

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Richard A. Mallonn II • Auditor, City of Canton



For The Year Ended December 31, 2018



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City of Canton
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We have reviewed the *Independent Auditor's Report* of the City of Canton, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

September 10, 2019

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CITY OF CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

RICHARD A. MALLON II
CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

CITY OF CANTON
STARK COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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INTRODUCTORY
City of Canton, Ohio



CANTON, OHIO



RICHARD A. MALLONN II

CANTON CITY AUDITOR

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Phone: (330) 489-3226

June 25, 2019

To Council Members and Citizens of the City of Canton:

The Comprehensive Annual Financial Report (CAFR) of the City of Canton as of December 31, 2018 is hereby submitted. This letter and the following report represent the City's continuing commitment to excellence in financial reporting. The purpose of this letter is to acquaint the reader with the CAFR. Responsibility for both the accuracy of the data, 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 is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2018, have been audited by the certified public accounting firm of Julian & Grube, Inc. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation, as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

Accounting principles generally accepted in the United States of America (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 on page 5 of this report.

City Organization and Background

The City is located in and is the County Seat of Stark County in northeastern Ohio, approximately 58 miles southeast of Cleveland, 23 miles south of Akron, and 94 miles west of Pittsburgh, Pennsylvania. It was incorporated as a village in 1828, and became a city in 1854.

The City's 2018 population of 70,458 placed it as the largest city in the County and the eighth largest in the State.

The City operates under and is governed by the mayor-council form of government. The City operates as a Statutory Municipal Corporation as defined by the Ohio Revised Code.

The City's legislative authority is vested in a twelve-member Council of whom three are elected at-large and nine are elected from their respective ward, for a term of two years. The presiding officer is the President of Council, who is elected at-large by the voters for a two-year term. The President of Council is called upon to vote on legislation in order to break a tie vote. The Council affixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating business and trades, and other municipal purposes. The Council affirms, by resolution, the individuals appointed by the Mayor to serve on the various boards and commissions for the City. The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The other elected officials are the City Auditor, the City Treasurer and the Law Director, each elected to a four-year term.

The Mayor appoints the directors of City departments other than the Income Tax Department. The major officials appointed by the Mayor are the Deputy Mayor, Directors of Public Service and Public Safety, the Fire Chief, the Police Chief and the City Engineer. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council, Auditor, Treasurer, and Law Director and their respective officers and employees. The City Treasurer appoints the Director of Income Tax who serves at his pleasure. The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council.

City Services

General Government Functions: The City provides police protection, fire fighting and prevention, street maintenance and repairs, parks and recreation. Funding for these operations is derived primarily from taxes in addition to small amounts of revenue generated from user fees. These operations could not be sustained without a steady flow of tax revenue.

Proprietary Operations: The City operates Water, Sewer, Refuse Departments and building inspections. The revenue generated from Water, Sewer and Building Departments were sufficient to meet all expenses in 2018.

Reporting Entity

The City has reviewed its reporting entity definition to ensure conformance 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 – an Amendment of GASB Statements No. 14 and 34". In defining the City for financial reporting purposes, management has identified all agencies, departments and organizations making up the City of Canton the primary government and its potential component units. The City presents the Canton Community Improvement Corporation (CCIC) as a discretely presented component unit.

Neither the Canton City School District, Plain Local School District, Osnaburg School District, nor Canton Local School District has been included in the accompanying financial statements. These districts serve the citizens of Canton; however, the boards are not appointed by the City, nor are they fiscally dependent on the City.

The City is associated with the Stark Area Regional Transit Authority, the Stark Council of Governments and the Stark County Regional Planning Commission as jointly governed organizations. Canton Tomorrow, Inc. and the Downtown Canton Special Improvement District are disclosed as joint ventures.

Financial Information

Accounting Policies and Budgetary Control

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the alternative Tax Budget, the Certificate of Estimated Resources and the Appropriations Ordinance: all are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the account level split between salary and non-salary line items within each department within each fund. Any budgetary modifications at this level or above may only be made by resolution of the City Council. Budgetary control at this level provides some flexibility in moving appropriations within their account groups to meet expenses.

The City's fully automated financial system also maintains budgetary control through its purchase order/encumbrance feature. The purchase order, required before making purchases, creates the encumbrance against the current budget. Request for purchase orders, which would result in an overrun of budget, are not honored until additional appropriations are made available through Council ordinance. This procedure is followed when money is available to allow an increase in appropriations. If no money is available, the requisition is canceled.

The City Auditor monitors all expenditures for accuracy, appropriateness and compliance. The City Auditor monitors expenditures to encumbrances to assure that each obligation incurred was entered into after the appropriate purchase order was issued. The City Auditor will exercise his discretion to issue "then and now certificates" for obligations incurred prior to obtaining a purchase order. This certificate is authorized by the Ohio Revised Code for obligations that do not exceed three thousand dollars. This certificate simply stated means: "then" meaning at the time the obligation was made and "now" meaning as of the date of the certificate there were sufficient appropriations free from prior obligations necessary to meet this obligation in question. The City Auditor requires an ordinance from Council authorizing a "Moral Obligation", for obligations incurred prior to obtaining a purchase order that exceeds this authority.

The City Auditor continually monitors the encumbrances and expenditures against the budget appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over cash balances less carry over encumbrances at year end, the County Auditor arrives at and issues the Certificate of Estimated Resources for the City. The City Auditor submits amendments to the Certificate of Estimated Resources to the County Auditor as deemed appropriate throughout the year. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's Certificate.

Internal Accounting and Reporting Control

As part of its continuing commitment to excellence in financial reporting, the City utilizes a computerized financial accounting and reporting system. Enhancements to present internal accounting controls and procedures are continually evaluated by the City Auditor. The City Auditor oversees the appropriateness of internal control, develops procedures to enhance internal control and consults with outside auditors to insure the City remains at a sound financial level of operation.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss resulting from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed using the concept of reasonable assurance. This concept recognizes the cost of a control should not exceed the benefits likely to be derived from its implementation, and the evaluation of costs and benefits should require estimates and judgments by management. We believe the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Local Economy

Eighteen commercial banks (branches), savings and loan associations and credit unions are located in the City. One daily newspaper serves the City. The City is within the broadcast area of fifteen television stations and one hundred thirty-five AM and FM radio stations. Spectrum, Direct TV and Dish provide TV services.

The City is home to a number of steel industrial manufacturers and suppliers. The City has benefited from the consistent financial success of the Timken Company. Although a small portion of its office operations has been moved to a location outside the city, the City remains optimistic of continued positive impact from The Timken Company and TimkenSteel resulting from the split that occurred from the Timken Company in late 2014. The City continues to benefit from the diversity of its business base including: Nationwide Insurance, M K Morse Company, Fresh Mark Incorporated, Republic Engineered Products, is essential in order to create a climate for financial stability. Unfortunately, due to an announcement from Nationwide in early 2014, the City can expect significant reduction in employment for the insurance company as Nationwide winds down the consolidation of its Canton, Ohio presence and move its services to Columbus, Ohio.

Malone University, a private four-year college, and Aultman College of Nursing are located in the City. University of Mount Union and Walsh University, private four-year schools, Stark State College of Technology, a public two-year school, and a branch of Kent State University, Ashland University and Brown Mackie College also are located in the County. Within commuting distance are several public and private two-year and four-year colleges and universities, including Kent State University in Kent and a branch of Kent State University in Tuscarawas County, Cleveland State University, Cuyahoga Community College, John Carroll University, Baldwin-Wallace College and Case Western Reserve University in the Cleveland metropolitan area, the University of Akron in Akron, the College of Wooster in Wooster, Hiram College in Hiram, Youngstown State University in Youngstown, Lake College and Lakeland Community College in Lake County and Franciscan University an Eastern Gateway Community College in Steubenville.

The City is served by two acute care hospitals located in the City: Aultman Hospital (682 beds) and Mercy Medical Center (476 beds), and two additional acute care hospitals located in the County: In 2018 Alliance Community Hospital became Aultman Alliance Community Hospital (202 beds including 78 nursing home/transition-care beds for long-term care) and Affinity Medical Center (112 beds) which closed in February 2018 with ownership transferring to the City of Massillon. Massillon Psychiatric Center, a 156-bed public adult psychiatric hospital operated by the State, is also located in the County. In 2010, Aultman Hospital completed a three year \$80 million dollar expansion project, the largest in its history. The project included a new four-story 380,000 square foot addition that houses a new Aultman Heart Program, Emergency/Trauma Program, Women's Program (including Labor & Delivery) and the Neonatal Intensive Care Unit. Aultman also operates Aultman College which is located within the campus of the Hospital. A new building housing (Aultman Center for Education) was constructed in 2012 and is utilized for the College of Nursing and Health Sciences. In 2009, Mercy Medical Center unveiled its new state of the art 24-unit Mercy Intensive Care Unit. The \$20.5-million-dollar project was started in 2007 and also includes an expansion of the surgery center parking garage and relocation of the hospital's helipad to the roof of the new structure. In 2013, Mercy began a \$14.5 million renovation-expansion in the emergency department increasing the beds from 33 to 48 which opened late 2014. . Both Aultman and Mercy continues to add valuable medical resources such as state of the art equipment/procedures to its hospital campuses. Also, both Aultman Hospital and Mercy Medical Center continue to play a pivotal role in the financial stability of the City of Canton and come in as two of our top employers.

The Canton Park System (Park System) maintains 61 parks and covers approximately 825 acres. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium. In 2013, the citizens of Canton voted on a park levy which at that time generated approximately \$2.4 million dollars annually to assist with the maintenance and capital investment into the City's 61 parks. During 2017 the levy generated approximately \$3.4 million. The renewal levy was voted on and passed by the voters of the City and included new language to combine both the Canton Parks with the Canton Joint Recreation District. The merger process of these two entities was finalized in April 2018. In 2019, the Canton Park System assumed operation of the Peel Coleman South East Community Center. The Park System continues to add valuable upgrades to its park lands to enhance the usefulness and functionality of its Park System.

The City's cultural assets include the Canton Art Institute, the Symphony Orchestra Association, the Canton Civic Opera Association and the Players Guild, all of which are housed in the Cultural Center (Center) for the Arts and host a variety of exhibits, musical and dramatic performances and other cultural events each year. The Center, a gift of the Timken Foundation, is a building complex located on 8-1/2 acres in the center of the City, which cost \$13,000,000 to build in 1971. Adjacent to the center is the City-owned auditorium, an air-conditioned arena-type facility with a seating capacity of 6,000. The Cultural Center and the auditorium accommodate conventions. The City's greater metropolitan area has approximately 36 hotels, motels and bed and breakfasts with over 3,000 rooms.

The Canton Palace Theatre is both the literal and figurative cornerstone of the Downtown Canton Arts District. Harry Harper Ink, Canton native and inventor of the patent medicine, Tonsiline, gave the one million dollars to build the Theatre in 1926. Designed by the noted theatre architect, John Eberson, The Palace is considered an atmospheric theatre, meaning as you sit in the auditorium, you feel as if you are lounging between two Spanish castles, under a Mediterranean blue sky, complete with stars, and floating clouds. The Theatre is home to its original Kilgen Theatre Pipe Organ. This 3 manual, 11 rank instrument is the last remaining Kilgen Theatre Organ still playing in its original home. The famed organist Banks Kennedy opened the theatre November 22, 1926, to a sold out crowd, with the first feature silent film, Tin Hats.

In 2013, the Palace completed a capital project totaling \$1.3 million including new plumbing, roof, windows, service doors, ADA compliant hearing system, live event sound system, and Digital Cinema Projection. The final state of the renovation was completed in 2015 by restoring the current carpet with an original replica. A vital multi-purpose entertainment facility, its marquee burns brightly sixty feet above Market Avenue, welcoming you to enter its grand foyer and become a part of Canton's nostalgic past. Hosting over 300 events a year, with an attendance of over 100,000 guests, the Palace also strives to be an important part of Canton's future as it typically hosts a free movie night during Canton's First Friday events each month.

The City's downtown is home to the National First Ladies Library housed in the former home of one time first lady Ida Saxton McKinley. The library presents a history of all the United States first ladies. In 2002, the Library added a \$5.5 million education and research center in the former National City Bank building located nearby the Saxton House. The renovations to the 110-year-old building were paid for through private donations and federal grants. The six story research center houses a 91-seat theater, meeting and exhibit rooms, research and reference materials and office space for the library personnel. In 2011 the Education and Research Center was donated to the National Park Service and then was made a part of the First Ladies National Historic Site. The National First Ladies' Library remains as the managing/operating partner of the site for the National Park Service. The First Ladies Park and the gated parking lot continue to be owned by the National First Ladies' Library.

Also located in the City's downtown area is the main branch of the Stark County District Library. The library is a 2009 winner of the prestigious National Medal for library service. The library's main branch, 9 satellite branches, 6 mobile libraries which are the largest in the state, and 24/7 digital branch holdings number more than 1.8 million items. The library serves more than 240,000 residents annually. In 2018 nearly 1.2 million visitors patronize the library and annual circulation for 2018 was 4 million items. The collection includes books, audio-visual materials and periodicals. In addition, the Library provides 8,143 programs for 151,693 attendees and provides 191,636 computer sessions on publicly available computers found in each branch. The library today reimagines itself as 'The Smart Store' where everything is free. It has emerged as a national thought-leader with innovations such as its no overdue fines policy, the BikeSmart bike sharing network, passport services and Smart School Partnership. It is one of the nine largest library systems in Ohio and serves 12 local school districts.

The City is the home of the National Professional Football Hall of Fame, which attracts more than 200,000 visitors annually. In December 2010, the Hall of Fame's Board of Trustees announced plans for a major expansion and renovation to the museum. The project, called *Future 50 Project*, was the largest in the Hall of Fame's history, costing \$27 million and taking almost two years to complete. The museum building itself was expanded from 83,000 square feet to 115,000 square feet. The largest piece of the expansion was used for a Pro Football Research and Preservation Center. Also 38,000 square feet of existing gallery was renovated, which included a new lobby and visitor orientation theater. A new museum-quality environmental control system was installed to better ensure the safety of the museum's artifacts. The grounds surrounding the Hall of Fame were improved to provide space for special events, rental opportunities and additional parking. The Hall of Fame completed the facility improvements

in time to celebrate the museum's 50th anniversary and in time for the Class of 2013's induction ceremonies held on August 3, 2013.

In 2015, the Canton City School District, the City of Canton and the Pro Football Hall of Fame began discussions on the improvement of the district campus which includes McKinley High School, the C.T. Branin Natatorium and Fawcett Stadium for the expansion and improvement of the stadium and surrounding areas. This project has evolved into a potential multi-phase construction and expansion of the Pro Football Hall of Fame campus at an estimated cumulative value of \$400 million will include retail shopping and dining facilities. Also, a potential convention and events center will occupy these grounds. Along with an indoor waterpark and an amusement park. As of the submission of this report, the City of Canton pledged and financed a bond anticipation note of \$5 million and the state has committed \$10 million in their capital budget. The Hall of Fame has received and the City Schools has agreed to accept a \$10 million donation from Tom Benson for the renaming of the Fawcett Stadium. The \$25 million cited above is expected to be a part of the phase 1, \$40 million renovation to the stadium which broke ground in 2015. The first part of the stadium renovation was completed in August 2016 and the second phase was completed in July 2017. Additional private capital will be raised to expedite the projects expected to evolve within the Hall of Fame Village as listed within the master plan. The Tom Benson Hall of Fame stadium serves as the football facility for the District High School, area colleges, the Ohio High School Athletic Association state football championship games and the annual Pro Football Hall of Fame game held annually, in conjunction with the Hall of Fame induction ceremony festivities, which sits adjacent to the stadium.

The City is an industrial rail center served by the Norfolk & Southern Railway Company, Conrail, the Wheeling and Lake Erie Railway Company and CSX. 147 motor freight truck lines and local cartage haulers serve the Canton-Massillon MSA. Rail passenger service is available through the cities of Akron and Alliance by Amtrak. In 2003, Canton became a stop on the Cuyahoga Valley Scenic Railroad. The rail system is owned by the National Park Service and provides weekend excursions between Canton and Akron. Greyhound and other independent bus lines provide more complete passenger transportation.

The Stark Area Regional Transit Authority (SARTA), a separate political subdivision, provides daily public transportation in and around the City. The bus service initially was only a citywide service, but became a countywide system with the passage of a .25 percent county sales tax in 1997. The sales tax, renewed in 2002, 2006 and 2011, serves as the primary revenue source for SARTA. On November 8, 2016, voters approved a 10 year .25 county wide sales tax renewal. In addition to the sales tax, SARTA operations are supported, in part, from payments for contract services, State and Federal operating grants, and rider fares. In addition to its regular service within Stark County, SARTA runs one bus route, multiple times, between Canton and downtown Akron connecting to Akron's Metro RTA bus system and also serves the Akron-Canton Regional Airport from both cities and one route to Cleveland starting March 4, 2013. SARTA has set on course to become the nation's third largest bus fleet running on hydrogen fuel cells and the largest east of California. The emissions from a hydrogen fuel cells are water. It expects to have 10 buses in its fuel cell fleet by 2018.

Interstate 77 (north-south) and two U.S. highways (U.S. 30 and 62) serve the City. The City is served by four state routes (S.R. 800, 43, 153 and 687).

The Akron-Canton Regional Airport (Airport), a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,700 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport has four airlines offering nonstop service and had .92 million customers in 2018 a 27.3% decrease from the Airport's 2017 numbers. In late 2006, the Airport completed its 5-year \$60 million STAR Expansion Project which included extending runways, a new baggage claim area, a new food court, a new security screening area, enlarged gathering space, additional parking, and a terminal gate renovation that will allow the Airport to handle up to 1.6 million passengers annually. In 2007, the Airport invested \$10 million in a new deicing facility. In 2008, the Airport announced its new 10-year \$110 million capital improvement plan called *CAK2018* which is now complete. The plan includes a 600 ft. runway extension and border patrol facility to allow for international flights, expanded aircraft parking, expanded auto parking, a wider entrance road, expanded ticket wing, expanded security screening area, a new aircraft rescue and fire fighting maintenance facility, expand the concourse to allow for three more gates, and partner with the nearby City of Green for a new Industrial Park. The runway extension portion of the project

was completed in 2010. The new aircraft rescue, border patrol facility, expanded parking lot, and expanded security-screening area were completed in 2011. In 2012, CAK completed the Firefighting Maintenance Facility (ARFF) and continued to add additional parking. Akron-Canton Airport is excited to embark on the final project of CAK 2018, the gate modernization program. This will include expanding the new concourse at an estimated cost of \$3.65 million, an expanded ticket wing \$2.5 million, and widening of the entrance road \$5.0 million which are in progress. In 2016, the airport unveiled a \$240 million dollar 20-year Master Plan that was approved by the Federal Aviation Administration (FAA) in 2015 which will guide capital investments and improvements at CAK and will include construction projects isolated to the years 2017 through 2019.

Long-Term Financial Planning

During 2018 the City has experienced an increase in overall revenue, excluding other financing sources, for the general fund of \$3,580,596 from 2017. The City as a whole experienced an increase in GAAP-basis revenue (total of all program revenues and general revenues from the statement of activities) of \$13,957,064 from 2017. This provides the City with the seventh straight year of revenue growth for the City as a whole. The City's income tax revenue increased by \$3,441,559 and property tax revenue increased by \$345,358. Charges for service (program revenue) increased by \$1,758,760 while operating grants and contributions (program revenue) and capital grants and contributions (program revenue) increased \$3,138,814 and \$5,578,590, respectively.

The City continues to feel the effects of federal reserves interest rate reductions in the fourth quarter of 2007 through 2012 have led to net decreases in general fund interest revenue of \$1,243,235 in 2008, \$595,900 in 2009, \$444,900 in 2010, \$141,433 in 2011, and an additional \$37,396 in 2012. General fund interest revenue increased \$1,446 in 2013, \$120,885 in 2014, and \$227,300 in 2015, \$41,751 in 2016, \$206,765 in 2017 and \$50,281 in 2018 due to a more aggressive investment portfolio and improved interest rates on investments.

The immediate economic future is predicted to be relatively stable with slight declines expected in early 2018 but expected increases over the next decade. With slight downward pressure from staff relocations to facilities outside of city limits from the likes of the Timken Company, U.S. Post Office, Chesapeake Energy and Nationwide Insurance to name a few, Canton has continued to leverage off the effects of the discovery of oil/natural gas shelf in the southern parts of the area. The fact remains that these relocations continue to bode well for the regional economy and yet will provide downward pressure on City income tax collections. The City's unemployment rate has continued to decline from 5.1% at the end of 2017 to 5.0% at the end of 2018 and continues to decline in 2019 but is slightly higher than the state and national averages. The increase in income tax revenue in 2018 will allow the City to continue to work to move out of a difficult time which started in 2015 that lead to a low General Fund Cash balance at year-end, and continue to build on the cash reserve balance to address infrastructure and safety needs as well as neighborhood cleanups. In correlation to this increased tax revenue, the voters of the City approved on May 8, 2018 an income tax rate increase of .5% which will help in the efforts to address these needs of the City. City officials put a freeze on wages and salaries during 2017 and into 2018 as staffing levels remain low but will look at giving a modest cost of living adjustment to employees in 2019. A portion of the revenue generated from the additional income tax increase has been earmark for police and fire which will allow for an increase in workforce staffing levels in those areas.

Relevant Financial Policies

During 2018, the City issued manuscript debt within the general fund to finance land reutilization projects and NIP acquisition and demolition; however, this balance is eliminated on a GAAP-basis See Note 21.B to the basic financial statements for further detail on the City's manuscript debt issuance and obligations.

During 2018, the City continued to make biweekly sick expense premium deposits into its compensated absences claim fund to help offset the cost of current and previous unfunded compensated absences. The City previously changed the premium calculation from 125% of the total cost of the sick leave accrued on biweekly payrolls to 105% for 2010. However, the premium returned to 125% January 1, 2011, remained 125% through 2015. During 2016 the premium was reduced again to 105% and reset to 125% during 2017. The City has not deposited additional

contributions into the compensated absences claim fund in 2018 but will review this fund to determine if additional funding may be necessary in the future.

Major Initiatives

In 2018, the City annexed approximately 15.2792 acres and continues to explore further annexation options.

A Downtown Special Improvement District (District) was formed in the City's central business area in 1997 by petition of a majority of the property owners. In March 1997, Canton City Council approved the petition and the District's articles of incorporation and initial services plan. The District has the authority to assess property owners for the cost of public services and improvements that specifically benefit properties and the District. On March 3, 2016 the District filed an application with Council in accordance with Ohio Revised Code Section 4301.82(B) to have certain property designated as an outdoor refreshment area. On April 25, 2016, Council passed an ordinance establishing and designating the Downtown Canton Designated Outdoor Refreshment Area (DORA) in accordance with Revised Code Section 4301.82 which allows alcoholic beverages to be consumed outdoors within the established boundaries and in an official cup as required by law. Canton was one of the first in the state to pass such a law.

