ 41,378,710</u>	<u>\$ 42,251,900</u>	<u>\$ 39,624,277</u>	<u>\$ 39,208,879</u>	<u>\$ 40,454,090</u>
100.00%	100.00%	98.26%	97.54%	96.32%	100.00%
<u>21,444,722</u>	<u>21,674,562</u>	<u>22,524,805</u>	<u>21,279,383</u>	<u>21,323,699</u>	<u>21,190,238</u>
14,995,705	15,797,128	17,059,104	16,959,281	15,681,475	12,054,935
3,985,000	4,145,000	4,300,000	-	-	-
-	-	-	4,300,000	3,000,000	2,850,000
-	-	175,000	350,000	548,000	-
1,323,932	1,388,947	1,020,904	-	-	-
<u>9,686,773</u>	<u>10,263,181</u>	<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>
-	-	750,000	1,000,000	1,500,000	-
<u>\$ 21,444,722</u>	<u>\$ 21,674,562</u>	<u>\$ 21,774,805</u>	<u>\$ 20,279,383</u>	<u>\$ 19,823,699</u>	<u>\$ 21,190,238</u>
100.00%	100.00%	96.67%	95.30%	92.97%	100.00%

CITY OF NORTH CANTON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases	Bonds Payable	Notes/ Bonds Payable	OWDA Loans	OPWC Loans			
2013	\$ -	\$ 14,427	\$ 2,120,822	\$ 4,635,873	\$ 7,720,400	\$ 2,006,651	\$ 16,498,173	3.33%	\$ 943
2012	-	59,710	2,265,891	4,898,880	8,250,917	1,917,980	17,393,378	3.51%	996
2011	-	134,662	2,410,960	5,136,887	8,760,422	1,506,229	17,949,160	3.60%	1,019
2010	-	370,977	-	4,730,000	9,255,783	1,448,320	15,805,080	3.19%	904
2009	-	398,126	-	3,985,000	9,686,773	1,323,932	15,393,831	3.91%	940
2008	-	647,237	-	4,145,000	10,263,181	1,388,947	16,444,365	4.18%	1,005
2007	750,000	934,433	-	4,475,000	10,813,200	1,020,904	17,993,537	4.57%	1,099
2006	2,500,000	99,126	-	4,650,000	11,309,281	-	18,558,407	4.72%	1,134
2005	3,300,000	143,787	-	3,548,000	10,633,475	-	17,625,262	4.48%	1,077
2004	1,800,000	-	-	2,850,000	9,204,935	-	13,854,935	3.52%	846

Source: City financial records.

Note: Population and personal income data are presented on page 140.

CITY OF NORTH CANTON, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2013

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
Direct - City of North Canton			
General obligation bonds and capital leases	\$ 2,135,249	100.00%	\$ 2,135,249
	<u>2,135,249</u>		<u>2,135,249</u>
Overlapping debt:			
North Canton City School District	19,610,000	46.76%	9,169,636
Jackson Local School District	51,174,973	0.34%	173,995
Plain Local School District	46,930,000	6.62%	3,106,766
Stark County	5,798,968	5.47%	317,204
	<u>123,513,941</u>		<u>12,767,601</u>
Total direct and overlapping debt	<u>\$ 125,649,190</u>		<u>\$ 14,902,850</u>

Source: County Auditor

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

CITY OF NORTH CANTON, OHIO

**WATER DEBT LOAN PLEDGED REVENUE COVERAGE WATER FUND
LAST SEVEN YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2013	\$ 6,241,358	\$ 4,240,926	\$ 2,000,432	\$ 523,796	\$ 288,158	2.46
2012	6,097,862	3,380,373	2,717,489	505,332	306,623	3.35
2011	5,929,810	3,004,923	2,924,887	593,050	324,435	3.19
2010	5,948,192	3,052,742	2,895,450	601,017	347,933	3.05
2009	5,885,354	3,480,388	2,404,966	576,449	372,500	2.53
2008	5,949,012	2,946,896	3,002,116	550,019	395,994	3.17
2007	5,872,497	3,192,233	2,680,264	522,394	339,805	3.11

(1) Operating expenses do not include depreciation.