In 2017, Council passed an ordinance establishing the boundaries of a proposed Downtown Redevelopment District including an Innovation District which falls within a ten acre area within the City. The goal is to establish by 2020 an Innovation District that will attract well-paying jobs for young people from multi-state areas by providing and attracting diversified business, concentrating on providing retention an expansion outreach, recruiting technology based companies, providing high speed broadband of 100 gigabits per second within the Innovation District area and incentives to attract research and development based companies to name a few. This plan will be implemented in collaboration with the Canton Regional Chamber of Commerce, existing downtown technology companies, and all institutions that have an impact on Canton's downtown economic development including Stark State College, Stark Development Board, Special Improvement District, other agencies and organizations.

In 2015, with the idea of raising funds by collecting donations from the artistic, charitable, business and other community partners, Canton began planning to develop the downtown green space park known as Market Square which would be used as a venue for small events such as concerts, sporting rallies etc. Further exploration and ideas of these partners evolved into a larger project of Phase I, Phase 2 and even a Phase 3. Phase 1 being the design and construction which includes underground utilities, earthwork, hardscape, landscape, lighting a performance stage with cover and a restroom/storage facility. Phase 2 being reconstruction and streetscaping of 3rd Street NW and Court Avenue NW areas surrounding the plaza and a large LED screen. Phase 3 includes an iconic sculpture and additional modified features including a café. In May 2019, Council approved the renaming of "Market Square" to Centennial Plaza and to begin construction on the Centennial Plaza Project as previously approved by council at an estimated cost of \$13.2 million which will be funded in part with City Funds from Issue 13 revenues, private sector donations and state grants as set out in the plan with the hopes of having things completed in time for the September 2020 Centennial Celebration of the founding of the NFL in Canton.

In 2004, the City chose to consolidate all of its previous community reinvestment areas into one area known as the Central Neighborhoods Community Reinvestment Area. The area covers the City's central downtown business district, significant portions of the City's northeast and southeast quadrants, and portions of the southwest and northwest quadrants closest to the City's downtown. Residential properties in the Central Neighborhoods Community Reinvestment Area can receive 100 percent abatement per year for ten years on the increased value of all qualifying improvements, restoration and construction. Commercial properties in the area can receive 100 percent abatement for the increased value all qualifying improvements, restoration and construction for the first 5 years and a 20 percent reduction per year over the remaining five-year period. The construction must be over \$50,000 for commercial projects and \$5,000 for residential projects to qualify.

In 2013, the City established two HUD Neighborhood Revitalization Strategy Areas – the Eastside and Central Area NRSAs. During 2018, the City expended \$904,381 in Federal Community Development Block Grant (CDBG) Program funds on NRSA activities, including housing rehabilitation and demolition, neighborhood clean-up projects, ADA curb replacements, and youth programs and services. Forty-eight housing projects were completed in

both the Eastside and Central target areas. Since the NRSA was established in 2013, the City has invested over \$5.4 million in the NRSA areas.

In 2014, the City applied for and received a \$4.2 million grant from the State of Ohio, known as the Neighborhood Initiative Program (NIP I and NIP II). Also, during 2016, the City received an additional \$2.0 million in funding for this program and titled it the NIP III. This program is contracted through the Stark County Land Reutilization Corporation and is an acquisition for demolition program. All funding comes Ohio Housing Finance Agency (OHFA). The City demolished a total of 236 homes through the program for NIP I and NIP II. The City expended over \$3.4 million dollars in 2017. The City intends to demolish an additional 315 houses in the NIP III program and this program will run through October 2019.

The City received a \$3 million CORF grant in 2007 for remediation at the former Hercules site. Work at this site resumed in 2012 after a delay due to the weak economy. The property will be transformed into a multi-use facility with market rate housing, and a business and retail space. The project has also received a state tax credit worth \$10 million. The project experienced additional delays in 2014, but work resumed during 2016. The first phase of this project is well underway with a noticeable transformation taking place to a portion of this former factory site which is expected to have 91 market rate housing units developed during Phase I of the project. The City loaned the developers \$2.0 million of funding which came from the repayment of a loan made to another development that was paid in full at the beginning of 2017. The first phase of the project renovations has been completed and the leasing of properties has begun.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2018, the City completed: \$18.3 million of road paving, resurfacing and road stabilization projects throughout the City. Some of the larger engineering projects in various stages of planning, development, and construction include: 41ST St. Reconstruction, Mahoning Rd. Corridor, 12th Street Bridge Replacement, West Tuscarawas Corridor, 11th Street SE Realignment Project, Traffic Signal Communication Project, 38th St. project, 30th St and 19th St resurfacing. The City have also started a Road Stabilization Project that is being tested as an alternative against regular paving methods.

In 2018, there were \$4.3 million of water projects in progress. There were twelve projects for water lines in varying stages of planning, development and construction including: Avondale II, Ridgewood I and II, Sugarcreek Backwash Project, Edgefield I, 33rd St NW, 44th St Main Replacement Project. Canton South Cleveland Ave Extension Design Phase I and II and Cleveland Avenue Extension Construction Project and Fairmount Phase I and II.

In 2018, the City's Water Reclamation Department continued its progress in the \$92.0 million replacement of its Water Reclamation Facilities and membrane. The membrane purchase, installation, and corresponding construction, is estimated to continue until through 2018 and be completed in 2019. Through December 2018, the City had expended \$79.6 million of the \$92.0 million project.

Debt Administration

At the end of 2018, the gross indebtedness of the City was \$112,192,496. The gross indebtedness of the City was \$111,878,355 at the end of 2017. During 2018, the City continued drawing down from two pre-existing Ohio Water Development Agency (OWDA) design loans and issued a new OWDA loan for Canton South Cleveland Ave. Waterline and Waterline Extension construction loan. In 2018, the City received \$4,254,815 from the 2010 Water Reclamation Facility (WRF) phosphorus/nitrogen removal project loan, and \$2,246,016 from the 2014 WRF phosphorus – MBR equipment loan. These projects will take almost seven years to complete at an estimated cost of over \$92 million. At December 31, 2018, the City had \$99,410,249 in; OWDA loans outstanding in the enterprise funds and business-type activities and \$35,617 in OWDA loans outstanding in the governmental activities. During 2018, the City received loan proceeds from the Ohio Public Works Commission (OPWC) to finance various projects. The City received \$0 in OPWC loan proceeds in the enterprise funds and business-type activities and \$6,938 in OPWC loan proceeds in the governmental activities. At December 31, 2018, the City had \$2,115,031 in OPWC loans outstanding in the enterprise funds and business-type activities and \$2,158,188 in OPWC loans

outstanding in the governmental activities. The City had \$2,103,214 in long-term State Infrastructure Bank (SIB) Loans outstanding as of December 31, 2018, all of which are reported in the governmental activities.

In 2018, Moody's Investor Services made no change to its stable outlook for the City. However, in 2012 Moody's Investor Services confirmed the City's rating of A1 and changed its negative outlook to stable. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City a negative outlook on general obligation bond issue. Fitch Rating Service also downgraded the City from AA- to A+ but said its outlook is stable. Neither Moody's Investor Services nor Fitch Rating Services adjusted these ratings in 2018. The general obligation indebtedness of the City is subject to two statutory debt limitations referred to as the "direct debt limitation" (by Ohio Revised Code Section 133.05). The total principal amount of voted and unvoted nonexempt net indebtedness of the City may not exceed 10.5 percent of its assessed value of real and personal property, and in addition, the net principal amount of unvoted nonexempt debt may not exceed 5.5 percent of the same total assessed value. The City's overall legal debt margin was \$79,907,743 and an unvoted debt margin of \$41,886,501 as of December 31, 2018.

Awards

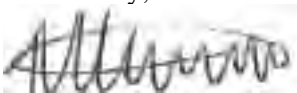
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2017. The Certificate of Achievement is the highest form of recognition for excellence in state and local government.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized financial report whose contents conform to program standards, as well as satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgements

Special recognition for the preparation of this report is made to contributing department heads, Treasurer's staff, my own Auditor's office staff and City Council for their continuing support and commitment to responsible fiscal reporting. Special acknowledgement is given to my administrative staff: Christine Bagley, Heather Locke-Williams, John Slebodnik and Dwayne Knight for their continued dedication and commitment to sound financial reporting in the preparation of this report.

Sincerely,



Richard A Mallonn II
City Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
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Reporting**

Presented to

**City of Canton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

**CITY OF CANTON
STARK COUNTY, OHIO**

CITY OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2018

Mayor

Thomas M. Bernabei

Council Members

Allen Schulman, President

James Babcock
Peter Ferguson
Bill Smuckler
Kevin Hall
Robert Fisher
Jason Scaglione

Gregory Hawk
Corey Minor-Smith
John Mariol II
Frank Morris
Chris Smith
Nathaniel Chester

City Auditor

Richard A. Mallonn II

City Treasurer

Kim Perez

Law Director

Kristen Bates-Alyward

Director of Income Tax

Cynthia Allensworth

Director of Public Service

John Highman

Director of Public Safety

Andrea Perry

Fire Chief

Thomas Garra

Police Chief

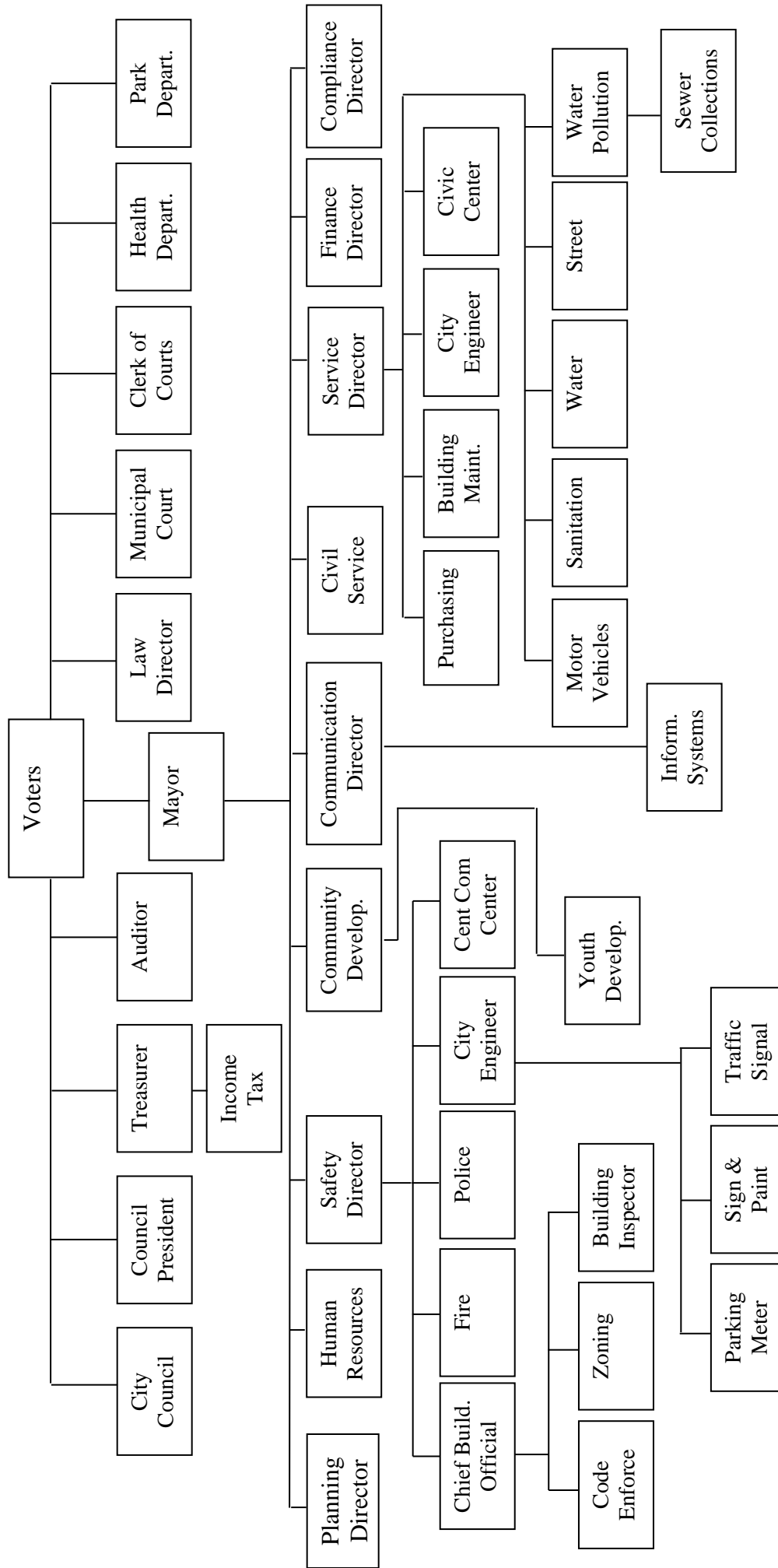
Jack Angelo

City Engineer

Dan Moeglin

CITY OF CANTON
STARK COUNTY, OHIO

ORGANIZATIONAL CHART





FINANCIAL
City of Canton, Ohio

CANTON, OHIO



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Independent Auditor's Report

City of Canton
Stark County
218 Cleveland Avenue SW
Canton, Ohio 44702

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the City of Canton'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 of Canton'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 of Canton's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of December 31, 2018, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Community and Economic Development funds, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the City of Canton adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City of Canton'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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is 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, 2019, on our consideration of the City of Canton'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 of Canton's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a period at the end.

Julian & Grube, Inc.
June 25, 2019

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CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

The management's discussion and analysis (MD&A) of the City of Canton's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City's net position increased \$13.1 million as a result of this year's operations. Net position of the business-type activities increased by \$6.0 million from 2017's restated net position, or 5.25 percent, and net position of governmental activities increased by \$7.1 million, or 25.25 percent from 2017's restated net position.
- General revenues accounted for \$74.4 million, or 63.76 percent, of total governmental activities revenue. Program specific revenues accounted for \$42.3 million, or 36.24 percent, of total governmental activities revenue.
- The City had \$109.6 million in expenses related to governmental activities; \$42.3 million of these expenses was offset by program specific charges for services and sales, grants or contributions. The remaining expenses of the governmental activities of \$67.3 million were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$74.4 million.
- The City's business-type activities consist of water, sewer, refuse, and building code operations. The City had \$44.8 million in expenses related to business-type activities. All of these expenses were offset by \$50.3 million of program specific charges for services and sales, grants or contributions. Program revenues were sufficient to cover expenses of the business-type activities in 2018. General revenues of the business-type activities were \$0.6 million for 2018. Overall, total revenues of the business-type activities exceeded expenses by \$6.1 million.
- The general fund had revenues and other financing sources of \$66.8 million in 2018. This represents an increase of \$3.3 million from 2017 revenues. The expenditures and other financing uses of the general fund, which totaled \$63.4 million in 2018, increased \$4.6 million from 2017. The net increase in fund balance for the general fund was \$3.5 million, or 121.81 percent.
- The City received no rating change in 2018; Moody's maintains a stable outlook on the City's debt.
- The City reported an operating loss of \$0.01 million in its compensated absences claim internal service fund. The total liability for compensated absences increased \$0.2 million from \$8.5 million at December 31, 2017 to \$8.7 million at December 31, 2018. During 2018, the City continued to deposit premiums equal to 125% of earned benefits of employees into the fund. The compensated absences claim internal service fund had a deficit net position of \$7.9 million at December 31, 2018.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. This annual financial report consists of a series of financial statements.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2018?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis 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 this position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

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

Governmental Activities: Most of the City's basic services are reported here, including the police, fire, street and highway maintenance, capital improvement, vehicle acquisition, parks and recreation, and general administrative. Income taxes, property taxes, undivided local government, ambulance user fees and state and federal grants finance most of these activities.

Business-Type Activities: The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, sewer and refuse operations are reported here.

The City's statement of net position and statement of activities can be found on pages 21 through 23 of this report.

Reporting the City's Most Significant Funds

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 other state and 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. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes (Ex. parking deck fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (Ex. grants received from the U.S. Department of Housing and Urban Development). The analysis of the City's major governmental and proprietary funds begins on page 15.

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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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be 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 governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the 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 a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, the community and economic development fund, the capital projects fund and the motor vehicles purchase fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 24 through 33 of this report.

Proprietary funds

When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as a statement of cash flows. We use internal service funds, health insurance, worker's compensation insurance, and compensated absences claim funds, (the other component of proprietary funds) to report activities that provide a service to the City's other programs and activities. The basic proprietary fund financial statements can be found on pages 34 through 41 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Private-purpose trust and agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 42 and 43 of this report.

Required Supplementary Information (RSI)

The RSI contains information regarding the City's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and Ohio Police and Fire Retirement System (OP&F) net pension liability/net pension asset and the City's schedule of contributions to OPERS and OP&F. The RSI can be found on pages 112-124 of this report.

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Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 45 through 110 of this report.

Government-Wide Financial Analysis

The table below (Table 1) provides a summary of the City's net position at December 31, 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3.

Table 1
Net Position
(In Millions)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|----------------------------|------------------|-----------------------------|------------------|----------|------------------|
| | 2018 | Restated 2017 | 2018 | Restated 2017 | 2018 | Restated 2017 |
| <u>Assets</u> | | | | | | |
| Current and other assets | \$ 69.2 | \$ 60.5 | \$ 53.4 | \$ 58.5 | \$ 122.6 | \$ 119.0 |
| Capital assets, net | 144.4 | 137.7 | 197.4 | 191.6 | 341.8 | 329.3 |
| Total assets | 213.6 | 198.2 | 250.8 | 250.1 | 464.4 | 448.3 |
| Deferred outflows of resources | 20.2 | 22.4 | 4.2 | 7.8 | 24.4 | 30.2 |
| <u>Liabilities</u> | | | | | | |
| Current and other liabilities | \$ 25.0 | \$ 26.2 | \$ 13.7 | \$ 21.9 | \$ 38.7 | \$ 48.1 |
| Long-term liabilities: | | | | | | |
| Due in more than one year | 10.7 | 10.4 | 93.7 | 92.5 | 104.4 | 102.9 |
| Net pension liability | 77.6 | 88.5 | 13.3 | 19.5 | 90.9 | 108.0 |
| Net OPEB liability | 66.6 | 56.7 | 9.2 | 8.7 | 75.8 | 65.4 |
| Total liabilities | 179.9 | 181.8 | 129.9 | 142.6 | 309.8 | 324.4 |
| Deferred inflows of resources | 18.7 | 10.7 | 4.4 | 0.7 | 23.1 | 11.4 |
| <u>Net position</u> | | | | | | |
| Net investment in capital assets | 134.3 | 127.2 | 93.4 | 80.1 | 227.7 | 207.3 |
| Restricted | 19.6 | 20.4 | - | - | 19.6 | 20.4 |
| Unrestricted | (118.7) | (119.5) | 27.3 | 34.5 | (91.4) | (85.0) |
| Total net position | \$ 35.2 | \$ 28.1 | \$ 120.7 | \$ 114.6 | \$ 155.9 | \$ 142.7 |

The City applies Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability/asset to the reported net position and subtracting deferred outflows related to pension.

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$84.6 million to \$28.1 million for governmental activities and \$123.2 million to \$114.6 million for business-type activities.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2018, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$155.9 million. At year-end, net position was \$35.2 million and \$120.7 million 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 net position. At year-end, capital assets, net represented 73.60 percent of total assets. Capital assets include land, construction in progress, buildings and structures, vehicles, equipment and infrastructure. The net investment in capital assets at December 31, 2018, was \$134.3 million and \$93.4 million 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 are not used to liquidate these liabilities.

As of December 31, 2018, the City is not 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 net position, \$19.6 million represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$91.4 million may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements.

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The table below (Table 2) shows the changes in net position for fiscal year 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3.

Table 2
Change in Net Position
(In Millions)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|------------------|-----------------------------|------------------|-----------------|------------------|
| | 2018 | Restated 2017 | 2018 | Restated 2017 | 2018 | Restated 2017 |
| | <u>Revenues</u> | | | | | |
| Program revenues: | | | | | | |
| Charges for services and sales | \$ 14.5 | \$ 14.1 | \$ 43.3 | \$ 41.9 | \$ 57.8 | \$ 56.0 |
| Operating grants and contributions | 19.6 | 16.5 | 0.1 | 0.1 | 19.7 | 16.6 |
| Capital grants and contributions | 8.2 | 7.0 | 6.9 | 2.6 | 15.1 | 9.6 |
| Total program revenues | <u>42.3</u> | <u>37.6</u> | <u>50.3</u> | <u>44.6</u> | <u>92.6</u> | <u>82.2</u> |
| General revenues: | | | | | | |
| City income taxes | 53.5 | 50.0 | - | - | 53.5 | 50.0 |
| Property taxes | 5.5 | 5.2 | - | - | 5.5 | 5.2 |
| Intergovernmental (grants and entitlements) | 7.1 | 7.5 | - | - | 7.1 | 7.5 |
| PILOTS | 0.1 | - | - | - | 0.1 | - |
| Other local taxes | 0.7 | - | - | - | 0.7 | - |
| Interest and investment earnings | 0.7 | 0.5 | - | - | 0.7 | 0.5 |
| Other | 6.8 | 4.6 | 0.6 | 3.7 | 7.4 | 8.3 |
| Total general revenues | <u>74.4</u> | <u>67.8</u> | <u>0.6</u> | <u>3.7</u> | <u>75.0</u> | <u>71.5</u> |
| Total revenues | <u>116.7</u> | <u>105.4</u> | <u>50.9</u> | <u>48.3</u> | <u>167.6</u> | <u>153.7</u> |
| <u>Expenses</u> | | | | | | |
| Program expenses: | | | | | | |
| General government | 23.8 | 20.6 | - | - | 23.8 | 20.6 |
| Security of persons and property | 51.2 | 42.6 | - | - | 51.2 | 42.6 |
| Public health | 9.1 | 7.2 | - | - | 9.1 | 7.2 |
| Transportation | 13.2 | 10.9 | - | - | 13.2 | 10.9 |
| Community environment | 6.1 | 8.4 | - | - | 6.1 | 8.4 |
| Leisure time activities | 5.4 | 5.0 | - | - | 5.4 | 5.0 |
| Interest and fiscal charges | 0.8 | 0.4 | - | - | 0.8 | 0.4 |
| Water | - | - | 18.1 | 17.8 | 18.1 | 17.8 |
| Sewer | - | - | 17.8 | 17.4 | 17.8 | 17.4 |
| Refuse | - | - | 6.7 | 6.7 | 6.7 | 6.7 |
| Building | - | - | 2.2 | 1.9 | 2.2 | 1.9 |
| Total program expenses | <u>109.6</u> | <u>95.1</u> | <u>44.8</u> | <u>43.8</u> | <u>154.4</u> | <u>138.9</u> |
| Increase (decrease) in net position | 7.1 | 10.3 | 6.1 | 4.5 | 13.2 | 14.8 |
| Net position at beginning of year (restated) | 28.1 | N/A | 114.6 | N/A | 142.7 | N/A |
| Net position at end of year | <u>\$ 35.2</u> | <u>\$ 28.1</u> | <u>\$ 120.7</u> | <u>\$ 114.6</u> | <u>\$ 155.9</u> | <u>\$ 142.7</u> |

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The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$0.3 million for governmental activities and \$0.1 million for business-type activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$5.4 million in governmental activities and \$0.8 million in business-type activities.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

| | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| Total 2018 program expenses under GASB 75 | 109.6 | 44.8 |
| OPEB expense under GASB 75 | (5.4) | (0.8) |
| 2018 contractually required contributions | 0.1 | - |
| Adjusted 2018 program expenses | 104.3 | 44.0 |
| Total 2017 program expenses under GASB 45 | 95.1 | 43.8 |
| Increase (decrease) in program expenses not related to OPEB | 9.2 | 0.2 |

Governmental Activities

The 2.5 percent income tax is the largest revenue source for the City. Designated by ordinance, the capital projects fund receives 18 percent of net income tax received. In addition, the motor vehicle purchase fund receives 4 percent, the neighborhood fund receives 2 percent and the comprehensive fund receives 12% of net income tax received. The remaining 64 percent is allocated to the general fund and is used for such things as police and fire protection, street maintenance, and other purposes determined by council.

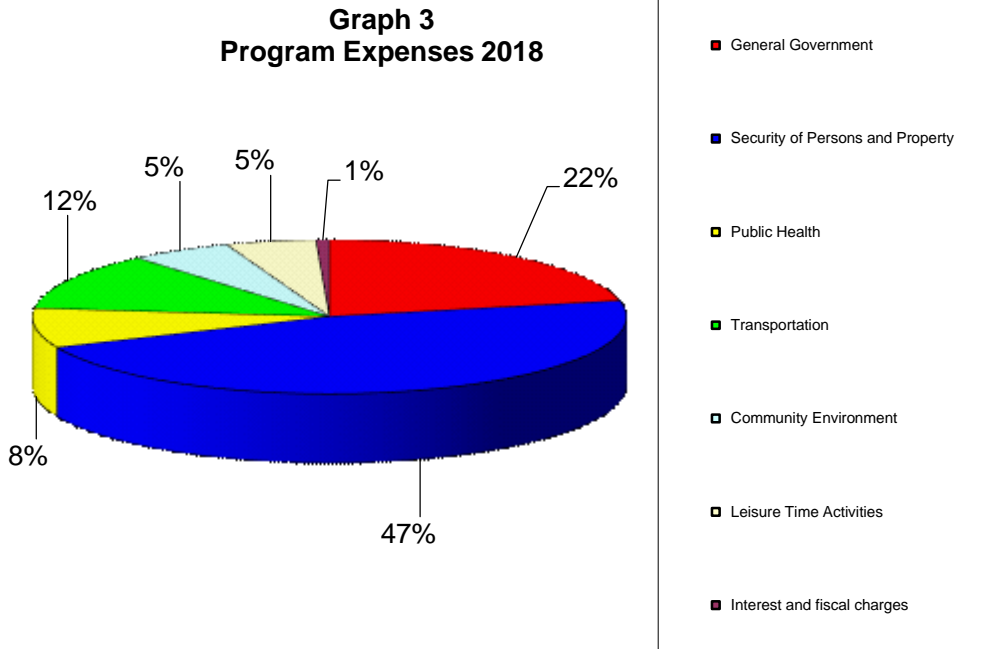
When looking at sources of income to support governmental activities, it should be noted that charges for services are only 12.37 percent of governmental activities revenue. Revenues provided by sources other than city residents in the form of operating grants and contributions, capital grants and contributions and grants and entitlements not restricted to specific programs comprise another 29.97 percent. The remaining revenues are primarily generated locally through property taxes (4.72 percent) and income taxes (45.81 percent).

Overall, governmental activities revenues increased \$11.3 million primarily due to an increase in city income tax collections (\$3.5 million) and operating grants and contributions (\$3.1 million). Income tax revenue increased primarily due to the passage of an additional 0.5 percent increase to the income tax rate, which took effect July 1, 2018. Operating grants and contributions increased due to the City receiving more monies from the federal and state governments.

Overall, governmental activities expenses increased \$14.5 million primarily due to increases in security of persons and property (\$8.6 million) and general government (\$3.2 million). Security of persons and property increased primarily due to increased expenses related to the administration of the police and fire departments of the City and an increase in the OPEB expense, which is out of the City's control. General government increased as a result of increased expenses related to the collection of the City's income taxes.

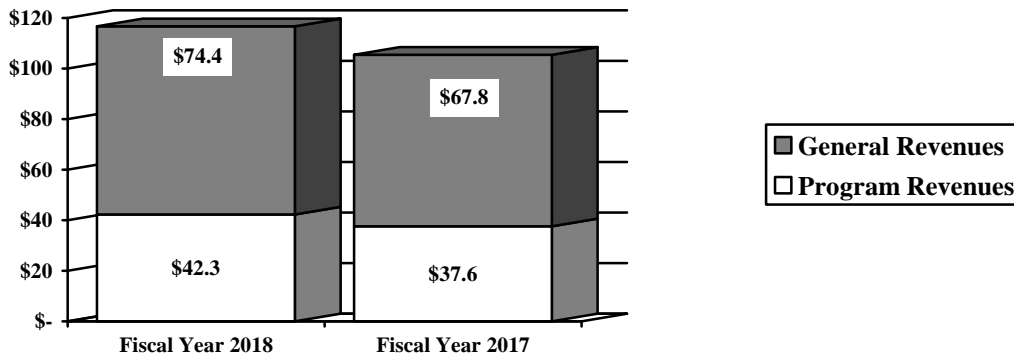
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Graph 3 represents the cost of each of the City's governmental programs: security of persons and property, general government, transportation, public health, leisure time activities, community environment, and interest and fiscal charges. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. The decrease in the net cost demonstrates the greater ability to recover the cost of the program under the current revenue policies. As indicated by governmental program expenses, citizen's safety, health, and well-being is emphasized.



The graph below compares the City's general revenues (which includes property taxes, income taxes and unrestricted grants and entitlements) and program revenues for fiscal year 2018 and 2017.

**Graph 4
Governmental Activities – General and Program Revenues (In Millions)**



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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.

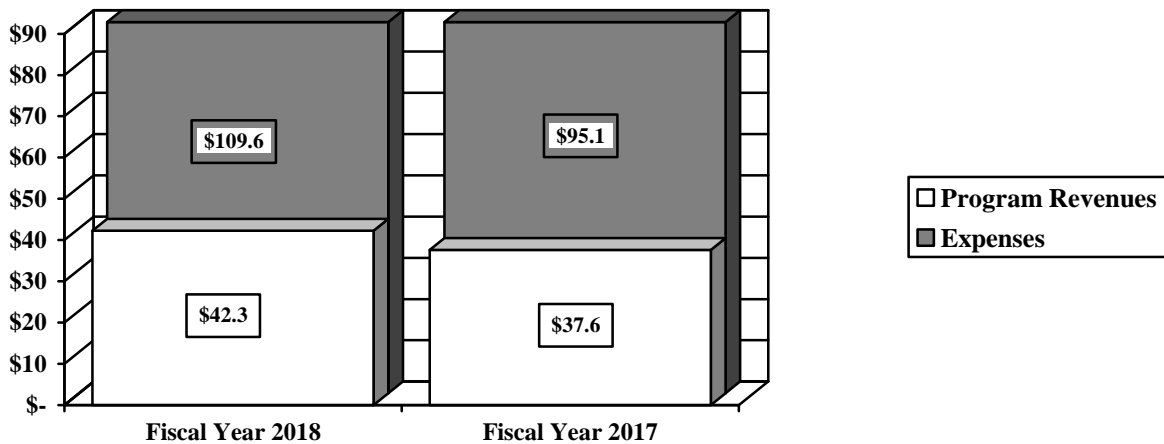
Table 5
Governmental Activities (In Millions)

| | Total Cost of Services 2018 | Net Cost of Services 2018 | Total Cost of Services 2017 | Net Cost of Services 2017 |
|----------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Program expenses: | | | | |
| General government | \$ 23.8 | \$ 12.1 | \$ 20.6 | \$ 12.1 |
| Security of persons and property | 51.2 | 42.2 | 42.6 | 34.7 |
| Public health | 9.1 | 3.5 | 7.2 | 2.7 |
| Transportation | 13.2 | 2.9 | 10.9 | 1.3 |
| Community environment | 6.1 | 0.9 | 8.4 | 2.0 |
| Leisure time activities | 5.4 | 4.9 | 5.0 | 4.4 |
| Interest and fiscal charges | 0.8 | 0.8 | 0.4 | 0.4 |
| Total | <u>\$ 109.6</u> | <u>\$ 67.3</u> | <u>\$ 95.1</u> | <u>\$ 57.6</u> |

The dependence upon general revenues for governmental activities is apparent, with 61.41 percent of expenses supported through taxes and other general revenues.

The graph below compares the City's governmental activities program revenues and total governmental activities expenses for fiscal year 2018 and 2017.

Graph 6
Governmental Activities – Program Revenues vs. Total Expenses (In Millions)

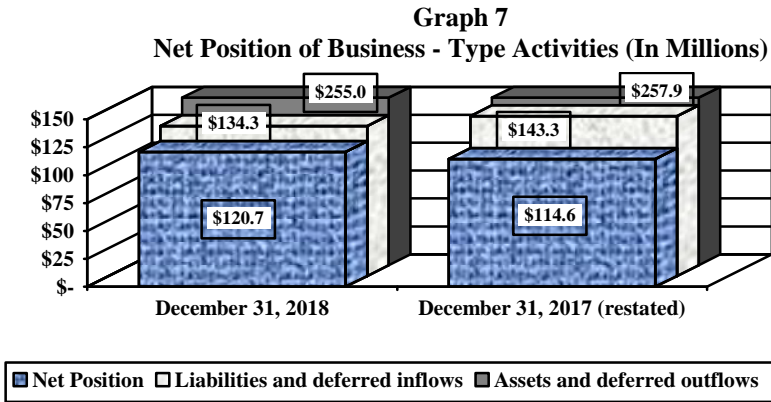


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Business-Type Activities

The net position of the business-type activities, include the water, sewer, refuse and building code enterprise funds. For a description of these funds, see the accompanying notes to the basic financial statements. These programs had program revenues of \$50,297,072 million and general revenues of \$0.6 million which were sufficient to support the total expenses of \$44.9 million. Total revenues exceeded total expenses by \$6.0 million in 2018. The graph below shows the business-type activities assets, liabilities and deferred inflows and net position at year-end. The net position at December 31, 2017 has been restated as described in Note 3.

Net Position in Business - Type Activities



The basic financial statements for the major funds are included in this report. Because the focus on business-type activities is a cost of service measurement or capital maintenance, we have included an assessment of the capital asset balances for the business-type activities in Graph 10 which is located on page 18.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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. 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 pages 24 and 25) reported a combined fund balance of \$30.3 million which is \$8.4 million higher than last year's total of \$21.9 million. The schedule below indicates the fund balances as of December 31, 2018 and 2017 for the governmental funds.

**Table 8
Fund Balances (deficit) (In Millions)**

| | 12/31/18 | 12/31/17 | Increase (Decrease) |
|------------------------------------|----------------|----------------|------------------------|
| Major funds: | | | |
| General | \$ 6.3 | \$ 2.8 | \$ 3.5 |
| Community and economic development | 1.1 | 1.2 | (0.1) |
| Capital projects | 6.0 | 5.8 | 0.2 |
| Motor vehicle purchase | 1.0 | 0.6 | 0.4 |
| Nonmajor governmental funds | 15.9 | 11.5 | 4.4 |
| Total | \$ 30.3 | \$ 21.9 | \$ 8.4 |

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General Fund

Fund balance of the general fund increased \$3.5 million from 2017 primarily due to an increase of \$2.5 million in operating grants revenue and an increase in other revenues of \$1.0 million. Operating grants increased as the City received more monies from the federal and state governments. Other revenues increased primarily due to increased reimbursements. Expenditures of the general fund increased \$6.1 million from 2017.

Community and Economic Development Fund

Fund balance of the community and economic development fund decreased \$0.1 million from the prior year. Revenues decreased \$0.3 million from \$4.2 million in 2017 to \$3.9 million in 2018 primarily due to decreased operating grants. Expenditures decreased \$0.1 million from \$4.1 million in 2017 to \$4.0 million in 2018 due to decreased community environment projects. The community and economic development fund had \$0.5 million in economic development loans receivable at December 31, 2018.

Capital Projects Fund

Fund balance of the capital projects fund increased \$0.2 million from \$5.8 million at December 31, 2017 to \$6.0 million at December 31, 2018. Revenues and other financing sources decreased \$0.4 million from \$10.0 million in 2017 to \$9.6 million in 2018. Expenditures increased \$1.5 million from \$7.9 million in 2017 to \$9.4 million in 2018. Debt service payments decreased as debt was paid down from the prior year.

Motor Vehicle Purchase Fund

Fund balance of the motor vehicle purchase fund increased \$0.4 million from \$0.6 million at December 31, 2017 to \$1.0 million at December 31, 2018. Revenues and other financing sources decreased \$1.2 million from 2017 levels at \$3.5 million. Expenditures decreased \$1.5 million from \$3.3 million in 2017 to \$1.8 million in 2018 due to decreased capital purchases made by the City in 2018.

Nonmajor Governmental Funds

Fund balance of the nonmajor governmental funds increased \$4.3 million from \$11.5 million at December 31, 2017 to \$15.9 million at December 31, 2018. Revenues increased \$8.7 million from \$23.6 million in 2017 to \$32.3 million in 2018 due to an increase in capital grants of approximately \$3.5 million and an increase in income taxes of \$4.4 million. Expenditures increased \$2.5 million from \$30.2 million in 2017 to \$32.7 million in 2018 primarily in the area of public health. In addition, the City entered into notes SIB loan agreements in 2018. Loan proceeds in the amount of \$4.6 million were reported in the nonmajor governmental funds in 2018.

General Fund Budgeting Highlights

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Alternative Tax Budget, the Certificate of Estimated Resources and the Appropriation Ordinance: all are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the account level split between salary and non-salary line items. Any budgetary modifications above account group level may only be made by resolution of City Council.

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(UNAUDITED)

The City's fully automated financial system also maintains budgetary control through its requisition/purchase order/encumbrance feature. Department requisitions, which if processed, would result in an overrun of budget are placed into suspense and can only be authorized when additional appropriations are made available through Council ordinance or departmental transfer. The security of the financial system prohibits commitments in excess of appropriations. Requisitions not completed are removed at the close of each month. Requisitions meeting the required criteria are processed by the City Auditor resulting in the required purchase order. The purchase order provides for the reserved encumbrance against the current budget.

The City Auditor continually monitors the encumbrances and expenditures against the budgeted appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over balances less carry over encumbrances at year-end, the County Auditor arrives at and issues the Certificate of Estimated Resources for the City. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's certificate.

The City's general fund reported a \$3.0 million increase to original estimated revenues and other financing sources of \$68.0 million to arrive at the final estimated revenues of \$71.0 million. The primary increases were in the areas of income taxes (\$1.0) and operating grants of (\$2.0 million). The actual revenue was more than final budgeted revenue by \$3.6 million.

The general fund variance from original budgeted expenditures to final budgeted expenditures was an increase of \$5.3 million. The primary areas of increase were \$2.9 million in security of persons and property and \$0.6 million in transfers out. The final budgeted expenditures of \$75.8 million exceeded actual expenditures of \$72.8 million by \$3.0 million. The actual expenditures of \$72.8 million were approximately \$2.3 million higher than the original budgeted expenditures.

Financial Analysis of the Proprietary Funds

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 and internal balances due to governmental activities for internal service activities. The only interfund activity 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 water operating fund, the sewer operating fund, and the building code fund (a nonmajor enterprise fund) had net position increases of \$4.7 million, \$1.8 million, and \$0.2 million, respectively. The refuse operating fund had a decrease in net position of \$0.9 million. The water operating fund experienced an increase in operating revenue of 3.76 percent while the sewer operating fund experienced a decrease in operating revenue of 15.02 percent, respectively from the prior year. The water operating fund had an increase in operating expenses of 2.42 percent from the prior year while the sewer operating fund had an increase in operating expenses of 3.57 percent from the prior year. The Refuse Fund's operating revenue increased 0.67 percent from 2017 while operating expenses remained consistent with the prior year. These two factors caused the refuse operating fund to report a decrease in net position of \$0.9 million in 2018 versus a decrease in net position of \$0.9 million in 2017. The building code fund (nonmajor enterprise fund) had an increase of \$0.5 million in operating revenues from 2017 while operating expenses increased \$0.3 million. These factors caused an increase in net position of \$0.2 million in 2018 as compared to a decrease in net position of \$0.01 million in 2017.

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the City had \$341.8 million invested in a variety of capital assets, including police and fire equipment, land, buildings, park facilities, roads, bridges, and water and sewer lines (see following graphs). This amount represents a net increase from prior year.

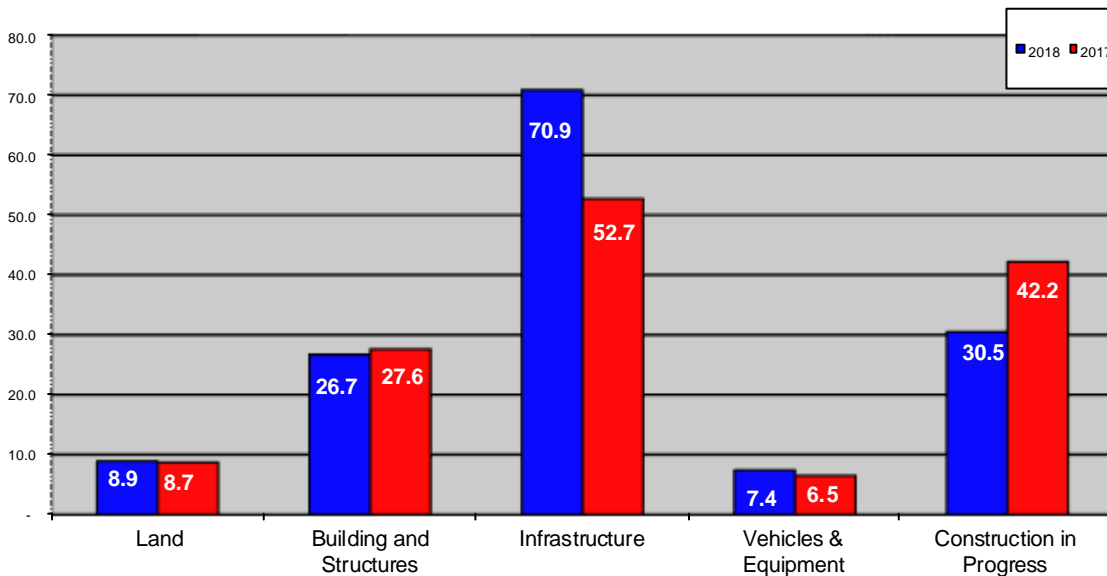
Major additions for the governmental activities include both projects completed in 2018 and removed from construction in progress as well as projects that remain construction in progress at December 31, 2018. These projects include ongoing major road and storm sewer projects, park equipment additions and renovations, and a major street lighting upgrade.

Additions to Business-Type Activities included additional water and sewer line construction, the continuation of a major renovation project at the City's Water Reclamation Plant, and ongoing restoration work at two of the City's water plants

The City's 2018 capital budget anticipates a spending level of \$3.5 million for capital projects. The City will continue to spend the balance remaining of the \$3.4 million generated from the sale of general obligation bonds during 2006 to construct a scaled back version of a scaled back version of a community water park for the youth of the City. The water park plans have been greatly reduced since its inception in 2006. In fact, in 2009, 2010, and 2011 the City spent a portion of the unspent portion of the 2006 issuance, dedicated for both Mallonn Park and the water park, to retire the corresponding years principal and interest due on the aforementioned bonds. In early 2015, the City entered into contracts for a scaled down version of the water park. The prior portion of this issuance expended was used for constructing a fire station, additional building improvement and expansion to City Hall, improve infrastructure and city parks expansion and developments

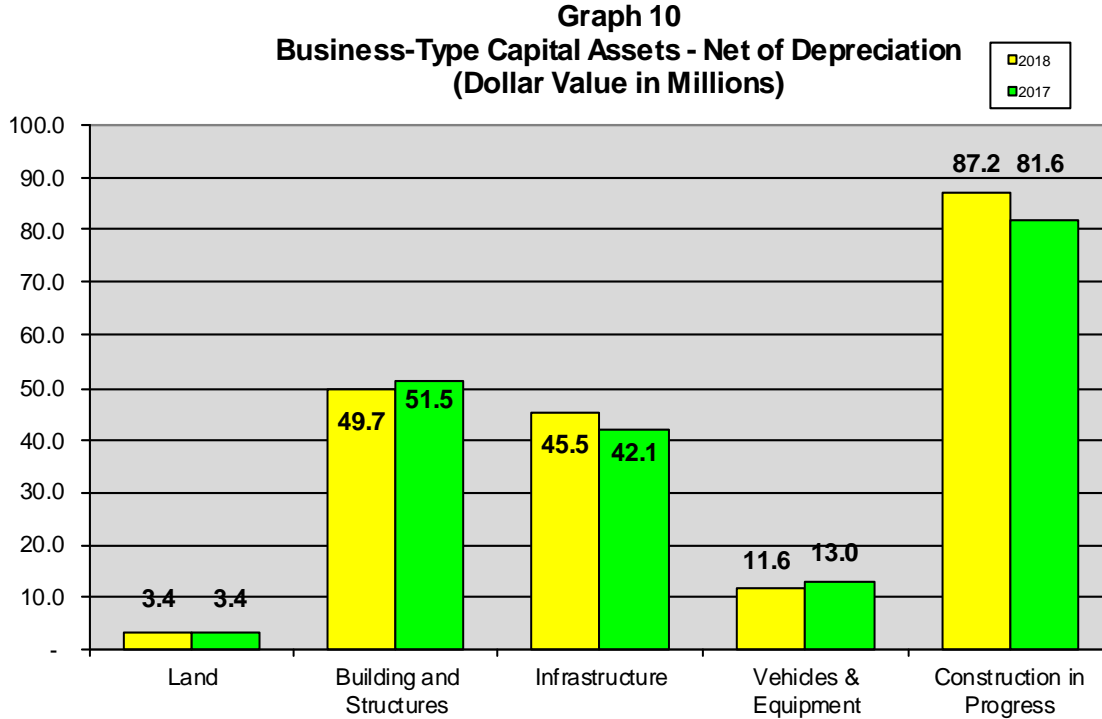
More detailed information about the City's capital assets is presented in Note 7 to the basic financial statements. The graph below reflects the City's governmental activities capital assets, net of accumulated depreciation, for December 31, 2018 and 2017:

**Graph 9
Governmental Capital Assets-Net of Depreciation
(Dollar Value in Millions)**



**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

The graph below reflects the City's business-type activities capital assets, net of accumulated depreciation, for December 31, 2018 and 2017:



Debt

At December 31, 2018, the City did not have any outstanding governmental activities general obligation bonds.