Source: Office of the City Finance Director.

Note: Information prior to 2007 is unavailable.

CITY OF NORTH CANTON, OHIO

**SEWER DEBT LOAN PLEDGED REVENUE COVERAGE SEWER FUND
LAST FOUR YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2013	\$ 2,866,932	\$ 2,304,022	\$ 562,910	\$ 6,721	\$ 5,362	46.59
2012	2,785,812	2,127,456	658,356	4,173	6,289	62.93
2011	2,737,038	1,994,658	742,380	7,841	7,249	49.20
2010	2,440,683	1,951,856	488,827	3,822	3,723	64.79

(1) Operating expenses do not include depreciation.

Source: Office of the City Finance Director.

Note: Information prior to 2010 is unavailable.

CITY OF NORTH CANTON, 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)	Educational Attainment: Bachelor's Degree or Higher (1)
2013	17,488	\$ 495,819,776	\$ 28,352	\$ 50,649	42.5	35.4%
2012	17,465	495,167,680	28,352	47,300	43.4	35.8%
2011	17,610	499,278,720	28,352	47,300	43.4	35.8%
2010	17,488	495,819,776	28,352	47,300	43.4	35.8%
2009	16,369	393,592,605	24,045	42,013	42.3	33.6%
2008	16,369	393,592,605	24,045	42,013	42.3	33.6%
2007	16,369	393,592,605	24,045	42,013	42.3	33.6%
2006	16,369	393,592,605	24,045	42,013	42.3	33.6%
2005	16,369	393,592,605	24,045	42,013	42.3	33.6%
2004	16,369	393,592,605	24,045	42,013	42.3	33.6%

(1) Source: U.S. Census

(a) Years 2004 through 2010 Federal Census and Years 2011-2013 Estimated by City

(2) North Canton City Schools

(3) Source: County Planning Commission. The unemployment rate for the City is unavailable; therefore, the unemployment rate of the County provides the most accurate reflection of the City.

(4) Source: County Auditor

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

<u>School Enrollment (2)</u>	<u>Stark County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value</u>
4,486	7.5%	\$ 139,169	\$ 353,748,300
4,566	8.7%	151,100	377,029,310
4,738	7.9%	177,900	377,895,960
4,735	11.1%	136,436	378,629,750
4,853	13.5%	132,314	390,557,420
4,937	8.0%	147,498	402,251,469
4,932	5.9%	153,833	409,541,909
5,008	5.8%	148,683	386,897,880
4,963	6.4%	151,889	387,703,613
4,980	6.6%	152,500	385,277,048

CITY OF NORTH CANTON, OHIO

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

2013		
Employer	Description	Rank
North Canton Board of Education	North Canton City Schools	1
Walsh University	University	2
St. Lukes Home for the Aged	Nursing Care Home	3
North Canton Medical Foundation	Medical Center	4
City of North Canton	Local Government	5
Myers Control Power LLC	Design Building Mfg.	6
Trubridge Inc.	Insurance Agents	7
Aultman Hospital Association	Medical Center	8
Auditor of Stark County	County Government	9
Mullinax Ford	Car Dealership	10

2006		
Employer	Description	Rank
North Canton Board of Education	North Canton City Schools	1
Walsh University	University	2
North Canton Medical Foundation	Medical Center	3
St. Lukes Home for the Aged	Nursing Care Home	4
City of North Canton	Local Government	5
Aultman Hospital Association	Medical Center	6
Mullinax Ford	Car Dealership	7
Fred W. Albrecht Grocery	Grocery Store	8
Tamarkin Company	Insurance Call Center	9
Mercy Medical Center	Medical Center	10

Source: Income Tax Department

Note: Information prior to 2006 was unavailable.