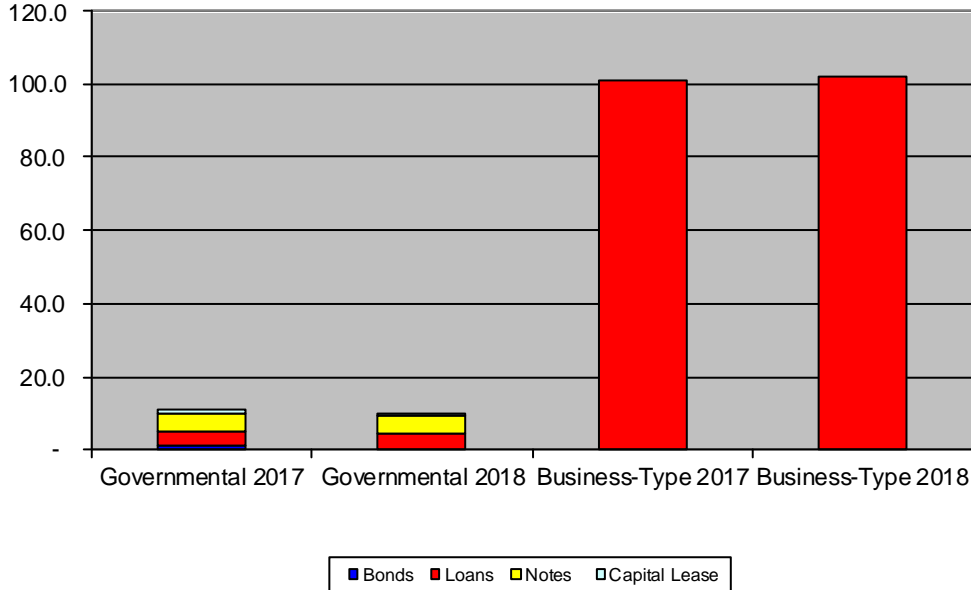
**Table 11
General Obligation Bond Debt Outstanding at Year End**

| | Governmental Activities | |
|-----------------------------------|-------------------------|--------|
| | 2018 | 2017 |
| Unvoted General Obligation Bonds: | | |
| 2009 Refunding Bonds | \$ - | \$ 1.1 |

At December 31, 2018, the City had outstanding long-term debt obligations in the amount of \$17.0 million down from \$18.0 million in 2017 for the governmental activities this represents a 5.32 percent decrease. The City's business-type activities debt obligation as of December 31, 2018 was \$103.9 million which is an increase from \$101.0 million in 2017. This represents an increase of 2.87 percent. The breakout on debt is presented in the graph on the following page.

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

**Graph 12
Total Debt Outstanding by Type**



During 2018, the City issued \$5.9 million in notes payable and retired \$6.2 million in notes payable. The balance of the City's notes payable at December 31, 2018 is \$5.9 million. See Note 11 to the basic financial statements for more information on the City's note obligations.

In 2018, no adjustments were made to the City's credit rating; however, in 2012 Moody's Investor Services confirmed the City's rating of A1 and changed its negative outlook to stable. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City negative outlook on a general obligation bond issue. Fitch Rating service did not evaluate the City in 2013; however, Fitch had previously downgraded the City from AA- to A+ but said its outlook is stable. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 9 to the basic financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Richard A. Mallonn II-City Auditor, City of Canton, 218 Cleveland Ave., Canton, Ohio 44702. (Phone 330-489-3226 or Fax 330-580-2067).

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2018

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|----------------|----------------|
| | Governmental Activities | Business-type Activities | Total | CCIC |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 36,859,719 | \$ 41,323,512 | \$ 78,183,231 | \$ 71,564 |
| Cash with fiscal agents | 3,019 | - | 3,019 | - |
| Cash in segregated accounts | - | 817,388 | 817,388 | - |
| Receivables: | | | | |
| Income taxes | 5,883,599 | - | 5,883,599 | - |
| Property taxes | 7,764,799 | - | 7,764,799 | - |
| Accounts | 4,215,560 | 7,839,330 | 12,054,890 | - |
| Accrued interest | 141,946 | - | 141,946 | - |
| Due from other governments | 11,117,879 | 1,410,855 | 12,528,734 | - |
| Loans receivable | 2,211,144 | - | 2,211,144 | - |
| Materials and supplies inventory | 381,524 | 2,259,743 | 2,641,267 | - |
| Net pension asset | 236,042 | 145,315 | 381,357 | - |
| Internal balance | 398,561 | (398,561) | - | - |
| Capital assets: | | | | |
| Land and construction in progress | 39,400,499 | 90,606,044 | 130,006,543 | 789,761 |
| Depreciable capital assets, net | 104,974,806 | 106,813,164 | 211,787,970 | 72,826 |
| Total capital assets, net | 144,375,305 | 197,419,208 | 341,794,513 | 862,587 |
| Total assets | 213,589,097 | 250,816,790 | 464,405,887 | 934,151 |
| Deferred outflows of resources: | | | | |
| Pension | 13,555,638 | 3,475,013 | 17,030,651 | - |
| OPEB | 6,649,833 | 759,647 | 7,409,480 | - |
| Total deferred outflows of resources | 20,205,471 | 4,234,660 | 24,440,131 | - |
| Liabilities: | | | | |
| Accounts payable | 5,262,662 | 1,657,418 | 6,920,080 | - |
| Contracts payable | - | 1,751,895 | 1,751,895 | - |
| Accrued wages and benefits payable | 2,523,175 | 738,177 | 3,261,352 | 1,419 |
| Due to other governments | 590,005 | 131,271 | 721,276 | - |
| Retainage payable | 63,854 | 877,520 | 941,374 | - |
| Accrued interest payable | 490,228 | - | 490,228 | - |
| Note payable | 5,950,000 | - | 5,950,000 | - |
| Claims payable | 2,170,009 | - | 2,170,009 | - |
| Long-term liabilities: | | | | |
| Due within one year | 8,013,404 | 8,507,396 | 16,520,800 | - |
| Due greater than one year: | | | | |
| Net Pension Liability | 77,565,860 | 13,349,640 | 90,915,500 | - |
| Net OPEB Liability | 66,585,632 | 9,233,286 | 75,818,918 | - |
| Other amounts due in more than one year | 10,660,334 | 93,697,257 | 104,357,591 | - |
| Total liabilities | 179,875,163 | 129,943,860 | 309,819,023 | 1,419 |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year | 5,829,737 | - | 5,829,737 | - |
| Pension | 11,060,417 | 3,648,489 | 14,708,906 | - |
| OPEB | 1,773,762 | 801,477 | 2,575,239 | - |
| Total deferred inflows of resources | 18,663,916 | 4,449,966 | 23,113,882 | - |
| Net position: | | | | |
| Net investment in capital assets | 134,323,608 | 93,402,528 | 227,726,136 | 862,587 |
| Restricted for: | | | | |
| Community development programs | 9,220,477 | - | 9,220,477 | - |
| Street construction, maintenance, and repair | 552,759 | - | 552,759 | - |
| Public health service programs | 328,612 | - | 328,612 | - |
| Safety and security programs and supplies | 1,305,831 | - | 1,305,831 | - |
| Court programs | 1,274,804 | - | 1,274,804 | - |
| Other purposes | 988,847 | - | 988,847 | - |
| City owned parking decks | 214,438 | - | 214,438 | - |
| Debt service | 69,497 | - | 69,497 | - |
| Capital projects | 5,653,245 | - | 5,653,245 | - |
| Unrestricted (deficit) | (118,676,629) | 27,255,096 | (91,421,533) | 70,145 |
| Total net position | \$ 35,255,489 | \$ 120,657,624 | \$ 155,913,113 | \$ 932,732 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Expenses</u> | <u>Program Revenues</u> | | |
|--|-----------------------|---|---|---|
| | | <u>Charges for Services and Sales</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary Government: | | | | |
| <i>Governmental activities:</i> | | | | |
| General government | \$ 23,835,090 | \$ 7,771,241 | \$ 3,933,019 | \$ - |
| Security of persons and property | 51,177,610 | 5,409,948 | 3,605,273 | - |
| Public health | 9,104,599 | 1,019,334 | 4,609,682 | - |
| Transportation | 13,157,017 | 53,477 | 1,927,539 | 8,231,824 |
| Community environment | 6,073,153 | - | 5,143,843 | - |
| Leisure time activities. | 5,396,449 | 183,261 | 367,517 | - |
| Interest and fiscal charges | 832,149 | 242 | 34,267 | - |
| Total governmental activities | <u>109,576,067</u> | <u>14,437,503</u> | <u>19,621,140</u> | <u>8,231,824</u> |
| <i>Business-type activities:</i> | | | | |
| Water | 18,111,531 | 19,153,280 | - | 3,637,490 |
| Sewer | 17,822,870 | 15,955,328 | - | 3,243,855 |
| Refuse | 6,739,833 | 5,817,983 | 75,606 | - |
| Building Code | 2,222,500 | 2,413,530 | - | - |
| Total business-type activities | <u>44,896,734</u> | <u>43,340,121</u> | <u>75,606</u> | <u>6,881,345</u> |
| Total primary government | <u>\$ 154,472,801</u> | <u>\$ 57,777,624</u> | <u>\$ 19,696,746</u> | <u>\$ 15,113,169</u> |
| Component Unit: | | | | |
| CCIC | <u>\$ 126,439</u> | <u>\$ -</u> | <u>\$ 125,700</u> | <u>\$ -</u> |

General revenues:

Municipal income taxes levied for:

| | |
|--|--|
| General purposes | |
| Community development | |
| Capital outlay. | |
| Property and other taxes | |
| Other local taxes | |
| Payments in lieu of taxes | |
| Grants and entitlements not restricted to specific programs | |
| Interest and investment earnings | |
| (Decrease) in fair value of investments | |
| Gain on sale of capital assets | |
| Miscellaneous | |

Total general revenues

Change in net position

Net position at beginning of year (restated)

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 | CCIC |
| \$ (12,130,830) | \$ - | \$ (12,130,830) | \$ - |
| (42,162,389) | - | (42,162,389) | - |
| (3,475,583) | - | (3,475,583) | - |
| (2,944,177) | - | (2,944,177) | - |
| (929,310) | - | (929,310) | - |
| (4,845,671) | - | (4,845,671) | - |
| (797,640) | - | (797,640) | - |
| <u>(67,285,600)</u> | <u>-</u> | <u>(67,285,600)</u> | <u>-</u> |
| - | 4,679,239 | 4,679,239 | - |
| - | 1,376,313 | 1,376,313 | - |
| - | (846,244) | (846,244) | - |
| - | 191,030 | 191,030 | - |
| <u>-</u> | <u>5,400,338</u> | <u>5,400,338</u> | <u>-</u> |
| <u>(67,285,600)</u> | <u>5,400,338</u> | <u>(61,885,262)</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(739)</u> |
| 37,362,894 | - | 37,362,894 | - |
| 4,524,704 | - | 4,524,704 | - |
| 11,569,126 | - | 11,569,126 | - |
| 5,503,406 | - | 5,503,406 | - |
| 661,955 | - | 661,955 | - |
| 144,666 | - | 144,666 | - |
| 7,116,496 | - | 7,116,496 | - |
| 683,204 | - | 683,204 | - |
| (19,433) | - | (19,433) | - |
| - | 30,069 | 30,069 | 1,886 |
| <u>6,846,994</u> | <u>582,975</u> | <u>7,429,969</u> | <u>10,693</u> |
| <u>74,394,012</u> | <u>613,044</u> | <u>75,007,056</u> | <u>12,579</u> |
| 7,108,412 | 6,013,382 | 13,121,794 | 11,840 |
| <u>28,147,077</u> | <u>114,644,242</u> | <u>142,791,319</u> | <u>920,892</u> |
| <u>\$ 35,255,489</u> | <u>\$ 120,657,624</u> | <u>\$ 155,913,113</u> | <u>\$ 932,732</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

| | General | Community and Economic Development | Capital Projects | Motor Vehicle Purchase |
|---|----------------------|--|---------------------|------------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 8,391,979 | \$ 430,613 | \$ 6,024,944 | \$ 830,070 |
| Cash with fiscal agent. | - | - | - | - |
| Receivables: | | | | |
| Accounts. | 2,869,753 | 344,364 | 315 | - |
| Interfund loans. | 61,960 | - | - | - |
| Accrued interest | 141,858 | - | - | - |
| Municipal income taxes | 3,765,503 | - | 1,059,048 | 235,344 |
| Property and other taxes | 3,100,229 | - | - | - |
| Due from other funds | 308,049 | - | - | - |
| Due from other governments. | 3,279,458 | 3,759,769 | 1,214 | - |
| Loans receivable. | 1,743,704 | 467,440 | - | - |
| Materials and supplies inventory. | 344,350 | - | - | - |
| Total assets | \$ 24,006,843 | \$ 5,002,186 | \$ 7,085,521 | \$ 1,065,414 |
| Liabilities: | | | | |
| Accounts payable. | \$ 831,651 | \$ 368,072 | \$ 770,525 | \$ 800 |
| Retainage payable | - | - | 14,670 | - |
| Accrued wages and benefits payable | 1,948,615 | 16,432 | 92,989 | - |
| Interfund loans payable. | - | - | - | - |
| Due to other funds | 218,085 | 35,304 | 4,562 | - |
| Due to other governments | 444,237 | 7,209 | 15,783 | - |
| Note payable | 5,950,000 | - | - | - |
| Accrued interest payable | 267,438 | - | - | - |
| Total liabilities | 9,660,026 | 427,017 | 898,529 | 800 |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year | 2,335,007 | - | - | - |
| Delinquent property tax revenue not available | 765,222 | - | - | - |
| Accrued interest not available | 68,268 | - | - | - |
| Other local taxes not available | - | - | - | - |
| Miscellaneous revenue not available | 590,720 | - | - | - |
| Income tax revenue not available | 612,181 | - | 172,176 | 38,261 |
| Charges for services revenue not available | 2,137,847 | 344,284 | - | - |
| Intergovernmental revenue not available | 1,510,289 | 3,159,408 | 1,214 | - |
| Total deferred inflows of resources | 8,019,534 | 3,503,692 | 173,390 | 38,261 |
| Fund balances: | | | | |
| Nonspendable | 464,494 | - | - | - |
| Restricted. | - | 1,071,477 | - | 1,026,353 |
| Committed | 1,051,732 | - | 6,013,602 | - |
| Assigned | 1,637,333 | - | - | - |
| Unassigned (deficit) | 3,173,724 | - | - | - |
| Total fund balances. | 6,327,283 | 1,071,477 | 6,013,602 | 1,026,353 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 24,006,843 | \$ 5,002,186 | \$ 7,085,521 | \$ 1,065,414 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Nonmajor Governmental Funds | | Total Governmental Funds | |
|--|-------------------|---|-------------------|
| \$ | 16,259,652 | \$ | 31,937,258 |
| | 3,019 | | 3,019 |
| | 151,076 | | 3,365,508 |
| | - | | 61,960 |
| | 88 | | 141,946 |
| | 823,704 | | 5,883,599 |
| | 4,664,570 | | 7,764,799 |
| | - | | 308,049 |
| | 4,010,388 | | 11,050,829 |
| | - | | 2,211,144 |
| | 37,174 | | 381,524 |
| <u>\$</u> | <u>25,949,671</u> | <u>\$</u> | <u>63,109,635</u> |
| | | | |
| \$ | 2,634,329 | \$ | 4,605,377 |
| | 49,184 | | 63,854 |
| | 311,149 | | 2,369,185 |
| | 61,960 | | 61,960 |
| | 281,581 | | 539,532 |
| | 98,985 | | 566,214 |
| | - | | 5,950,000 |
| | - | | 267,438 |
| <u></u> | <u>3,437,188</u> | <u></u> | <u>14,423,560</u> |
| | | | |
| | 3,494,730 | | 5,829,737 |
| | 1,169,840 | | 1,935,062 |
| | - | | 68,268 |
| | 102,581 | | 102,581 |
| | 9,408 | | 600,128 |
| | 133,915 | | 956,533 |
| | 6,363 | | 2,488,494 |
| | 1,737,003 | | 6,407,914 |
| <u></u> | <u>6,653,840</u> | <u></u> | <u>18,388,717</u> |
| | | | |
| | 37,174 | | 501,668 |
| | 14,600,832 | | 16,698,662 |
| | 2,042,395 | | 9,107,729 |
| | - | | 1,637,333 |
| | (821,758) | | 2,351,966 |
| <u></u> | <u>15,858,643</u> | <u></u> | <u>30,297,358</u> |
| | | | |
| <u>\$</u> | <u>25,949,671</u> | <u>\$</u> | <u>63,109,635</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018

| | | | |
|---|----|--------------|--------------|
| Total governmental fund balances | | \$ | 30,297,358 |
| <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. | | | 144,375,305 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds. | | | |
| Delinquent property taxes receivable | \$ | 1,935,062 | |
| Income taxes receivable | | 956,533 | |
| Accounts receivable | | 3,088,622 | |
| Intergovernmental receivable | | 6,407,914 | |
| Other local taxes receivable | | 102,581 | |
| Accrued interest receivable | | 68,268 | |
| Total | | 68,268 | 12,558,980 |
| 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, including an internal balance of \$398,561, are included in governmental activities on the statement of net position. | | | (5,221,363) |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. | | | (222,790) |
| The net pension asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds: | | | |
| Deferred outflows of resources - pension | | 13,555,638 | |
| Deferred inflows of resources - pension | | (11,060,417) | |
| Net pension asset | | 236,042 | |
| Net pension liability | | (77,565,860) | |
| Total | | (77,565,860) | (74,834,597) |
| The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds. | | | |
| Deferred outflows of resources | | 6,649,833 | |
| Deferred inflows of resources | | (1,773,762) | |
| Net OPEB liability | | (66,585,632) | |
| Total | | (66,585,632) | (61,709,561) |
| Long-term liabilities, including loans and notes payable and capital, lease obligations, are not due and payable in the current period and therefore are not reported in the funds. | | | |
| Loans payable | | (4,303,852) | |
| Notes payable | | (5,200,000) | |
| Capital lease obligations | | (483,991) | |
| Total | | (9,987,843) | (9,987,843) |
| Net position of governmental activities | | \$ | 35,255,489 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | General | Community and Economic Development | Capital Projects | Motor Vehicle Purchase |
|---|---------------------|--|---------------------|------------------------------|
| Revenues: | | | | |
| Property and other taxes | \$ 1,997,554 | \$ - | \$ - | \$ - |
| Municipal income taxes | 37,786,289 | - | 9,488,528 | 2,215,354 |
| Charges for services. | 10,210,370 | - | - | - |
| Licenses, permits, and fees. | 824,804 | - | - | - |
| Fines and forfeitures | 357,808 | - | - | - |
| Intergovernmental. | 7,316,262 | - | - | - |
| Interest and investment income | 673,227 | 7,137 | - | - |
| Rental income | 5,440 | - | - | - |
| Contributions and donations. | 4,745 | - | - | - |
| Operating grants | 3,777,941 | 3,838,191 | - | - |
| Capital grants | - | - | 74,871 | - |
| Payment in lieu of taxes | - | - | - | - |
| Other local taxes | - | - | - | - |
| Decrease in fair value of investments | (19,433) | - | - | - |
| Other | 2,208,485 | 93,852 | 80,225 | 53,182 |
| Total revenues | 65,143,492 | 3,939,180 | 9,643,624 | 2,268,536 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 17,911,921 | - | 748,894 | 214,805 |
| Security of persons and property | 37,272,514 | - | 289,207 | 588,366 |
| Public health. | 1,855,431 | - | - | - |
| Transportation | 1,373,384 | - | 1,725,069 | 9,231 |
| Community environment | 1,163,715 | 4,038,310 | - | - |
| Leisure time activities. | 370,315 | - | - | - |
| Capital outlay | - | - | 5,598,534 | 630,002 |
| Debt service: | | | | |
| Principal retirement. | 2,395,000 | - | 971,919 | 350,220 |
| Interest and fiscal charges | 471,166 | - | 78,757 | 22,104 |
| Total expenditures | 62,813,446 | 4,038,310 | 9,412,380 | 1,814,728 |
| Excess (deficiency) of revenues over (under) expenditures. | 2,330,046 | (99,130) | 231,244 | 453,808 |
| Other financing sources (uses): | | | | |
| Issuance of notes. | 1,700,000 | - | - | - |
| Issuance of loans. | - | - | - | - |
| Sale of capital assets. | - | - | - | 6,533 |
| Transfers in | - | - | - | - |
| Transfers (out). | (555,335) | - | - | - |
| Total other financing sources (uses) | 1,144,665 | - | - | 6,533 |
| Net change in fund balances | 3,474,711 | (99,130) | 231,244 | 460,341 |
| Fund balances at beginning of year | 2,852,572 | 1,170,607 | 5,782,358 | 566,012 |
| Fund balances at end of year | \$ 6,327,283 | \$ 1,071,477 | \$ 6,013,602 | \$ 1,026,353 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---|
| \$ 3,271,986 | \$ 5,269,540 |
| 4,390,789 | 53,880,960 |
| 1,778,873 | 11,989,243 |
| 420,217 | 1,245,021 |
| 431,259 | 789,067 |
| 3,413,902 | 10,730,164 |
| 35,414 | 715,778 |
| 76,667 | 82,107 |
| 194,418 | 199,163 |
| 7,637,889 | 15,254,021 |
| 9,486,415 | 9,561,286 |
| 144,666 | 144,666 |
| 597,512 | 597,512 |
| - | (19,433) |
| 459,129 | 2,894,873 |
| <u>32,339,136</u> | <u>113,333,968</u> |
| 1,876,827 | 20,752,447 |
| 3,668,088 | 41,818,175 |
| 6,487,728 | 8,343,159 |
| 3,323,782 | 6,431,466 |
| 682,395 | 5,884,420 |
| 3,960,958 | 4,331,273 |
| 9,073,931 | 15,302,467 |
| 3,513,767 | 7,230,906 |
| 80,744 | 652,771 |
| <u>32,668,220</u> | <u>110,747,084</u> |
| <u>(329,084)</u> | <u>2,586,884</u> |
| 3,500,000 | 5,200,000 |
| 1,108,930 | 1,108,930 |
| - | 6,533 |
| 55,335 | 55,335 |
| - | (555,335) |
| <u>4,664,265</u> | <u>5,815,463</u> |
| 4,335,181 | 8,402,347 |
| 11,523,462 | 21,895,011 |
| <u>\$ 15,858,643</u> | <u>\$ 30,297,358</u> |

**CITY OF CANTON
STARK COUNTY, 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, 2018

| | | |
|---|---------------|------------------|
| Net change in fund balances - total governmental funds | \$ | 8,402,347 |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period. | | |
| Capital asset additions | \$ 15,210,537 | |
| Current year depreciation | (8,540,367) | |
| Total | | 6,670,170 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. | | (6,533) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. | | |
| Property and other taxes | 233,866 | |
| Municipal income taxes | (424,236) | |
| Intergovernmental revenue | (1,844,398) | |
| Operating grants | 477,979 | |
| Charges for services | 403,728 | |
| Other local taxes | 64,443 | |
| Interest | 9,977 | |
| Total | | (1,078,641) |
| The issuance of loans and notes are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position. | | (6,308,930) |
| Repayment of bond, loan, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. | | |
| General obligation bond principal payments | 1,050,000 | |
| Loan principal payments | 430,686 | |
| Note principal payments | 5,400,000 | |
| Capital lease principal payments | 350,220 | |
| Total | | 7,230,906 |
| In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. | | (179,378) |
| Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | | |
| Pension | 7,020,604 | |
| OPEB | 126,297 | |
| Total | | 7,146,901 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities. | | |
| Pension | (10,331,495) | |
| OPEB | (5,414,406) | |
| Total | | (15,745,901) |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds, including an internal balance activity of \$149,008, is reported with the governmental activities on the government-wide statement of net position. | | 977,471 |
| Change in net position of governmental activities | \$ | 7,108,412 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, 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, 2018

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Property and other taxes | \$ 1,950,000 | \$ 1,950,000 | \$ 1,997,554 | \$ 47,554 |
| Municipal income taxes | 31,950,000 | 32,865,000 | 34,358,473 | 1,493,473 |
| Charges for services | 8,203,700 | 8,203,700 | 8,680,584 | 476,884 |
| Licenses, permits, and fees | 736,900 | 736,900 | 826,623 | 89,723 |
| Fines and forfeitures. | 349,500 | 349,500 | 363,729 | 14,229 |
| Intergovernmental | 6,828,558 | 6,828,558 | 7,327,208 | 498,650 |
| Interest and investment income | 420,000 | 420,967 | 592,462 | 171,495 |
| Rental income | 7,500 | 7,500 | 5,440 | (2,060) |
| Operating grants | 1,078,000 | 3,078,000 | 3,639,268 | 561,268 |
| Contributions and donations. | - | - | 4,745 | 4,745 |
| Other. | 1,396,450 | 1,396,450 | 2,361,610 | 965,160 |
| Total revenues | <u>52,920,608</u> | <u>55,836,575</u> | <u>60,157,696</u> | <u>4,321,121</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Service director support administration | 529,100 | 539,058 | 483,320 | 55,738 |
| Service director | 67,370 | 68,236 | 61,902 | 6,334 |
| Purchase administration | 439,148 | 444,017 | 425,774 | 18,243 |
| Annexation. | 13,544 | 13,544 | 6,326 | 7,218 |
| Building and maintenance | 1,226,663 | 1,294,347 | 1,207,530 | 86,817 |
| Mayor administration | 420,334 | 574,029 | 553,040 | 20,989 |
| Planning | 153,131 | 153,131 | 146,223 | 6,908 |
| Human resources. | 114,624 | 145,570 | 142,110 | 3,460 |
| Council. | 692,216 | 692,216 | 683,026 | 9,190 |
| Judges | 2,128,343 | 2,138,781 | 1,973,555 | 165,226 |
| Clerk of Courts. | 1,555,030 | 1,591,752 | 1,562,934 | 28,818 |
| Law department | 1,534,494 | 1,675,764 | 1,604,991 | 70,773 |
| Auditor's office. | 1,854,431 | 1,947,798 | 1,838,752 | 109,046 |
| Treasurer's office. | 452,961 | 679,396 | 555,987 | 123,409 |
| Civil service | 312,970 | 348,758 | 342,964 | 5,794 |
| Zoning board. | 8,574 | 8,574 | 8,520 | 54 |
| Management information systems | 1,225,024 | 1,323,933 | 1,247,978 | 75,955 |
| Total general government | <u>12,727,957</u> | <u>13,638,904</u> | <u>12,844,932</u> | <u>793,972</u> |
| Security of persons and property: | | | | |
| Safety director | 167,013 | 174,661 | 171,595 | 3,066 |
| Code enforcement | 2,025,212 | 3,042,690 | 2,669,525 | 373,165 |
| Central communication. | 1,746,795 | 1,750,501 | 1,696,039 | 54,462 |
| Police. | 16,935,366 | 18,081,206 | 17,460,915 | 620,291 |
| Fire | 14,419,271 | 15,150,867 | 14,853,802 | 297,065 |
| Traffic administration. | 685,166 | 697,916 | 684,781 | 13,135 |
| Traffic engineer/parking meters. | 208,024 | 208,024 | 190,619 | 17,405 |
| Total security of persons and property | <u>36,186,847</u> | <u>39,105,865</u> | <u>37,727,276</u> | <u>1,378,589</u> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Public health: | | | | |
| Administration | 755,245 | 771,826 | 754,792 | 17,034 |
| Nurses | 567,645 | 571,212 | 532,990 | 38,222 |
| Lab. | 280,742 | 287,140 | 258,921 | 28,219 |
| Air pollution. | 40,000 | 40,000 | 40,000 | - |
| Environmental health administration | 339,620 | 342,221 | 299,813 | 42,408 |
| Total public health | <u>1,983,252</u> | <u>2,012,399</u> | <u>1,886,516</u> | <u>125,883</u> |
| Transportation: | | | | |
| Engineering - daily operations. | 70,225 | 70,225 | 52,859 | 17,366 |
| Street department | 1,332,759 | 1,589,182 | 1,470,203 | 118,979 |
| Total transportation | <u>1,402,984</u> | <u>1,659,407</u> | <u>1,523,062</u> | <u>136,345</u> |
| Community environment: | | | | |
| Community development administration. | 1,219,647 | 1,574,476 | 1,382,520 | 191,956 |
| Community Improvement Corporation. | 50,000 | 50,000 | 50,000 | - |
| Land reutilization. | - | 3,000 | - | 3,000 |
| Historic Onesto Project | - | - | - | - |
| Total community environment | <u>1,269,647</u> | <u>1,627,476</u> | <u>1,432,520</u> | <u>194,956</u> |
| Leisure time activities: | | | | |
| Civic Center administration | 530,650 | 618,262 | 526,002 | 92,260 |
| Total leisure time activities. | <u>530,650</u> | <u>618,262</u> | <u>526,002</u> | <u>92,260</u> |
| Debt service: | | | | |
| Principal retirement | 14,895,000 | 14,895,000 | 14,895,000 | - |
| Interest and fiscal charges | 323,860 | 346,522 | 245,257 | 101,265 |
| Total debt service. | <u>15,218,860</u> | <u>15,241,522</u> | <u>15,140,257</u> | <u>101,265</u> |
| Total expenditures | <u>69,320,197</u> | <u>73,903,835</u> | <u>71,080,565</u> | <u>2,823,270</u> |
| Excess of expenditures over revenues | <u>(16,399,589)</u> | <u>(18,067,260)</u> | <u>(10,922,869)</u> | <u>7,144,391</u> |
| Other financing sources (uses): | | | | |
| Issuance of notes. | 10,000,000 | 10,000,000 | 9,650,000 | (350,000) |
| Issuance of manuscript debt. | 4,300,000 | 4,322,200 | 3,550,000 | (772,200) |
| Transfers in | 27,600 | 127,322 | 644,530 | 517,208 |
| Transfers (out). | (1,063,800) | (1,665,572) | (1,582,502) | 83,070 |
| Advances in | 741,484 | 741,484 | 616,166 | (125,318) |
| Advances (out). | (50,000) | (200,910) | (150,910) | 50,000 |
| Sale of assets | - | - | 1,040 | 1,040 |
| Total other financing sources (uses). | <u>13,955,284</u> | <u>13,324,524</u> | <u>12,728,324</u> | <u>(596,200)</u> |
| Net change in fund balance. | (2,444,305) | (4,742,736) | 1,805,455 | 6,548,191 |
| Fund balance at beginning of year | 4,208,494 | 4,208,494 | 4,208,494 | - |
| Prior year encumbrances appropriated | 2,299,778 | 2,299,778 | 2,299,778 | - |
| Fund balance (deficit) at end of year | <u>\$ 4,063,967</u> | <u>\$ 1,765,536</u> | <u>\$ 8,313,727</u> | <u>\$ 6,548,191</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY AND ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Operating grants | \$ 3,976,600 | \$ 8,573,163 | \$ 3,873,478 | \$ (4,699,685) |
| Other | 148,600 | 283,674 | 249,470 | (34,204) |
| Total revenues | <u>4,125,200</u> | <u>8,856,837</u> | <u>4,122,948</u> | <u>(4,733,889)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community environment: | | | | |
| Community development administration | 1,956,046 | 7,799,784 | 6,007,236 | 1,792,548 |
| Federal stimulus funding | 28,000 | 44,445 | - | 44,445 |
| Community development demolition | 267,000 | 311,368 | 308,031 | 3,337 |
| Fair housing administration. | 147,184 | 361,950 | 182,421 | 179,529 |
| Total expenditures | <u>2,398,230</u> | <u>8,517,547</u> | <u>6,497,688</u> | <u>2,019,859</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,726,970</u> | <u>339,290</u> | <u>(2,374,740)</u> | <u>(2,714,030)</u> |
| Other financing sources: | | | | |
| Advances (out) | (607,000) | (607,000) | (596,051) | 10,949 |
| Total other financing sources. | <u>(607,000)</u> | <u>(607,000)</u> | <u>(596,051)</u> | <u>10,949</u> |
| Net change in fund balance | 1,119,970 | (267,710) | (2,970,791) | (2,703,081) |
| Fund balance (deficit) at beginning of year. | (1,719,417) | (1,719,417) | (1,719,417) | - |
| Prior year encumbrances appropriated | 2,584,820 | 2,584,820 | 2,584,820 | - |
| Fund balance (deficit) at end of year | <u>\$ 1,985,373</u> | <u>\$ 597,693</u> | <u>\$ (2,105,388)</u> | <u>\$ (2,703,081)</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

| | Business-type Activities - Enterprise Funds | | | |
|--|--|-------------------------------------|--------------------------------------|--|
| | Water Operating Fund | Sewer Operating Fund | Refuse Operating Fund | Nonmajor Enterprise Funds |
| Assets: | | | | |
| Current assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 16,455,643 | \$ 22,415,275 | \$ 854,710 | \$ 1,597,884 |
| Cash in segregated accounts | - | 817,388 | - | - |
| Receivables: | | | | |
| Accounts | 3,138,984 | 3,150,089 | 1,550,257 | - |
| Due from other funds | - | - | - | - |
| Due from other governments | 1,281,845 | 110,917 | 18,093 | - |
| Materials and supplies inventory | 1,068,580 | 1,191,163 | - | - |
| Total current assets | <u>21,945,052</u> | <u>27,684,832</u> | <u>2,423,060</u> | <u>1,597,884</u> |
| Non-current assets: | | | | |
| Net pension asset | 57,085 | 46,292 | 29,911 | 12,027 |
| Capital assets: | | | | |
| Land and construction in progress | 6,659,020 | 83,796,095 | 150,929 | - |
| Depreciable capital assets, net | 69,090,020 | 35,947,896 | 1,268,248 | 507,000 |
| Total capital assets, net | <u>75,749,040</u> | <u>119,743,991</u> | <u>1,419,177</u> | <u>507,000</u> |
| Total noncurrent assets | <u>75,806,125</u> | <u>119,790,283</u> | <u>1,449,088</u> | <u>519,027</u> |
| Total assets | <u>97,751,177</u> | <u>147,475,115</u> | <u>3,872,148</u> | <u>2,116,911</u> |
| Deferred outflows of resources: | | | | |
| Pension | 1,305,591 | 1,079,836 | 684,095 | 405,491 |
| OPEB | 273,084 | 233,326 | 143,089 | 110,148 |
| Total deferred outflows of resources | <u>1,578,675</u> | <u>1,313,162</u> | <u>827,184</u> | <u>515,639</u> |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | 522,712 | 886,989 | 230,946 | 16,771 |
| Contracts payable | 1,429,961 | 321,934 | - | - |
| Retainage payable | 58,131 | 819,389 | - | - |
| Accrued wages and benefits payable | 286,576 | 246,648 | 141,728 | 63,225 |
| Due to other funds | 27,283 | 10,707 | 7,783 | - |
| Due to other governments | 60,492 | 39,083 | 21,927 | 9,769 |
| OWDA loans payable | 1,762,260 | 6,550,588 | - | - |
| OPWC loans payable | 186,087 | 8,461 | - | - |
| Compensated absences payable - current | - | - | - | - |
| Claim payable | - | - | - | - |
| Total current liabilities | <u>4,333,502</u> | <u>8,883,799</u> | <u>402,384</u> | <u>89,765</u> |
| Non-current liabilities: | | | | |
| OWDA loans payable | 23,478,921 | 67,630,596 | - | - |
| OPWC loans payable | 2,553,155 | 34,585 | - | - |
| Compensated absences payable | - | - | - | - |
| Claims payable | - | - | - | - |
| Net Pension Liability | 5,244,185 | 4,252,720 | 2,747,817 | 1,104,918 |
| Net OPEB Liability | 3,627,144 | 2,941,396 | 1,900,529 | 764,217 |
| Total non-current liabilities | <u>34,903,405</u> | <u>74,859,297</u> | <u>4,648,346</u> | <u>1,869,135</u> |
| Total liabilities | <u>39,236,907</u> | <u>83,743,096</u> | <u>5,050,730</u> | <u>1,958,900</u> |
| Deferred inflows of resources: | | | | |
| Pension | 1,466,382 | 1,108,601 | 809,071 | 264,435 |
| OPEB | 356,993 | 219,114 | 168,441 | 56,929 |
| Total deferred inflows of resources | <u>1,823,375</u> | <u>1,327,715</u> | <u>977,512</u> | <u>321,364</u> |
| Net position: | | | | |
| Net investment in capital assets | 46,280,525 | 45,195,826 | 1,419,177 | 507,000 |
| Unrestricted (deficit) | 11,989,045 | 18,521,640 | (2,748,087) | (154,714) |
| Total net position (deficit) | <u>\$ 58,269,570</u> | <u>\$ 63,717,466</u> | <u>\$ (1,328,910)</u> | <u>\$ 352,286</u> |

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
|-----------------------|---|
| \$ 41,323,512 | \$ 4,922,461 |
| 817,388 | - |
| 7,839,330 | 850,052 |
| - | 277,256 |
| 1,410,855 | 67,050 |
| 2,259,743 | - |
| <u>53,650,828</u> | <u>6,116,819</u> |
| 145,315 | - |
| 90,606,044 | - |
| 106,813,164 | - |
| 197,419,208 | - |
| 197,564,523 | - |
| <u>251,215,351</u> | <u>6,116,819</u> |
| 3,475,013 | - |
| 759,647 | - |
| <u>4,234,660</u> | <u>-</u> |
| 1,657,418 | 657,285 |
| 1,751,895 | - |
| 877,520 | - |
| 738,177 | 153,990 |
| 45,773 | - |
| 131,271 | 23,791 |
| 8,312,848 | - |
| 194,548 | - |
| - | 2,158,081 |
| - | 1,089,512 |
| <u>13,709,450</u> | <u>4,082,659</u> |
| 91,109,517 | - |
| 2,587,740 | - |
| - | 6,527,814 |
| - | 1,080,497 |
| 13,349,640 | - |
| 9,233,286 | - |
| <u>116,280,183</u> | <u>7,608,311</u> |
| <u>129,989,633</u> | <u>11,690,970</u> |
| 3,648,489 | - |
| 801,477 | - |
| <u>4,449,966</u> | <u>-</u> |
| 93,402,528 | - |
| 27,607,884 | (5,574,151) |
| 121,010,412 | \$ (5,574,151) |
| (352,788) | |
| <u>\$ 120,657,624</u> | |

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Business-type Activities - Enterprise Funds | | | |
|---|--|-------------------------------------|--------------------------------------|--|
| | Water Operating Fund | Sewer Operating Fund | Refuse Operating Fund | Nonmajor Enterprise Funds |
| Operating revenues: | | | | |
| Charges for services | \$ 19,125,872 | \$ 15,944,120 | \$ 5,817,983 | \$ 2,413,530 |
| Rental income | 27,408 | 11,208 | - | - |
| Other operating revenues | 59,131 | 506,495 | 12,084 | 5,265 |
| Total operating revenues. | 19,212,411 | 16,461,823 | 5,830,067 | 2,418,795 |
| Operating expenses: | | | | |
| Personal services | 7,721,856 | 6,459,097 | 4,179,466 | 1,813,080 |
| Contract services. | 3,561,512 | 5,852,582 | 2,022,670 | 327,242 |
| Materials and supplies. | 2,423,447 | 420,739 | 257,248 | 45,940 |
| Benefit claim expenses | - | - | - | - |
| Insurance claims and expenses | 433,754 | 323,127 | 10,360 | 6,899 |
| Depreciation. | 3,221,100 | 1,936,526 | 269,374 | 37,109 |
| Other | 46,644 | 393,439 | 29,320 | 4,987 |
| Total operating expenses. | 17,408,313 | 15,385,510 | 6,768,438 | 2,235,257 |
| Operating income (loss) | 1,804,098 | 1,076,313 | (938,371) | 183,538 |
| Nonoperating revenues (expenses): | | | | |
| Interest and fiscal charges | (761,085) | (2,487,139) | - | - |
| Gain (loss) on sale of capital assets | 33,405 | (3,336) | - | - |
| Operating grants | - | - | 75,606 | - |
| Total nonoperating revenues (expenses). | (727,680) | (2,490,475) | 75,606 | - |
| Income (loss) before contributions and transfers | 1,076,418 | (1,414,162) | (862,765) | 183,538 |
| Transfer in | - | - | - | - |
| Capital contributions. | 3,637,490 | 3,243,855 | - | - |
| Change in net position | 4,713,908 | 1,829,693 | (862,765) | 183,538 |
| Net position (deficit) at beginning of year (restated) | 53,555,662 | 61,887,773 | (466,145) | 168,748 |
| Net position (deficit) at end of year | \$ 58,269,570 | \$ 63,717,466 | \$ (1,328,910) | \$ 352,286 |

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

Change in net position of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
|---------------------|---|
| \$ 43,301,505 | \$ 15,328,778 |
| 38,616 | - |
| 582,975 | 4,429,152 |
| <u>43,923,096</u> | <u>19,757,930</u> |
| 20,173,499 | 228,432 |
| 11,764,006 | 880,552 |
| 3,147,374 | 520 |
| - | 3,681,526 |
| 774,140 | 14,339,281 |
| 5,464,109 | - |
| 474,390 | 1,140 |
| <u>41,797,518</u> | <u>19,131,451</u> |
| <u>2,125,578</u> | <u>626,479</u> |
| (3,248,224) | - |
| 30,069 | - |
| 75,606 | - |
| <u>(3,142,549)</u> | <u>-</u> |
| (1,016,971) | 626,479 |
| - | 500,000 |
| <u>6,881,345</u> | <u>-</u> |
| 5,864,374 | 1,126,479 |
| | <u>(6,700,630)</u> |
| | <u>\$ (5,574,151)</u> |
| <u>149,008</u> | |
| <u>\$ 6,013,382</u> | |

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Business-type Activities - Enterprise Funds | | | |
|---|--|-------------------------------------|--------------------------------------|--|
| | Water Operating Fund | Sewer Operating Fund | Refuse Operating Fund | Nonmajor Enterprise Funds |
| Cash flows from operating activities: | | | | |
| Cash received from charges for services. | \$ 19,126,231 | \$ 15,936,198 | \$ 6,029,601 | \$ 2,413,610 |
| Cash received from rents | 27,408 | 11,208 | - | - |
| Cash received from other operations. | 62,589 | 507,729 | 10,855 | 5,265 |
| Cash payments for personal services. | (7,066,770) | (5,837,131) | (3,879,146) | (1,534,875) |
| Cash payments for contractual services | (3,680,317) | (5,881,764) | (2,012,194) | (323,845) |
| Cash payments for materials and supplies | (2,284,639) | (888,374) | (264,185) | (50,021) |
| Cash payments for claims | (433,754) | (323,127) | (10,360) | (6,899) |
| Cash payments for insurance claims | - | - | - | - |
| Cash payments for benefits claims | - | - | - | - |
| Cash payments for other expenses | (32,780) | (223,544) | (17,121) | (4,487) |
| Net cash provided (used) by operating activities . . | <u>5,717,968</u> | <u>3,301,195</u> | <u>(142,550)</u> | <u>498,748</u> |
| Cash flows from noncapital financing activities: | | | | |
| Cash received from operating grants | - | - | 91,089 | - |
| Cash received from transfers in | - | - | - | - |
| Net cash provided by noncapital financing activities. | <u>-</u> | <u>-</u> | <u>91,089</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition of capital assets. | (3,603,133) | (16,341,343) | (32,034) | (49,511) |
| Capital contributions | 2,907,410 | 4,554,728 | - | - |
| Proceeds from sale of capital assets. | 36,405 | 3,600 | - | - |
| Proceeds of loans | 509,962 | 16,035,046 | - | - |
| Principal paid on OPWC loans | (186,087) | (8,461) | - | - |
| Principal paid on OWDA loans. | (1,730,793) | (4,082,453) | - | - |
| Interest paid on OWDA loans | (761,085) | (2,487,139) | - | - |
| Net cash used in capital and related financing activities. | <u>(2,827,321)</u> | <u>(2,326,022)</u> | <u>(32,034)</u> | <u>(49,511)</u> |
| Net increase (decrease) in cash and cash equivalents . . | 2,890,647 | 975,173 | (83,495) | 449,237 |
| Cash and cash equivalents at beginning of year . . . | 13,564,996 | 21,440,102 | 938,205 | 1,148,647 |
| Cash and cash equivalents at end of year | <u>\$ 16,455,643</u> | <u>\$ 22,415,275</u> | <u>\$ 854,710</u> | <u>\$ 1,597,884</u> |

| <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
|----------------------|---|
| \$ 43,505,640 | \$ 15,328,778 |
| 38,616 | - |
| 586,438 | 3,658,313 |
| (18,317,922) | (181,214) |
| (11,898,120) | (1,053,730) |
| (3,487,219) | (520) |
| (774,140) | - |
| - | (14,108,560) |
| - | (3,767,154) |
| (277,932) | (1,140) |
| <u>9,375,361</u> | <u>(125,227)</u> |
| 91,089 | - |
| - | 500,000 |
| <u>91,089</u> | <u>500,000</u> |
| (20,026,021) | - |
| 7,462,138 | - |
| 40,005 | - |
| 16,545,008 | - |
| (194,548) | - |
| (5,813,246) | - |
| (3,248,224) | - |
| <u>(5,234,888)</u> | <u>-</u> |
| 4,231,562 | 374,773 |
| 37,091,950 | 4,547,688 |
| <u>\$ 41,323,512</u> | <u>\$ 4,922,461</u> |

- (Continued)

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Business-type Activities - Enterprise Funds | | | |
|---|--|-------------------------------------|--------------------------------------|--|
| | Water Operating Fund | Sewer Operating Fund | Refuse Operating Fund | Nonmajor Enterprise Funds |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ 1,804,098 | \$ 1,076,313 | \$ (938,371) | \$ 183,538 |
| Adjustments: | | | | |
| Depreciation. | 3,221,100 | 1,936,526 | 269,374 | 37,109 |
| Changes in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable. | (118,082) | (376,193) | 210,389 | 80 |
| (Increase) decrease in materials and supplies inventory | 121,642 | (499,508) | - | - |
| (Increase) in due from other funds | - | - | - | - |
| (Increase) decrease in due from other governments | - | 315,307 | - | - |
| Increase (decrease) in accounts payable | 33,906 | 226,688 | 15,845 | 5,060 |
| Increase (decrease) in accrued wages and benefits | 4,474 | 39,550 | 9,133 | 8,874 |
| Increase in due to other funds | 20,656 | 8,773 | 4,856 | - |
| Increase (decrease) in due to other governments | 910 | 6,206 | 1,393 | 1,372 |
| (Increase) in net pension asset | (29,793) | (25,108) | (15,825) | (7,094) |
| Decrease in deferred outflows of resources - pension | 1,770,220 | 1,307,651 | 903,383 | 245,538 |
| (Increase) in deferred outflows of resources - OPEB | (219,697) | (191,886) | (115,535) | (100,498) |
| Increase in deferred inflows of resources - pension | 1,247,308 | 886,939 | 562,757 | 253,449 |
| Increase in deferred inflows of resources - OPEB | 356,993 | 219,114 | 168,441 | 56,929 |
| (Decrease) in net pension liability | (2,621,757) | (1,852,930) | (1,311,919) | (316,949) |
| Increase in net OPEB liability | 125,990 | 223,753 | 93,529 | 131,340 |
| Increase in compensated absences payable. | - | - | - | - |
| Increase in claims payable | - | - | - | - |
| Net cash provided (used) by operating activities | <u>\$ 5,717,968</u> | <u>\$ 3,301,195</u> | <u>\$ (142,550)</u> | <u>\$ 498,748</u> |

Non-Cash Transactions:

As of December 31, 2018, the water operating fund and sewer operating fund had purchased \$1,488,092 and \$323,935, in capital assets on account, respectively.