CITY OF NORTH CANTON, OHIO

PRINCIPAL EMPLOYERS
BY NUMBER OF EMPLOYEES
CURRENT YEAR AND SEVEN YEARS AGO

Employer	2013		
	Employees	Rank	Percentage of Total City Employment
Walsh University	1,600	1	8.61%
North Canton Board of Education	1,008	2	5.43%
St. Lukes Home for the Aged	409	3	2.20%
YMCA of Central Stark County	310	4	1.67%
Trubridge Inc.	274	5	1.47%
Absolute Rehabilitation	274	6	1.47%
City of North Canton	241	7	1.30%
Tamarkin Co	229	8	1.23%
Marc Glassman Inc.	229	9	1.23%
Aultman Hospital Association	229	10	1.23%
Total	4,803		25.84%
Total City Employment	18,580		

Employer	2006		
	Employees	Rank	Percentage of Total
Whirlpool Corporation	1,266	1	10.24%
Walsh University	1,110	2	8.98%
North Canton Board of Education	986	3	7.97%
St. Lukes Home for the Aged	469	4	3.79%
North Canton Medical Foundation	321	5	2.60%
City of North Canton	254	6	2.05%
Fred W. Albrecht Grocery	200	7	1.62%
Aultman Hospital Association	184	8	1.49%
Tamarkin Company	181	9	1.46%
Southern Ohio College LLC	176	10	1.42%
Total	5,147		41.62%
Total City Employment	12,364		

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

Note: Information prior to 2006 was unavailable.

CITY OF NORTH CANTON, OHIO

FULL-TIME-EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Council	4.50	4.50	4.50	4.50	6.00	5.50	5.50	5.50	5.50	5.50
Mayor's office	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Law	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50
Finance	4.00	4.00	4.00	3.00	3.00	3.00	3.50	4.00	4.00	4.00
Tax	1.00	1.00	1.00	2.00	3.00	3.00	2.50	3.00	3.00	3.00
Administration	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City hall maintenance	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50
Engineer	5.50	6.00	6.00	5.50	5.50	5.50	5.00	5.50	6.50	5.50
Security of Persons and Property										
Police - administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50
Police - officers	23.50	25.00	25.00	27.00	26.00	25.00	24.00	25.00	26.50	26.50
Police - crossing guards	4.00	4.50	6.00	6.00	6.00	6.00	6.50	7.50	6.00	6.00
Dispatchers/Chief Dispatcher	8.50	7.00	7.00	8.00	8.00	8.50	8.00	7.50	7.50	8.00
Fire Inspectors	1.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Fire Fighters	11.00	10.00	11.00	11.50	9.50	11.00	12.00	12.00	12.00	13.00
Public Health Services										
Emergency Medical Services	23.00	23.50	24.00	26.00	21.00	22.00	21.50	21.50	23.00	22.50
Leisure Time Activities										
Municipal Pool	20.50	20.50	22.00	21.50	20.50	19.50	18.00	19.00	18.00	18.50
Civic Center	0.50	1.00	2.00	2.00	3.00	2.00	3.00	3.00	3.50	2.50
Recreation	2.00	2.00	1.50	2.50	2.50	3.50	2.50	2.00	2.00	2.50
Park Maintenance	5.00	6.00	7.00	6.00	5.50	8.00	5.50	6.50	6.50	6.50
Community Development										
Permits & Inspections	5.50	4.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00
Economic Development	0.50	0.50	0.50	1.00	1.00	2.00	1.50	1.50	1.00	0.00
Transportation										
Street M&R	9.00	4.50	9.00	8.50	8.50	8.50	11.00	10.00	12.00	12.50
Basic Utility Services										
Water Administration	3.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50
Water Distribution	10.00	0.00	6.00	8.00	7.00	5.50	7.50	8.00	7.50	7.50
Water Treatment Plant	9.00	9.00	10.00	10.00	12.00	11.00	12.00	13.00	12.00	12.00
Sewer Collection	2.00	2.00	2.00	3.50	4.00	3.00	4.00	4.00	4.00	4.00
Total	158.50	147.00	165.50	172.50	167.50	168.50	170.00	176.00	178.50	178.50

Source: City Payroll Department W2 Audit Listing

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

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CITY OF NORTH CANTON, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2013	2012	2011	2010
General Government				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	9	9	10	10
Police				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	13	13	13	13
Fire				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	10	11	11	11
Emergency Medical Service				
Stations	1	1	1	1
Square footage of building	8,970	8,970	8,970	8,970
Vehicles	5	5	5	6
Recreation				
Number of parks	11	11	11	11
Number of pools	1	1	1	1
Number of tennis courts	11	11	11	11
Number of basketball courts	7	7	7	7
Number of park shelters	9	9	9	8
Vehicles	12	12	11	11
Public Service Department				
Streets (miles)	97.50	97.50	97.50	95.46
Vehicles	17	17	15	18
Water Department				
Water lines (miles)	155.76	144.97	144.00	129.80
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	18	19	17	17
Wastewater				
Sanitary sewers (miles)	74.64	74.64	74.64	64.39
Storm sewers (miles)	75.91	72.59	72.59	49.42
Vehicles	6	6	15	9

Source: City of North Canton departments

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
31,517 10	31,517 10	31,517 10	31,517 8	31,517 9	31,517 9
1 11,960 13	1 11,960 13	1 11,960 14	1 11,960 13	1 11,960 13	1 11,960 13
1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11
1 8,970 6	1 8,970 6	1 8,970 5	1 8,970 6	1 8,970 6	1 8,970 5
11 1 11 7 8 11	11 1 11 7 8 11	11 1 11 7 7 11	13 1 11 8 7 11	12 1 11 8 6 11	12 1 11 8 6 11
95.46 18	95.46 18	95.46 18	95.46 18	95.46 18	93.70 18
129.80 32,125 17	129.80 32,125 17	129.80 32,125 17	127.93 32,125 17	127.34 26,925 17	126.27 20,640 16
64.39 49.42 9	64.39 49.42 9	64.39 49.42 9	64.06 48.3 9	63.70 47.41 9	62.48 47.41 9

CITY OF NORTH CANTON, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2013	2012	2011	2010
General Government				
Number of ordinances passed	81	111	111	110
Number of planning commission agenda items	18	15	8	12
Number of zoning board of appeals agenda items	1	6	1	10
Number of checks/vouchers issued	3,362	3,289	3,356	3,419
Interest earnings for fiscal year (cash basis)	\$20,339	\$14,974	\$32,364	\$47,819
General fund receipts (cash basis in thousands)	\$7,262	\$7,755	\$9,161	\$7,888
General fund expenditures (cash basis in thousands)	\$7,553	\$8,382	\$7,382	\$9,235
General fund cash balances (in thousands)	\$1,667	\$1,894	\$2,418	\$1,567
Income Tax Department				
Number of individual returns	7,281	4,260	7,267	7,471
Number of business returns	1,270	1,305	1,231	1,184
Annual number of reconciliation of withholding processed	1,329	1,426	1,144	1,397
Building Department Indicators				
Construction permits issued	727	664	1,327	776
Estimated value of construction	\$ 11,456,887	\$ 12,102,168	\$ 5,754,751	\$ 7,534,618
Inspections conducted	789	663	712	1,054
Security of Persons & Property				
Police				
Total calls for services	18,049	26,503	28,172	28,107
Traffic violations	1,901	1,805	1,139	1,175
Motor vehicle accidents	429	558	527	516
Written warnings	3,998	3,706	1,891	1,983
Total criminal arrests	552	404	504	399
Fire/Emergency Medical Services				
EMS calls	2,292	2,223	2,377	2,075
EMS transports	1,934	1,502	1,509	1,416
Ambulance billing collections	\$538,763	\$501,956	\$489,060	\$458,753
Fire calls	559	470	493	406
Fire safety inspections	215	1,527	1,694	1,655
Leisure Time Activities				
Recreation				
Swimming pool memberships	936	2,079	2,404	2,247
Civic center rentals	21	90	254	255
Dogwood shelter rentals	372	154	159	248
Transportation				
Asphalt resurfacing (miles)	0	5.16	3.75	3.12
Asphalt usage for pothole repairs (tons)	454	511.73	413.85	672.13
Salt usage (tons)	4,003	2,800	5,200	6,400
Cost of salt purchased	\$153,088	\$310,960	\$359,814	\$325,248
Water Department				
Average daily gallons sold per consumer	152	167	178	277
Number of customers	9,102	9,063	9,044	8,900
Annual water collections	\$6,006,676	\$6,051,273	\$5,874,591	\$5,832,610
Water main breaks	13	23	18	14
Number of wells	9	9	7	9
Gallons of water treated (millions of gallons)	1,008	1,106	1,211	1,163
Wastewater Department				
Residential sewer rate (flat monthly rate)	\$25.41	\$25.41	\$25.41	\$25.41
Number of customers	6,334	6,308	6,310	6,305