As of December 31, 2017, the water operating fund and sewer operating fund had purchased \$808,904 and \$9,703,749, in capital assets on account, respectively.

During 2018, the Sewer fund reported a \$110,917 receivable for OWDA loan proceeds disbursed by OWDA but not received by the City by year-end.

During 2018, the Water fund reported a \$255,659 receivable for OPWC loan proceeds disbursed by OPWC but not received by the City by year-end.

During 2017, the Sewer fund reported a \$9,648,354 receivable for OWDA loan proceeds disbursed by OWDA but not received by the City by year-end.

During 2017, the Water fund reported a \$31,435 receivable for OPWC loan proceeds disbursed by OPWC but not received by the City by year-end.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Total | Governmental Activities - Internal Service Funds |
|--------------|---|
| \$ 2,125,578 | \$ 626,479 |
| 5,464,109 | - |
| (283,806) | (704,969) |
| (377,866) | - |
| - | (161,387) |
| 315,307 | (65,870) |
| 281,499 | (127,696) |
| 62,031 | (120,403) |
| 34,285 | - |
| 9,881 | (18,602) |
| (77,820) | - |
| 4,226,792 | - |
| (627,616) | - |
| 2,950,453 | - |
| 801,477 | - |
| (6,103,555) | - |
| 574,612 | - |
| - | 216,500 |
| - | 230,721 |
| \$ 9,375,361 | \$ (125,227) |

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018

| | Private-Purpose Trust | |
|--|----------------------------------|---------------|
| | Hartford Houtz | Agency |
| Assets: | | |
| Equity in pooled cash and cash equivalents | \$ - | \$ 2,901,849 |
| Cash and cash equivalents in segregated accounts | 34,391 | 101,721 |
| Investments in segregated accounts | 120,070 | - |
| Receivables: | | |
| Accounts | - | 7,069 |
| Total assets | 154,461 | \$ 3,010,639 |
| Liabilities: | | |
| Due to other governments | - | \$ 539,880 |
| Undistributed assets | - | 101,721 |
| Deposits held and due to others | - | 2,369,038 |
| Total liabilities | - | \$ 3,010,639 |
| Net position: | | |
| Held in trust for individuals | 154,461 | |
| Total net position | \$ 154,461 | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Private-Purpose Trust |
|---|----------------------------------|
| | Hartford Houtz |
| Additions: | |
| Investment income. | \$ 339 |
| Change in net position | 339 |
| Net position at beginning of year. | 154,122 |
| Net position at end of year | \$ 154,461 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Canton (the “City”) is a municipal corporation incorporated under the laws of the State of Ohio. The City operates under a Mayor-Council form of government. The Mayor and Council are elected. The City provides police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services to the citizens of the City.

Reporting Entity

The City’s 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 an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. A primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government of the City includes City departments and agencies that provide the following services: police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water, sewer and sanitation.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s Governing Board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the 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 that are fiscally dependent on the City in that 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 government’s financial statements incomplete or misleading. Based upon the application of these criteria, the City has one component unit, the Canton Community Improvement Corporation (CCIC). The City has the voting majority on the CCIC’s Board with no other subdivisions having any representation, and the CCIC is completely dependent on the City for financial support. The City reports the financial status of the CCIC as a discretely presented component unit in its basic financial statements. A complete copy of the CCIC financial statements can be obtained by contacting the City’s Community and Economic Development Department. See Note 18 for detail.

The City is associated with the Stark Area Regional Transit Authority, the Stark Council of Governments and the Stark County Regional Planning Commission as jointly governed organizations; Canton Tomorrow Inc., and the Downtown Canton Special Improvement District as joint ventures; and the Joint Recreation District as a related organization. See Notes 15, 16 and 17 for detail.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

The most 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 activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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 are 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 function is self-financing or draws from the general revenues of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The only exception is for contributions from the City's Water, Sewer and Refuse Departments to the City's Motor Vehicle Department, Computer Department, and the City's vehicle self insurance fund. Activities of these three divisions are included with the governmental activities, thus any contributions and corresponding expenses from other governmental funds are eliminated. This activity remains in the business-type activities in order to not distort the direct costs and program revenues reported for all of the functions involved.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds 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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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. There are three categories of funds: governmental, proprietary and fiduciary.

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 and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

Community and economic development fund - To account for HUD community and economic development block grant money used for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

Capital projects fund - To account for the City's capital projects and expenditures of 20 percent of the net income tax receipts.

Motor vehicle purchase fund - To account for the purchase and maintenance of the City's vehicles and expenditures of 5 percent of the net income tax receipts.

Nonmajor 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 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 following are the City's major enterprise funds:

Water operating fund - The water operating enterprise fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City, and surrounding communities.

Sewer operating fund - The sewer operating enterprise fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City, and several surrounding communities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Refuse operating fund - The refuse operating enterprise fund accounts for the provision of trash collection to the residents and commercial users located in the City.

The City's nonmajor enterprise fund is used to account for the provision of building code services.

Internal Service Funds - Internal service funds 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. The City's internal service funds report on a self-insurance program for employee medical benefits, compensated absences, and the City's retrospective rating worker's compensation benefits.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and 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. The City's only trust fund is a private-purpose trust fund established to account for monies donated to assist the poor of the City. The agency funds account for building permit fees collected on behalf of the State, municipal court collections that are distributed to various local governments, insurance monies collected on behalf of property owners for fire damages, collection of property taxes to be distributed to the Special Improvement District Board, collection and disbursement of JEDD income taxes, deposits held for vacant and foreclosed homes, and the collection of payroll and employee deductions to be distributed to other governmental agencies. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

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

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

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5.A). Revenue from income taxes is recognized in the period in which the income is earned (see Note 5.B). 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 nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Notes 13 and 14 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 13 and 14 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The legal level of budgetary control, established by the appropriation ordinance, fixes spending authority at the account level split between salary and non-salary line items within each department within each fund. Any budgetary modifications at this level or above may only be made by resolution of the City Council. The appropriation ordinance may be amended during the year by action of Council, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

F. Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not re-appropriated.

G. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, except the private-purpose trust fund and funds requiring that interest proceeds follow the invested principal, are maintained in this pool. Individual fund integrity is maintained through the City's records.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

The City utilizes financial institutions to service bonded debt as principal and interest come due. At year end, the balances in these accounts are presented as “cash with fiscal agent” on the City’s financial statements.

The City has segregated bank and investment accounts for monies held separate from the City’s central bank account related to the private-purpose trust fund and the municipal court agency fund. These monies are presented in the statement of fiduciary net position as “cash and cash equivalents in segregated accounts” and “investments in segregated accounts” since they are not required to be deposited into the City treasury.

During 2018, investments were limited to Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Home Loan Bank (FHLB) securities, Commercial Paper, U.S. Treasury Notes, and U.S. Government Money Market Mutual Funds. 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, are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2018 amounted to \$673,227, which includes \$582,828, assigned from other City funds.

For purposes of the statement of cash flows and for presentation on the statement of net position and the balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

H. Inventory

On government-wide financial statements, inventories of supplies are presented at cost and inventories held for resale are reported at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories held for resale of proprietary funds are stated at the lower of cost or market and supplies of proprietary funds are reported at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City has no prepaid items.

J. Capital Assets

General 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 proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City’s infrastructure consists of bridges, culverts, storm sewers, streets, streetlights, traffic signals, water lines and sewer lines. 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 enterprise capital assets is also capitalized.

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

| | Governmental Activities | Business-Type Activities |
|--------------------------|----------------------------|-----------------------------|
| Description | Estimated Lives | Estimated Lives |
| Buildings and structures | 10 to 45 years | 10 to 45 years |
| Vehicles and equipment | 10 to 15 years | 10 to 15 years |
| Infrastructure | 10 to 50 years | 10 to 50 years |

K. Interfund Balances

On fund financial statements, interfund loans are classified as “due to/from other funds” on the balance sheet. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all eligible employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for unused earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City’s past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

M. Accrued Liabilities and Long-Term Obligations

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

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

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes. When unassigned fund balance is a deficit in the general fund, assigned fund balance may not be presented in the general fund.

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 used only to report a deficit 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 either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed resources 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.

O. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net position net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources first when an expense is incurred for the purposes for which both restricted and unrestricted net position is available.

P. 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 primarily charges for services for water services, sewer treatment, and refuse collection for the enterprise funds, and the workers compensation, health insurance, and compensated absences claims for the internal service funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Q. Contributions of Capital

Contributions of capital in 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, or from grants or outside contributions of resources restricted to capital acquisition and construction.

During 2018, the City recognized capital contributions of \$3,637,490 in the water operating fund related to capital grants funding and \$3,243,855 in the sewer fund related the phosphorus/total nitrogen removal project and the MBR equipment project.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

R. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in business-type activities. Interfund transfers are eliminated when reported in the entity wide financial statements for both the governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

S. 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 2018.

T. 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.

U. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the City has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the City's postemployment benefit plan disclosures, as presented in Note 14 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities and business-type activities at January 1, 2018 have been restated as follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Refuse Fund</u> | <u>Nonmajor Enterprise Fund</u> |
|--|------------------------------------|-------------------------------------|-----------------------|-----------------------|------------------------|---|
| Net position as previously reported | \$ 84,568,529 | \$ 123,170,885 | \$ 57,003,429 | \$ 64,563,976 | \$ 1,313,301 | \$ 791,975 |
| Deferred outflows - payments subsequent to measurement date | 313,749 | 132,031 | 53,387 | 41,440 | 27,554 | 9,650 |
| Net OPEB liability | <u>(56,735,201)</u> | <u>(8,658,674)</u> | <u>(3,501,154)</u> | <u>(2,717,643)</u> | <u>(1,807,000)</u> | <u>(632,877)</u> |
| Restated net position at January 1, 2018 | <u>\$ 28,147,077</u> | <u>\$ 114,644,242</u> | <u>\$ 53,555,662</u> | <u>\$ 61,887,773</u> | <u>\$ (466,145)</u> | <u>\$ 168,748</u> |

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on governmental fund balances.

B. Deficit Fund Balances/Net Position

Fund balances at December 31, 2018 included the following individual fund deficits:

| | |
|--|---------------------|
| <u>Nonmajor governmental funds</u> | <u>Deficit</u> |
| Jobs Ohio Fund | \$ 5,735 |
| Mahoning Road Corridor Project Fund | 473,637 |
| 11th Street Improvement Fund | 25,786 |
| Traffic Signal Communication Upgrade Fund | 241,753 |
| Tusc. Street West Corridor Safety Project Fund | 609 |
| 12th Street NW Bridge Replacement Project Fund | 74,238 |
| Total nonmajor governmental funds | <u>\$ 821,758</u> |
| <u>Major enterprise fund</u> | |
| Refuse Fund | <u>\$ 1,328,910</u> |
| <u>Internal Service fund</u> | |
| Compensated Absences | <u>\$ 7,873,597</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

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

Inactive deposits are public deposits that Council has identified as not required for use within the current 5-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

Interim monies may be invested in the following securities:

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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, 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;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreements 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 division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

Investments in stripped principal or interest obligation, 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.

Cash on Hand: At year end, the City had \$1,000 in undeposited cash on hand which is included on the financial statements as part of "equity in pooled cash and cash equivalents."

Cash with Fiscal Agent and in segregated accounts: At year end, the City had \$3,019 on deposit with financial institutions to service bonded debt as principal and interest come due. This account is maintained separate from the City's internal investment pool. The balance in this account is included in "deposits with financial institutions" below. At year-end, the City had \$817,388 on deposit with financial institutions to account for retainage payments. This account is maintained separate from the City's internal investment pool. The balance in this account is included in "deposits with financial institutions" below.

Cash and Cash Equivalents in Segregated Accounts: At year end, the City had \$101,721 deposited with a financial institution for monies related to the municipal court agency fund. In addition, the City had \$1,680 deposited with a financial institution related to the private-purpose trust fund and \$32,711 of nonnegotiable certificates of deposit held in trust by financial institutions for the private-purpose trust fund. These accounts are maintained separate from the City's internal investment pool. The balances in these accounts are included in "deposits with financial institutions" below.

Investments in Segregated Accounts: At year end, the City had \$120,070 in municipal bond mutual funds held in trust for the private-purpose trust fund. The mutual funds are maintained separate from the City's internal investment pool. The balances of the mutual funds are included in "investments" below.

A. Deposits with Financial Institutions

At December 31, 2018, the carrying amount of all City deposits was \$50,679,156 and the bank balance of all City deposits was \$51,287,577. Of the bank balance, \$50,148,446 was exposed to custodial risk as discussed below because those deposits were uninsured and uncollateralized and \$1,139,131 was covered by the FDIC.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

As of December 31, 2018, the City had the following investments and maturity:

| Measurement/ Investment type | Measurement Value | Investment Maturity | | | |
|---------------------------------|----------------------|----------------------|----------------------|---------------------|-------------------------|
| | | 1 Year or Less | 1 to 2 Years | 2 to 3 Years | Greater Than 3 Years |
| <i>Fair Value:</i> | | | | | |
| FFCB | \$ 5,841,243 | \$ 1,126,075 | \$ 1,033,957 | \$ 3,193,205 | \$ 488,006 |
| FHLB | 4,131,041 | 1,064,280 | 2,332,664 | 734,097 | - |
| FHLMC | 7,689,019 | 1,534,445 | 2,413,848 | 2,202,032 | 1,538,694 |
| FNMA | 6,917,902 | 2,965,982 | 1,990,835 | 1,471,148 | 489,937 |
| Commercial paper | 3,800,005 | 3,800,005 | - | - | - |
| U.S. Treasury Notes | 2,968,103 | - | 2,480,447 | 487,656 | - |
| U.S. Government Money | | | | | |
| Market Mutual Funds | 134,200 | 134,200 | - | - | - |
| Total | \$ 31,481,513 | \$ 10,624,987 | \$ 10,251,751 | \$ 8,088,138 | \$ 2,516,637 |

The weighted average of maturity of investments is 1.64 years.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA), commercial paper, and U.S. Treasury notes are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The City's investments in federal agency securities, U.S. Treasury notes and the federal agency securities that underlie repurchase agreement were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment in commercial paper was rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The U.S. Government Money Market Mutual Funds were rated AAAM by Standard & Poor's. The City has no policy further restricting credit risk beyond the statutory guidelines, which limit investment choices.

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

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2018:

| <u>Measurement/ Investment type</u> | <u>Measurement Value</u> | <u>% of Total</u> |
|---|------------------------------|-------------------|
| <i>Fair Value</i> | | |
| FFCB | \$ 5,841,243 | 18.56 |
| FHLB | 4,131,041 | 13.12 |
| FHLMC | 7,689,019 | 24.42 |
| FNMA | 6,917,902 | 21.97 |
| Commercial paper | 3,800,005 | 12.07 |
| U.S. Treasury Notes | 2,968,103 | 9.43 |
| U.S. Government Money Market Mutual Fund | 134,200 | 0.43 |
| Total | <u>\$ 31,481,513</u> | <u>100.00</u> |

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statements as of December 31, 2018:

Cash and investments per note:

| | |
|-----------------------------|-----------------------------|
| Carrying amount of deposits | \$ 50,679,156 |
| Investments | 31,481,513 |
| Cash on hand | <u>1,000</u> |
| Total | <u><u>\$ 82,161,669</u></u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Cash, cash equivalents, and investments per statement of net position:

| | |
|--------------------------|-----------------------------|
| Governmental activities | \$ 36,862,738 |
| Business-type activities | 42,140,900 |
| Fiduciary funds | <u>3,158,031</u> |
| Total | <u><u>\$ 82,161,669</u></u> |

NOTE 5 - RECEIVABLES

Receivables at December 31, 2018, consisted of taxes, accounts (billings for user charged services), interest, loans and intergovernmental receivables. All of these receivables, except loans receivable, are considered fully collectible.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one-year amount to \$1,987,440 in the general fund, \$344,284 in the community and economic development fund, and \$6,363 in the debt service fund (a nonmajor governmental fund). Special assessments are reported among accounts receivable on the statement of net position and the balance sheet and charges for services revenue on the statement of activities and the statement of revenues, expenditures, and changes in fund balance.

A. 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 and tangible personal property 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 preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - RECEIVABLES - (Continued)

The County Auditor collects property taxes on behalf of all taxing districts in the County, including the City of Findlay. 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, 2018 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 2018 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 reported as a deferred inflow of resources.

The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2018, for all city operations applied to taxable property in the following taxing districts within the City limits was \$3.40 for District 20 - Canton City School District, \$2.00 for District 30 - Plain Local School District, \$2.60 for District 25 - Canton Local School District, and \$2.30 for District 345 - Osnaburg Local School District.

The assessed values of real and public utility property upon which 2018 property tax receipts were based are as follows:

| | |
|----------------------------------|-----------------------|
| Real property | \$ 685,238,260 |
| Real and personal public utility | <u>75,186,590</u> |
| Total assessed value | <u>\$ 760,424,850</u> |

B. Income Taxes

In the past, the City levied a municipal income tax of two percent on all salaries, wages, commissions and compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. Effective July 1, 2018, the income tax rate levied on wages, commissions, compensations and net profits earned within the city as well as residents outside the City increased a half of a one percent and the rate became two and a half percent. Prior to July 1, 2018, the City allowed a credit of 100 percent of the tax paid to another municipality up to a maximum of 85 percent of the two percent levied by the City. With the new income tax rate as of July 1, 2018, if it be made to appear that an individual resident taxpayer has paid a municipal income tax to another municipality on the same income taxable as mentioned above, the city shall allow a credit against the new tax imposed of the amount so paid to the other municipality, equal to two and one-half (2.5%) of the amount obtained by multiplying the lower of the tax rate of such other municipality or of this municipality by the taxable income earned in or attributable to the municipality of employment or business activity, provided that such credit shall not be allowed unless the credit is claimed in a timely filed return including any extension granted.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 75 percent to the general fund, 20 percent to the capital projects fund and 5 percent to the motor vehicle purchase fund. Effective July 1, 2018 income tax is distributed as follows, 64 percent to the general fund, 18 percent to the capital projects fund, 4 percent to the motor vehicle purchase fund, 2 percent to the neighborhood fund, and 12 percent to the comprehensive plan fund. These allocations were voted upon and approved by the voters of the City on the May 8, 2018 ballot. This requires the fund balances for these funds to be reported as restricted as seen on page 108.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - RECEIVABLES - (Continued)

C. Due from Other Governments

A summary of intergovernmental receivables follows:

| | Amounts |
|--|---------------|
| Governmental activities | |
| Local government and local government revenue assistance | \$ 1,446,732 |
| Hotel tax | 36,147 |
| Charges for services | 642,402 |
| Fines and forfeitures | 29,163 |
| Casino revenue | 1,133,384 |
| Gasoline and excise tax | 714,478 |
| \$5 license plate tax | 219,285 |
| Motor vehicle tax | 235,869 |
| Grants | 6,660,419 |
| Total governmental activities | 11,117,879 |
| Business-type activities | |
| Reimbursement | 12,116 |
| Loan proceeds | 366,576 |
| Grants | 1,032,163 |
| Total business-type activities | 1,410,855 |
| Grand total | \$ 12,528,734 |

D. Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$467,440. The loans receivable represents the principal owed to the City for Community Development Block Grants. The loans bear interest at annual rates between 0% and 11%. The loans will be repaid over periods up to 20 years.

The general fund has reported a loan receivable in the amount of \$1,743,704. The loan receivable represents an economic development loan made to Historic Hercules, LLC for betterments and improvements to The Historic Hercules which is being converted from a motor company facility into residential rental apartments and related facilities. The loan bears an annual interest rate of 3% with a repayment period not to exceed 10 years.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6 - RISK MANAGEMENT

A. Workers' Compensation

Since 1989, the City has participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan. Under the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in 2018 are \$200,000 per claim.

A minimum premium for fixed costs is charged by the Ohio Bureau of Workers' Compensation. A maximum premium, the employer's experience-rated premium multiplied by the maximum percentage selected by the employer, may be charged back to the City for a ten-year evaluation period per claim. For the policy year 2018, the City selected Tier 1 which calls for no claim limit and a 150 percent maximum premium limit.