Source: City of North Canton departments

2009	2008	2007	2006	2005	2004
123	122	147	141	218	162
2	15	15	21	32	15
3	11	12	18	22	15
4,113	3,390	3,711	3,825	4,052	3,944
\$81,158	\$360,120	\$543,994	\$463,016	\$319,590	\$206,055
\$8,425	\$9,031	\$9,321	\$9,500	\$7,417	\$10,771
\$9,406	\$9,961	\$7,744	\$9,915	\$9,926	\$12,230
\$2,826	\$3,713	\$4,578	\$4,695	\$5,107	\$7,540
7,742	7,852	8,312	8,385	8,288	8,090
1,109	1,187	1,319	1,270	1,239	1,202
1,503	1,529	1,523	1,519	1,536	1,532
786	703	305	381	455	489
\$ 11,462,310	\$ 17,559,237	\$19,254,219	\$ 25,389,738	\$ 19,587,769	\$ 22,572,034
1,124	1,114	1,895	771	782	980
29,225	29,459	31,274	31,276	32,295	33,863
1,495	1,418	1,297	1,628	2,006	2,221
513	525	604	561	614	677
-	-	-	-	-	-
504	392	398	482	483	468
1,948	2,080	1,635	1,612	1,824	1,760
1,251	1,284	1,503	1,069	1,062	1,110
\$461,009	\$269,287	\$337,602	\$311,999	\$314,046	\$233,047
424	537	434	412	425	456
1,543	1,410	1,223	1,087	629	909
2,387	2,729	3,107	3,375	2,887	2,694
303	337	318	208	201	262
261	252	228	260	273	247
2.58	2.7	1.80	2.66	5.54	5.32
358.37	530.75	410	184	350	326
6,250	6,752	4,250	2,282	4,135	6,486
\$237,641	\$282,216	\$188,992	\$121,505	\$235,051	\$181,329
132	321	340.81	332.85	292.14	289.13
8,876	8,947	8,794	8,699	8,544	8,540
\$5,819,610	\$5,759,068	\$5,583,161	\$5,031,926	\$4,587,520	\$3,729,072
19	31	59	33	32	50
8	8	8	7	7	6
1,210	1,321	1,307	1,170	1,156	1,124
\$21.00	\$21.00	\$19.00	\$19.00	\$18.00	\$18.00
6,204	6,284	6,283	6,251	6,197	6,175

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Dave Yost • Auditor of State

CITY OF NORTH CANTON

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 21, 2014**