The claims liability of \$1,669,140 reported in the workers compensation internal service fund at December 31, 2018, is estimated by the third-party administrators and is based on the requirements of GASB 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 claim 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 claims activity for the past two years are as follows:

| Year | Balance Beginning of Year | Claims Incurred | Claim Payments | Balance End of Year |
|------|---------------------------------|--------------------|-------------------|---------------------------|
| 2018 | \$ 1,669,140 | \$ 1,394,270 | \$ 1,394,270 | \$ 1,669,140 |
| 2017 | 1,669,140 | 1,227,170 | 1,227,170 | 1,669,140 |

B. Property and Liability

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. The City contracts with Affiliated FM Insurance Company for commercial property coverage, which has a \$560,000,000 limit and a \$100,000 deductible. The City also contracts with Cincinnati Insurance Company through Leonard Insurance Services Agency Inc. for boiler and machinery coverage, which has a \$2,000,000 limit and a \$2,500 deductible. The City contracts with Ohio Plan Risk Management, Inc. through Hylant Administrative Services for automobile combined coverage, which has a \$6,000,000 limit and a \$125,000 deductible. The City also contracts with Ohio Plan Risk Management, Inc. for liability coverages, which includes general liability, public officials liability and law enforcement liability. Each of these coverages has a \$6,000,000 annual limit per claim and a \$8,000,000 per year aggregate with a \$125,000 deductible.

The City's elected officials are bonded for their respective terms. In addition, several specific employees (i.e., court bailiffs) are bonded where required by Ohio Revised Code.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6 - RISK MANAGEMENT - (Continued)

C. Medical

The City has elected to provide employees' major medical, hospitalization, prescription and dental and vision coverage 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. The City purchases stop-loss coverage of \$150,000 specific per family. The third party administrators, Aultcare and Anthem Blue Cross, review all claims, which are then paid by the City.

The claims liability of \$500,869 reported in the Health Insurance Internal Service Fund at December 31, 2018, is estimated by the third-party administrators and is based on the requirements of GASB 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 report 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 amount for the last two years follow:

| Year | Balance Beginning of Year | Claims Incurred | Claim Payments | Balance End of Year |
|------|---------------------------------|--------------------|-------------------|---------------------------|
| 2018 | \$ 270,148 | \$ 12,945,011 | \$ 12,714,290 | \$ 500,869 |
| 2017 | 696,780 | 10,746,521 | 11,173,153 | 270,148 |

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

| | Balance 12/31/17 | Additions | Deductions | Balance 12/31/18 |
|---|-----------------------|----------------------|------------------------|-----------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 8,716,783 | \$ 215,472 | \$ - | \$ 8,932,255 |
| Construction in progress | 42,197,107 | 11,854,499 | (23,583,362) | 30,468,244 |
| Total capital assets, not being depreciated | <u>50,913,890</u> | <u>12,069,971</u> | <u>(23,583,362)</u> | <u>39,400,499</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and structures | 55,179,763 | 550,778 | (19,833) | 55,710,708 |
| Vehicles and equipment | 33,971,472 | 2,178,487 | (933,998) | 35,215,961 |
| Infrastructure | 386,380,235 | 23,994,663 | (201,595) | 410,173,303 |
| Total capital assets, being depreciated | <u>475,531,470</u> | <u>26,723,928</u> | <u>(1,155,426)</u> | <u>501,099,972</u> |
| Less accumulated depreciation: | | | | |
| Buildings and structures | (27,582,139) | (1,435,891) | 19,576 | (28,998,454) |
| Vehicles and equipment | (27,425,373) | (1,315,619) | 929,975 | (27,811,017) |
| Infrastructure | (333,726,180) | (5,788,857) | 199,342 | (339,315,695) |
| Total accumulated depreciation | <u>(388,733,692)</u> | <u>(8,540,367)</u> | <u>1,148,893</u> | <u>(396,125,166)</u> |
| Total capital assets, being depreciated, net | <u>86,797,778</u> | <u>18,183,561</u> | <u>(6,533)</u> | <u>104,974,806</u> |
| Governmental activities capital assets, net | <u>\$ 137,711,668</u> | <u>\$ 30,253,532</u> | <u>\$ (23,589,895)</u> | <u>\$ 144,375,305</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------------|---------------------|
| General government | \$ 467,225 |
| Security of persons and property | 1,029,207 |
| Public health | 101,230 |
| Transportation | 6,149,927 |
| Community environment | 23,378 |
| Leisure time activities | <u>769,400</u> |
| Total depreciation expense | <u>\$ 8,540,367</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 7 - CAPITAL ASSETS - (Continued)

| | Balance 12/31/17 | Additions | Deductions | Balance 12/31/18 |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| Business-type activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 3,371,564 | \$ - | \$ - | \$ 3,371,564 |
| Construction in progress | 81,595,928 | 10,414,275 | (4,775,723) | 87,234,480 |
| Total capital assets, not being depreciated | 84,967,492 | 10,414,275 | (4,775,723) | 90,606,044 |
| Capital assets, being depreciated: | | | | |
| Buildings and structures | 119,538,711 | - | - | 119,538,711 |
| Vehicles and equipment | 24,715,091 | 471,643 | (2,001,884) | 23,184,850 |
| Infrastructure | 172,107,118 | 5,215,200 | - | 177,322,318 |
| Total capital assets, being depreciated | 316,360,920 | 5,686,843 | (2,001,884) | 320,045,879 |
| Less accumulated depreciation: | | | | |
| Buildings and structures | (68,018,786) | (1,869,255) | - | (69,888,041) |
| Vehicles and equipment | (11,762,432) | (1,798,396) | 1,991,948 | (11,568,880) |
| Infrastructure | (129,979,336) | (1,796,458) | - | (131,775,794) |
| Total accumulated depreciation | (209,760,554) | (5,464,109) | 1,991,948 | (213,232,715) |
| Total capital assets, being depreciated, net | 106,600,366 | 222,734 | (9,936) | 106,813,164 |
| Business-type activities capital assets, net | <u>\$ 191,567,858</u> | <u>\$ 10,637,009</u> | <u>\$ (4,785,659)</u> | <u>\$ 197,419,208</u> |

Depreciation expense was charged to the enterprise funds as follows:

| | |
|----------------------------|---------------------|
| Water operating | \$ 3,221,100 |
| Sewer operating | 1,936,526 |
| Refuse operating | 269,374 |
| Building operating | 37,109 |
| Total depreciation expense | <u>\$ 5,464,109</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 8 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements, City ordinances and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Ten to fifteen days of vacation may be carried forward into the next year.

Employees may bank up to 75 days earned vacation time toward retirement, payable at retirement or termination. No more than 15 days of earned vacation may be banked in any one-year in minimum increments of five days. In March 2003, the City eliminated banked vacation for individuals in management and non-bargaining classifications. In lieu of, or in addition to banking vacation, an employee may request to receive cash payment for unused vacation of no more than 10 days per year in minimum increments of five days calculated at 90 percent of the current rate of pay. Employees in their 28th year or later, can be paid for 20 days at 100% or elect to receive cash payments in exchange for one to five weeks of their banked vacation time in units of one week, once per year for a single three consecutive year period. The employee may cash one to five weeks of banked vacation in each of three consecutive years. Employees must declare their desire to receive cash payment no later than November 1 of each year. Payment shall be made on the first regular pay day in December of each year. Approval of the cash payment is within the sole discretion of the appointing authority.

Employees earn sick leave at the rate 4.6 hours per 80 hours worked. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid 100 percent to a maximum of 150 days (175 for those employees of bargaining unit 3449 and retiring in their 30th year) or 1,200 hours of accumulated, unused sick leave. Firefighters and police can be paid 100 percent to a maximum of 188.5 days or 1,500 hours.

In 2004, the City established a compensated absences claim fund for the purpose of depositing sick expense premiums from the employees' labor fund distribution to pay both current and previous unfunded compensated absences. The expense associated with current and future obligations is being charged as a direct claim against the compensated absences claim fund. The premium supporting the fund is included in the personal service charge for each fund. Prior to 2009, and the collapse of the City of Canton operational income, the premium was equal to 125% of the total cost of the sick leave accrued on biweekly payrolls. In an attempt to maintain an adequate workforce in light of this revenue decline, the premium was reduced to 105% of the total cost of the sick leave accrued on a biweekly payroll for 2009 and 2010. The premium reset to 125% effective January 1, 2011 and remained unchanged for 2012, 2013, 2014 and 2015. In 2016 the premium was reduced to 105%. The premium reset to 125% for 2017 and continued at that rate during 2018.

NOTE 9 - LONG-TERM OBLIGATIONS

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The City's most recent general obligation bond issuance was in 2009 for \$8,575,000. The purpose of the issuance was to refund two previous issuances, a 1998 pension refunding bond and a 1999 various purpose bond. At the time, the refinancing resulted in an economic gain of \$729,829 for the City.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The remainder of the City's general obligation bonds currently outstanding is as follows:

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Original Amount</u> |
|---|-----------------------|------------------------|
| Governmental activities, 2009 various purpose improvement refunding | 3.0-4.0% | <u>\$ 8,575,000</u> |

The City paid off this general obligation bond during 2018.

State Infrastructure Bank (SIB) Loans and Other Loans

The City has annual debt requirements for the following loans, all related to governmental activities. A SIB loan was entered into in 1998 for the Market Avenue Streetscape project. The interest rate for this loan was 4% for the period 1998 through 2008 and changed to 3% effective in 2009. The original issue amount of the SIB loan was \$1,179,031 with a scheduled maturity in 2019.

A additional SIB loan was entered into in 2014 for the 12th Street North Corridor Safety project. The interest rate for this loan is 3%. As of December 31, 2018, the City has drawn \$2,312,557 of the available borrowings. This SIB loan is not included in the schedule of annual debt service requirements to maturity below as the loan is not closed as of December 31, 2018 and a final amortization schedule is not available.

The annual debt service requirements to maturity for the 1998 SIB loan is as follows:

**1998 State Infrastructure
Bank Loan**

| <u>Year Ending December 31</u> | <u>Governmental Activities</u> | |
|------------------------------------|--------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2019 | <u>\$ 46,937</u> | <u>\$ 763</u> |
| Total | <u>\$ 46,937</u> | <u>\$ 763</u> |

Ohio Public Works Commission (OPWC) Loans

The City entered into various loan agreements with the OPWC for the purpose of improving the water pollution control system, improving storm sewer operations and installing water lines. These are interest free loans. The City has pledged future revenues, net of certain operating expenses, in the water operating fund and sewer operating fund to repay the loans reported in the water and sewer operating activities. The debt is payable from net revenues and is payable through 2044. Annual principal payments on the debt issues are expected to require 3.70 percent of net revenues for water and 0.28 percent of net revenues for sewer. The total principal remaining to be paid on the debt is \$2,739,242 for water and \$43,046 for sewer. Principal paid for the current year and total net revenues were \$186,087 and \$5,025,198, respectively, for water and \$8,461 and \$3,012,839, respectively, for sewer.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

During 2018, the City received OPWC loans proceeds for the following projects: Avondale water main replacement, the Sugar Creek Water treatment plant, the Mahoning Road Corridor, and the 38th Street Waterline & roadway replacement.

The Mahoning Road Corridor loan, 30th Street Resurfacing loan, 38th Street Waterline Roadway Replacement loan, the Avondale water main replacement loan, and the Sugar Creek Water Treatment Plant loan are not included in the schedule of annual debt service requirements to maturity below as the loans are not closed as of December 31, 2018 and a final amortization schedule is not available.

The following is a list of outstanding debt with the OPWC:

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Original Amount</u> |
|--|-----------------------|------------------------|
| Governmental activities, 35th Street N.E. storm sewer reconstruction | 0.00% | \$ 380,812 |
| Governmental activities, Market Avenue North sewer replacement | 0.00% | 300,000 |
| Governmental activities, 30th Street N.E. storm sewer improvement | 0.00% | 494,000 |
| Governmental activities, 55th Street N.E. storm sewer improvement | 0.00% | 413,000 |
| Governmental activities, 37th Street Project (street portion) | 0.00% | 110,457 |
| Governmental activities, Overbrook NW Storm Sewer | 0.00% | 60,899 |
| Governmental activities, 38th Street waterline roadway replacement | 0.00% | 600,000 * |
| Governmental activities, Mahoning Road corridor | 0.00% | 900,000 * |
| Governmental activities, 30th Street Resurfacing | 0.00% | 765,000 * |
| Business-type activities, Harrisburg waterline | 0.00% | 63,102 |
| Business-type activities, Harmont Avenue pump station | 0.00% | 107,900 |
| Business-type activities, 37th Street Project (water and sewer portions) | 0.00% | 264,866 |
| Business-type activities, Avondale water main replacement | 0.00% | 475,000 * |
| Business-type activities, Sugar Creek Water Treatment Plant | 0.00% | 750,000 * |
| Business-type activities, Westmoreland water main | 0.00% | 750,000 * |
| Business-type activities, 53rd Street water storage reservoir repair | 0.00% | 369,923 * |
| Business-type activities, Faircrest Street waterline extension | 0.00% | 1,197,150 * |
| | | <u>\$ 8,002,109</u> |

* Total permissible borrowings under the loan agreement.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Annual debt service requirements to maturity for OPWC loans are as follows:

Ohio Public Works Commission Loans

| Year Ending December 31 | Governmental Activities | | Business-Type Activities | |
|----------------------------|-------------------------|----------|--------------------------|----------|
| | Principal | Interest | Principal | Interest |
| 2019 | \$ 67,558 | \$ - | \$ 194,548 | \$ - |
| 2020 | 67,557 | - | 194,548 | - |
| 2021 | 67,557 | - | 194,548 | - |
| 2022 | 67,556 | - | 191,393 | - |
| 2023 | 67,557 | - | 182,843 | - |
| 2024 - 2028 | 252,150 | - | 652,507 | - |
| 2029 - 2033 | 108,758 | - | 299,287 | - |
| 2034 - 2038 | 79,491 | - | 119,715 | - |
| 2039 - 2043 | 68,833 | - | - | - |
| 2044 | 6,883 | - | - | - |
| Total | \$ 853,900 | \$ - | \$ 2,029,389 | \$ - |

As stated above, for the business-type activities, the schedule above does not include the Avondale water main replacement loan and the Sugar Creek Water Treatment Plant as these loans are not closed as of December 31, 2018 and a final amortization schedule is not available. For the governmental activities, the schedule above does not include the 38th Street waterline roadway replacement, Mahoning Road Corridor, and 30th Street resurfacing loans as these loans are not closed as of December 31, 2018 and a final amortization schedule is not available.

Ohio Water Development Authority (OWDA) Loans

The City entered into various loan agreements with the OWDA for the purpose of improving and expanding both the water and the water pollution control operations. The City has pledged future revenues, net of certain operating expenses, to repay these loans in the water operating fund and sewer operating fund. The debt is payable from net revenues and is payable through 2035. Annual principal and interest payments on the debt issues are expected to require 49.59 percent of net revenues for water and 218.05 percent of net revenues for sewer. The total principal and interest remaining to be paid on the debt is \$31,721,971 for water and \$1,474,358 for sewer not including open loans. Principal and interest paid for the current year and total net revenues were \$2,491,878 and \$5,025,198, respectively, for water and \$6,569,592 and \$3,012,839, respectively, for sewer.

The City has entered into an agreement with the City of North Canton and the Stark County Board of Commissioners whereby, these entities will reimburse the City for a portion of its Sewer OWDA debt service payments based upon assigned percentage of design capacity of thirty-nine million gallons per day in the advanced secondary treatment facilities (known as the Water Reclamation Facility). The agreement is amended as design capacity needs change for the parties involved. For 2013, the assigned percentages were 50.85% for the City, 47.00% for Stark County and 2.15% for the City of North Canton. In accordance with the agreement, reimbursements to the City will not be due more often than the City's repayments under the OWDA loan debt service schedules. The City is obligated to make all debt service payments on the OWDA loans and subsequently bills the City of North Canton and Stark County for their assigned percentage of Sewer OWDA loans debt service as stipulated in the agreements.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The City has both closed and open OWDA loans at December 31, 2018. The closed loans are those that OWDA has made the final disbursements and the City has final amortization schedules for the future debt payments. The water meter planning and design project (water fund) received the final disbursement in 2017 and was closed. An amortization schedule is now available for the loan. The following is the City's closed OWDA loans:

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Original Amount</u> |
|--|-----------------------|------------------------|
| Governmental activities, Harmont Avenue NE improvement | 3.25% | \$ 60,100 |
| Business-type activities, Plain Township waterline extension (55th St) | 4.74% | 1,653,459 |
| Business-type activities, Lake Local Schools waterline | 4.64% | 1,980,974 |
| Business-type activities, Osnaburg water main extension | 3.62% | 1,402,001 |
| Business-type activities, Sugarcreek water plant improvement | 3.25% | 3,365,682 |
| Business-type activities, NW water plant improvement | 3.52% | 7,094,093 |
| Business-type activities, NE water plant improvement | 5.39% | 14,903,080 |
| Business-type activities, water pollution system | 2.64% | 14,230,181 |
| Business-type activities, new water meters | 3.33% | 9,414,052 |
| Business-type activities, discharge line (J.L.) | 3.81% | 835,606 |
| | | <u>\$ 54,939,228</u> |

During 2018, the phosphorus/nitrogen removal project (sewer fund), the WRF phosphorus - MBR equipment project (sewer fund), the South Cleveland Avenue waterline extension project (water fund), and the Canton South waterline construction project (water fund) received OWDA loan proceeds. As of the end of the audit period, the final amount borrowed for these loans had not been determined and no final reconciliation has been completed by OWDA. Due to these issues, no payment schedules were available for either of these loans. Consequently, these loans were not included in the yearly schedule shown above nor were they used in calculating the amount due within one year in the schedule that follows. These loans are considered open since final disbursements have not been made. The total amount borrowed and the total permissible borrowing under the loan agreements are as follows:

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount Borrowed as of 12/31/18</u> | <u>Total Permissible Borrowings</u> |
|--|-----------------------|---------------------------------------|-------------------------------------|
| Business-type activities, WRF phosphorus/nitrogen removal project | 3.38% | \$ 53,885,308 | \$ 54,383,258 |
| Business-type activities, WRF phosphorus project - MBR equipment | 3.39% | 25,518,208 | 30,234,835 |
| Business-type activities, South Cleveland Avenue Waterline extension project | 0.00% | 53,824 | 102,091 |
| Business-type activities, Canton South Waterline construction project | 0.00% | <u>11,243</u> | <u>139,776</u> |
| | | <u>\$ 79,468,583</u> | <u>\$ 84,859,960</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Annual debt service requirements to maturity for closed OWDA loans are as follows:

Ohio Water Development Authority Loans

| Year Ending December 31 | Governmental Activities | | Business-Type Activities | |
|----------------------------|-------------------------|------------------|--------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2019 | \$ 2,600 | \$ 1,049 | \$ 2,725,794 | \$ 729,437 |
| 2020 | 2,685 | 971 | 1,819,849 | 657,040 |
| 2021 | 2,773 | 889 | 1,879,442 | 602,317 |
| 2022 | 2,864 | 8,005 | 1,876,680 | 545,706 |
| 2023 | 2,958 | 719 | 1,716,596 | 492,566 |
| 2024 - 2028 | 16,309 | 2,192 | 9,146,175 | 1,699,924 |
| 2029 - 2033 | 5,428 | 164 | 5,740,590 | 546,688 |
| 2034 - 2037 | - | - | 1,244,731 | 47,063 |
| Total | <u>\$ 35,617</u> | <u>\$ 13,989</u> | <u>\$ 26,149,857</u> | <u>\$ 5,320,741</u> |

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2018 were as follows. The long-term obligations at December 31, 2017 have been restated as described in Note 3.A.

| | Restated Outstanding 12/31/17 | Additions | Reductions | Outstanding 12/31/18 | Due Within One Year |
|---|-------------------------------------|---------------------|------------------------|-------------------------|------------------------|
| <i>Business-type activities</i> | | | | | |
| OPWC loans: | | | | | |
| Water operations: | | | | | |
| 2012 Harrisburg waterline 0% | \$ 28,396 | \$ - | \$ (6,310) | \$ 22,086 | \$ 6,310 |
| 2014 37th Street waterline project 0% | 187,362 | - | (23,420) | 163,942 | 23,420 |
| 2016 Westmoreland Water Main | 675,000 | - | (75,000) | 600,000 | 75,000 |
| 2016 53rd St Water Storage Reservoir Repair | 204,238 | - | (21,499) | 182,739 | 21,499 |
| 2017 Avondale Water Main Replacement | 85,642 | 50,925 | - | 136,567 | - |
| 2015 Faircrest Street waterline extension 0% | 1,077,434 | - | (59,858) | 1,017,576 | 59,858 |
| 2018 Sugar Creek Water treatment plant 0% | - | 616,332 | - | 616,332 | - |
| Sewer operations: | | | | | |
| 2014 37th Street sewerline project 0% | 24,532 | - | (3,066) | 21,466 | 3,066 |
| 2003 Harmont pump station 0% | 26,975 | - | (5,395) | 21,580 | 5,395 |
| Total OPWC loans | 2,309,579 | 667,257 | (194,548) | 2,782,288 | 194,548 |
| OWDA loans: | | | | | |
| Water operations: | | | | | |
| 2001 Plain Township waterline extension (55th St) 4.74% | 516,755 | - | (105,610) | 411,145 | 110,675 |
| 2002 Lake School waterline 4.64% | 676,166 | - | (123,120) | 553,046 | 128,899 |
| 2007 Osnaburg water main extension 3.62% | 793,363 | - | (71,360) | 722,003 | 73,966 |
| 2007 SC water plant improvements 3.25% | 1,853,911 | - | (150,779) | 1,703,132 | 155,719 |
| 2008 NW water plant improvements 3.52% | 3,747,939 | - | (255,928) | 3,492,011 | 265,015 |
| 2009 NE water plant improvements 5.39% | 10,577,658 | - | (638,958) | 9,938,700 | 655,018 |
| 2013 water meter planning and design 3.33% | 8,727,137 | - | (360,851) | 8,366,286 | 372,968 |
| 2017 South Cleveland Avenue Waterline Ext | 1,360 | 52,464 | (10,209) | 43,615 | - |
| 2017 South Waterline Ext | 1,862 | - | (1,862) | - | - |
| 2018 S Cleveland Ave Waterline Construction | - | 11,243 | - | 11,243 | - |
| Sewer operations: | | | | | |
| 1997 water pollution system 2.64% | 1,786,524 | - | (881,394) | 905,130 | 905,130 |
| 1999 discharge line (J.L.) 3.81% | 114,646 | - | (56,242) | 58,404 | 58,404 |
| 2010 WRF phosphorus/nitrogen removal project 3.38% | 47,689,306 | 4,254,815 | (2,007,354) | 49,936,767 | 3,565,687 |
| 2014 WRF phosphorus - MBR equipment 3.39% | 22,172,330 | 2,246,016 | (1,137,463) | 23,280,883 | 2,021,367 |
| Total OWDA loans | 98,658,957 | 6,564,538 | (5,801,130) | 99,422,365 | 8,312,848 |
| Net pension liability | 19,453,195 | - | (6,103,555) | 13,349,640 | - |
| Net OPEB liability | 8,658,674 | 574,612 | - | 9,233,286 | - |
| Compensated absences | 1,414,988 | 476,219 | (225,826) | 1,665,381 | 438,000 |
| Total business-type activities | \$ 130,495,393 | \$ 8,282,626 | \$ (12,325,059) | \$ 126,452,960 | \$ 8,945,396 |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The City overpaid principal for the 2017 Canton South Waterline Extension loan by \$12,116. This amount will be reimbursed by OWDA in the following year.

| | Restated Outstanding 12/31/17 | Additions | Reductions | Outstanding 12/31/18 | Due Within One Year |
|---|-------------------------------------|---------------|-----------------|-------------------------|------------------------|
| <i>Governmental activities</i> | | | | | |
| General obligation bonds: | | | | | |
| 2009 pension refunding bonds 3.0%-4.0% | \$ 495,000 | \$ - | \$ (495,000) | \$ - | \$ - |
| 2009 refunding bonds 3.0%-4.0% | 555,000 | - | (555,000) | - | - |
| Total general obligation bonds | 1,050,000 | - | (1,050,000) | - | - |
| 1998 SIB loan 3.0% | 138,572 | | (91,635) | 46,937 | 46,937 |
| 2014 SIB loan 3.0% | 1,217,398 | 1,095,159 | (256,280) | 2,056,277 | 299,326 |
| OWDA loan: | | | | | |
| 2010 Harmont Avenue sewer extension 3.25% | 38,135 | - | (2,518) | 35,617 | 2,600 |
| OPWC loans: | | | | | |
| 2014 55th Street NE storm sewer 0% | 364,816 | - | (13,767) | 351,049 | 13,767 |
| 2015 Mahoning Road Corridor | 430,483 | 6,833 | - | 437,316 | - |
| 2016 30th Street Resurfacing 0% | 383,522 | - | - | 383,522 | - |
| 2003 35th Street NE storm sewer 0% | 12,695 | - | (12,695) | - | - |
| 2004 Market Avenue sewer 0% | 112,500 | - | (15,000) | 97,500 | 15,000 |
| 2014 37th Street road project | 88,365 | - | (11,046) | 77,319 | 11,046 |
| 2017 Overbrook NW Storm Sewer | 59,377 | - | (3,045) | 56,332 | 3,045 |
| 2017 38th Street Waterline roadway replacement project | 483,345 | 6,938 | - | 490,283 | - |
| 2009 30th Street NE storm sewer 0% | 296,400 | - | (24,700) | 271,700 | 24,700 |
| Total OPWC loans | 2,231,503 | 13,771 | (80,253) | 2,165,021 | 67,558 |
| Compensated absences | 7,054,407 | 1,428,319 | (1,462,212) | 7,020,514 | 1,720,081 |
| Note payable | 5,400,000 | 5,200,000 | (5,400,000) | 5,200,000 | 5,200,000 |
| Net pension liability | 88,505,316 | - | (10,939,456) | 77,565,860 | - |
| Net OPEB liability | 56,735,201 | 9,850,431 | - | 66,585,632 | - |
| Capital leases | 834,211 | - | (350,220) | 483,991 | 238,902 |
| <i>Total governmental activities</i> | 163,204,743 | 17,587,680 | (19,632,574) | 161,159,849 | 7,575,404 |
| Totals | \$ 293,700,136 | \$ 25,870,306 | \$ (31,957,633) | \$ 287,612,809 | \$ 16,520,800 |

The above schedule of long-term obligations differs from liabilities reported on the government-wide statement of net position as a result of the compensated absences payable associated with the business-type activities being included with the long-term liabilities of the governmental activities. The compensated absences claim internal service fund is responsible for the payment of both the governmental and business-type compensated absences liabilities. Since governmental activities are the primary user of the internal service funds, GAAP requires that the long-term liabilities of the internal service fund be reported among the governmental activities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

A reconciliation of the schedule of long-term obligations to the statement of net position at December 31, 2018 were as follows:

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------|
| Long-term obligations per schedule above | \$ 161,159,849 | \$ 126,452,960 | \$ 287,612,809 |
| Consolidation of compensated absences claim internal service fund into governmental activities | 1,665,381 | (1,665,381) | - |
| Long-term liabilities on government-wide statement of net position | \$ 162,825,230 | \$ 124,787,579 | \$ 287,612,809 |

Of the \$1,665,381 of business-type compensated absences to be paid from the compensated absences claim internal service fund (which is consolidated with the governmental activities on the statement of net position), \$438,000 is due within one year.

Notes Payable

On April 21, 2018, the City issued \$3,500,000 of long-term notes payable for the purpose of paying the cost of acquiring, constructing, reconstructing and improving City buildings, including, without limitation, the replacement of the City Hall roof, the Civic Center roof and improvements to other City facilities. The notes bear an interest rate not to exceed 6%. These notes were refinanced on a long-term basis on April 21, 2019 and now have a stated maturity of April 21, 2020.

On April 1, 2018, the City issued a \$1,900,000 Historic Hercules note payable for the purpose of renovating and redeveloping the former Hercules Motor Company facility into market rate residential apartments and related facilities. This note matures on April 1, 2019. Of this total, \$200,000 is considered a short-term note payable (see Note 11) and \$1,700,000 is considered a long-term note payable. The long-term note payable represents the portion of the Historic Hercules note issue that was refinanced subsequent to year-end with a new maturity date greater than one year from the date of the financial statements (see Note 11). The long-term note payable matures April 1, 2020. The long-term notes are backed by the full faith and credit of the City.

Net Pension Liability and Net OPEB Liability

The City pays obligations related to employee compensation from the fund benefitting from their services. For the City's governmental activities, any net pension liability would be primarily liquidated by the general fund. See Notes 13 and 14 for further information.

Capital Lease Obligation

See Note 10 for further detail on the City's capital lease obligations.

Legal Debt Margin

The City's overall legal debt margin was \$79,907,743 and an unvoted debt margin of \$41,886,501 at December 31, 2018.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - CAPITAL LEASES

In 2017, the City entered into a new capital lease agreement for the acquisition of a fire truck. In addition, in previous years, the City entered into capital lease agreements for the acquisition of police sedans, a street sweeper, an ambulance, and a salt truck. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital assets acquired by the leases have been capitalized in the amount of \$2,768,047, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2018 was \$1,675,662, leaving a current book value of \$1,092,385.

A corresponding liability was recorded on the statement of net position. In 2018, principal payments of \$350,220 are reflected as debt service principal retirement in the motor vehicle purchase fund. The principal payments are reported as a reduction to the long-term liabilities reported on the statement of net position. The following is a schedule of the future minimum lease payments for all of the City's capital leases and the present value of the minimum lease payments as of December 31, 2018.

| Year Ending | Governmental Activities |
|---|----------------------------|
| 2019 | \$ 251,437 |
| 2020 | 251,437 |
| Total minimum lease payments | 502,874 |
| Less: amount representing interest | (18,883) |
| Present value of minimum lease payments | \$ 483,991 |

NOTE 11 - NOTES PAYABLE

The following is a summary of short-term note transactions for the year ended December 31, 2018 reflected in the general fund on the fund financial statements and in the governmental activities on the government-wide financial statements:

| | Balance 12/31/2017 | Issued | Retired | Balance 12/31/2018 |
|------------------------------|-----------------------|--------------|----------------|-----------------------|
| Notes Payable: | | | | |
| Civil Suit Settlement | \$ 1,100,000 | \$ 1,000,000 | \$ (1,100,000) | \$ 1,000,000 |
| Historic Hercules Project | 100,000 | 200,000 | (100,000) | 200,000 |
| Hall of Fame Village Project | 5,000,000 | 4,750,000 | (5,000,000) | 4,750,000 |
| | \$ 6,200,000 | \$ 5,950,000 | \$ (6,200,000) | \$ 5,950,000 |

The civil suit settlement note was issued on June 24, 2018 and had an outstanding balance of \$1,000,000 at December 31, 2018. This note was issued to refinance notes previously issued on June 24, 2017 which matured June 24, 2018. The note was issued at an interest rate of 6% and matures on June 24, 2019. The purpose of the issuance was to pay for the settlement of a civil suit in which the City agreed to pay the plaintiff \$1,800,000. This note is an obligation of the fund which is responsible for payment of the settlement.

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 11 - NOTES PAYABLE - (Continued)

The Hall of Fame Village project note was issued on December 1, 2018 and had an outstanding balance of \$4,750,000 at December 31, 2018. This note was issued to refinance notes previously issued on December 1, 2017 which matured December 1, 2018. The note was issued at an interest rate of 6% and matures on December 1, 2019. The note was issued in anticipation of a long-term bond financing for improvements to Hall of Fame Village related to economic development.

On April 1, 2018, the City issued a \$1,900,000 Historic Hercules note payable to refinance notes previously issued on April 1, 2017 which matured April 1, 2018. The original issue was issued for the purpose of renovating and redeveloping the former Hercules Motor Company facility into market rate residential apartments and related facilities. Of this total, \$200,000 is considered a short-term note payable and \$1,700,000 is considered a long-term note payable (see Note 9). The short-term note payable represents the portion of the Historic Hercules note issue that will be retired when the notes are refinanced on April 1, 2019 (see Note 24 for detail). All short-term notes were backed by the full faith and credit of the City and mature within one year. The short-term note liability is reflected in the General Fund, the fund which received the proceeds. The short-term notes were issued in anticipation of long-term bond financing and will be refinanced until such funds are issued.

NOTE 12 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget (non-GAAP basis) and actual presented for the general fund and community and economic development 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 GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).
4. Unreported cash (cash on hand) represents amounts received but not included on the budget basis operating statements. These amounts are included on the GAAP basis operating statement.
5. Proceeds from manuscript debt are an other financing source (budget) as opposed to a balance sheet transaction (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and the community and economic development fund.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

| | General Fund | Community and Economic Development Fund |
|--|-----------------|---|
| | Fund | Development Fund |
| Budget basis | \$ 1,805,455 | \$ (2,970,791) |
| Net adjustment for revenue accruals | (354,618) | (183,768) |
| Net adjustment for expenditure accruals | 11,975,668 | (76,623) |
| Net adjustment for other financing sources (uses) accruals | (11,744,859) | 596,051 |
| Funds budgeted elsewhere | (278,318) | - |
| Encumbrances | 2,071,383 | 2,536,001 |
| GAAP basis | \$ 3,474,711 | \$ (99,130) |

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

GASB 68 assumes any net pension liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term net pension liability or net pension asset, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

| | State and Local |
|--|--------------------|
| 2018 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| 2018 Actual Contribution Rates | |
| Employer: | |
| Pension | 14.0 % |
| Post-employment Health Care Benefits | 0.0 % |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$4,453,998 for 2018. Of this amount, \$279,962 is reported as due to other governments.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

| | <u>Police</u> | <u>Firefighters</u> |
|--|----------------|---------------------|
| 2018 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2018 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | <u>0.50 %</u> | <u>0.50 %</u> |
| Total Employer | <u>19.50 %</u> | <u>24.00 %</u> |
| Employee | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$4,263,789 for 2018. Of this amount, \$262,952 is reported as due to other governments.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2017, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

| | <u>OPERS - Traditional</u> | <u>OPERS - Combined</u> | <u>OPERS - Member- Directed</u> | <u>OP&F</u> | <u>Total</u> |
|--|--------------------------------|-----------------------------|---|--------------------|---------------|
| Proportion of the net pension liability/asset prior measurement date | 0.22447800% | 0.31647200% | 0.17419000% | 0.89965700% | |
| Proportion of the net pension liability/asset current measurement date | <u>0.22331700%</u> | <u>0.27561500%</u> | <u>0.17637800%</u> | <u>0.91049900%</u> | |
| Change in proportionate share | <u>-0.00116100%</u> | <u>-0.04085700%</u> | <u>0.00218800%</u> | <u>0.01084200%</u> | |
| Proportionate share of the net pension liability | \$ 35,034,108 | \$ - | \$ - | \$ 55,881,392 | \$ 90,915,500 |
| Proportionate share of the net pension asset | - | (375,201) | (6,156) | - | (381,357) |
| Pension expense | 6,995,962 | 60,572 | (2,000) | 5,970,014 | 13,024,548 |

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Of the \$13,024,548 reported as pension expense, \$10,331,495 relates to governmental activities and \$2,693,053 relates to business-type activities.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS - Traditional | OPERS - Combined | OPERS - Member- Directed | OP&F | Total |
|--|------------------------|---------------------|--------------------------------|---------------------|----------------------|
| Deferred outflows of resources | | | | | |
| Differences between expected and actual experience | \$ 35,779 | \$ - | \$ 11,973 | \$ 848,039 | \$ 895,791 |
| Changes of assumptions | 4,186,809 | 32,789 | 729 | 2,435,049 | 6,655,376 |
| Changes in employer's proportionate percentage/difference between employer contributions | 151,492 | - | - | 610,206 | 761,698 |
| City contributions subsequent to the measurement date | 4,205,236 | 145,790 | 102,971 | 4,263,789 | 8,717,786 |
| Total deferred outflows of resources | <u>\$ 8,579,316</u> | <u>\$ 178,579</u> | <u>\$ 115,673</u> | <u>\$ 8,157,083</u> | <u>\$ 17,030,651</u> |
| Deferred inflows of resources | | | | | |
| Differences between expected and actual experience | \$ 690,412 | \$ 111,775 | \$ - | \$ 101,090 | \$ 903,277 |
| Net difference between projected and actual earnings on pension plan investments | 7,521,363 | 59,194 | 1,734 | 1,933,066 | 9,515,357 |
| Changes in employer's proportionate percentage/difference between employer contributions | 934,874 | - | - | 3,355,398 | 4,290,272 |
| Total deferred inflows of resources | <u>\$ 9,146,649</u> | <u>\$ 170,969</u> | <u>\$ 1,734</u> | <u>\$ 5,389,554</u> | <u>\$ 14,708,906</u> |

\$8,717,786 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2019. Of the amount reported as contributions subsequent to the measurement date, \$7,020,604 relates to governmental activities and \$1,697,182 relates to business-type activities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

| Year Ending December 31: | OPERS - Traditional | OPERS - Combined | OPERS - Member- Directed | OP&F | Total |
|--------------------------|------------------------|---------------------|--------------------------------|-----------------------|-----------------------|
| 2019 | \$ 2,473,263 | \$ (18,821) | \$ 1,373 | \$ 711,328 | \$ 3,167,143 |
| 2020 | (843,180) | (20,438) | 1,332 | 203,110 | (659,176) |
| 2021 | (3,312,007) | (33,699) | 1,093 | (1,795,285) | (5,139,898) |
| 2022 | (3,090,645) | (32,300) | 1,132 | (1,434,171) | (4,555,984) |
| 2023 | - | (11,516) | 1,666 | 644,565 | 634,715 |
| Thereafter | - | (21,406) | 4,372 | 174,193 | 157,159 |
| Total | <u>\$ (4,772,569)</u> | <u>\$ (138,180)</u> | <u>\$ 10,968</u> | <u>\$ (1,496,260)</u> | <u>\$ (6,396,041)</u> |

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

| | |
|---|--|
| Wage inflation | 3.25% |
| Future salary increases, including inflation COLA or ad hoc COLA | 3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple |
| Investment rate of return | 7.50% |
| Actuarial cost method | Individual entry age |

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed income | 23.00 % | 2.20 % |
| Domestic equities | 19.00 | 6.37 |
| Real estate | 10.00 | 5.26 |
| Private equity | 10.00 | 8.97 |
| International equities | 20.00 | 7.88 |
| Other investments | 18.00 | 5.26 |
| Total | 100.00 % | 5.66 % |

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability (asset): | | | |
| Traditional Pension Plan | \$ 62,211,650 | \$ 35,034,108 | \$ 12,376,228 |
| Combined Plan | (203,955) | (375,201) | (493,351) |
| Member-Directed Plan | (3,528) | (6,156) | (8,819) |

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below. The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the investment rate of return from 8.25% to 8.00%, (b) projected salary increases decreased from 4.25% - 11.00% to 3.75% - 10.50%, (c) payroll increases decreased from 3.75% to 3.25%, (d) inflation assumptions decreased from 3.25% to 2.75% and (e) Cost of Living Adjustments (COLAs) decreased from 2.60% to 2.20%.

| | |
|----------------------------|------------------------|
| Valuation date | January 1, 2017 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 8.00% |
| Projected salary increases | 3.75% - 10.50% |
| Payroll increases | 3.25% |
| Inflation assumptions | 2.75% |
| Cost of living adjustments | 2.20% and 3.00% simple |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2017 are summarized below:

| Asset Class | Target Allocation | 10 Year Expected Real Rate of Return ** | 30 Year Expected Real Rate of Return ** |
|-----------------------------|----------------------|--|--|
| Cash and Cash Equivalents | - % | | |
| Domestic Equity | 16.00 | 4.22 % | 5.39 % |
| Non-US Equity | 16.00 | 4.41 | 5.59 |
| Private Markets | 8.00 | 6.67 | 8.08 |
| Core Fixed Income * | 23.00 | 1.57 | 2.71 |
| High Yield Fixed Income | 7.00 | 2.94 | 4.71 |
| Private Credit | 5.00 | 6.93 | 7.26 |
| Global Inflation | | | |
| Protected Securities * | 17.00 | 0.98 | 2.52 |
| Master Limited Partnerships | 8.00 | 7.50 | 7.93 |
| Real Assets | 8.00 | 6.88 | 7.24 |
| Private Real Estate | 12.00 | 5.58 | 6.34 |
| Total | 120.00 % | | |

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. A discount rate of 8.25% was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 77,466,322 | \$ 55,881,392 | \$ 38,276,984 |

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

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

The City's contractually required contribution was \$41,188 for 2018. Of this amount, \$2,589 is reported as due to other governments.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's net OPEB liability is not known.

The City's contractually required contribution to OP&F was \$100,804 for 2018. Of this amount, \$6,217 is reported as due to other governments.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|---------------------|--------------------|---------------|
| Proportion of the net OPEB liability prior measurement date | 0.22463800% | 0.89965700% | |
| Proportion of the net OPEB liability current measurement date | <u>0.22314000%</u> | <u>0.91049900%</u> | |
| Change in proportionate share | <u>-0.00149800%</u> | <u>0.01084200%</u> | |
| Proportionate share of the net OPEB liability | \$ 24,231,360 | \$ 51,587,558 | \$ 75,818,918 |
| OPEB expense | \$ 2,015,980 | \$ 4,162,593 | \$ 6,178,573 |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Of the \$6,178,573 reported as OPEB expense, \$5,414,406 relates to governmental activities and \$764,167 relates to business-type activities.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|---------------------|---------------------|---------------------|
| Deferred outflows of resources | | | |
| Differences between expected and actual experience | \$ 18,876 | \$ - | \$ 18,876 |
| Changes of assumptions | 1,764,297 | 5,033,853 | 6,798,150 |
| Changes in employer's proportionate percentage/difference between employer contributions | 64,481 | 385,981 | 450,462 |
| City contributions subsequent to the measurement date | 41,188 | 100,804 | 141,992 |
| Total deferred outflows of resources | <u>\$ 1,888,842</u> | <u>\$ 5,520,638</u> | <u>\$ 7,409,480</u> |
| Deferred inflows of resources | | | |
| Differences between expected and actual experience | \$ - | \$ 260,186 | \$ 260,186 |
| Net difference between projected and actual earnings on pension plan investments | 1,805,074 | 339,573 | 2,144,647 |
| Changes in employer's proportionate percentage/difference between employer contributions | 170,406 | - | 170,406 |
| Total deferred inflows of resources | <u>\$ 1,975,480</u> | <u>\$ 599,759</u> | <u>\$ 2,575,239</u> |

\$141,992 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019. Of the amount reported as contributions subsequent to the measurement date \$126,297 relates to governmental activities and \$15,695 relates to business-type activities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

| Year Ending December 31: | OPERS | OP&F | Total |
|--------------------------|---------------------|---------------------|---------------------|
| 2019 | \$ 350,630 | \$ 669,441 | \$ 1,020,071 |
| 2020 | 350,630 | 669,441 | 1,020,071 |
| 2021 | (377,817) | 669,441 | 291,624 |
| 2022 | (451,269) | 669,441 | 218,172 |
| 2023 | - | 754,333 | 754,333 |
| Thereafter | - | 1,387,978 | 1,387,978 |
| Total | <u>\$ (127,826)</u> | <u>\$ 4,820,075</u> | <u>\$ 4,692,249</u> |

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|--|--|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 3.85 percent |
| Prior Measurement date | 4.23 percent |
| Investment Rate of Return | 6.50 percent |
| Municipal Bond Rate | 3.31 percent |
| Health Care Cost Trend Rate | 7.5 percent, initial 3.25 percent, ultimate in 2028 |
| Actuarial Cost Method | Individual Entry Age |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|----------------------|---|
| Fixed Income | 34.00 % | 1.88 % |
| Domestic Equities | 21.00 | 6.37 |
| Real Estate Investment Trust | 6.00 | 5.91 |
| International Equities | 22.00 | 7.88 |
| Other investments | 17.00 | 5.39 |
| Total | 100.00 % | 4.98 % |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

| | 1% Decrease (2.85%) | Current Discount Rate (3.85%) | 1% Increase (4.85%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$ 32,192,408 | \$ 24,231,360 | \$ 17,790,952 |

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Trend Rate Assumption | 1% Increase |
|---|---------------|---|---------------|
| City's proportionate share of the net OPEB liability | \$ 23,184,246 | \$ 24,231,360 | \$ 25,313,002 |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

| | |
|----------------------------|--|
| Valuation Date | January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Single discount rate: | |
| Current measurement date | 3.24 percent |
| Prior measurement date | 3.79 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--|------------------------------|---|
| Cash and Cash Equivalents | - % | 0.00 % |
| Domestic Equity | 16.00 | 5.21 |
| Non-US Equity | 16.00 | 5.40 |
| Core Fixed Income* | 20.00 | 2.37 |
| Global Inflation Protected Securities* | 20.00 | 2.33 |
| High Yield | 15.00 | 4.48 |
| Real Estate | 12.00 | 5.65 |
| Private Markets | 8.00 | 7.99 |
| Timber | 5.00 | 6.87 |
| Master Limited Partnerships | 8.00 | 7.36 |
| Total | <u>120.00 %</u> | |

Note: Assumptions are geometric.

*levered 2x

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

| | 1% Decrease (2.24%) | Current Discount Rate (3.24%) | 1% Increase (4.24%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$ 64,485,119 | \$ 51,587,558 | \$ 41,663,521 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

| | Non-Medicare | Non-AARP | AARP | Rx Drug | Medicare Part B |
|----------------|--------------|----------|-------|---------|--------------------|
| Year | | | | | |
| 2017 | -0.47% | -2.50% | 4.50% | -0.47% | 5.20% |
| 2018 | 7.00% | 7.00% | 4.50% | 7.00% | 5.10% |
| 2019 | 6.50% | 6.50% | 4.50% | 6.50% | 5.00% |
| 2020 | 6.00% | 6.00% | 4.50% | 6.00% | 5.00% |
| 2021 | 5.50% | 5.50% | 4.50% | 5.50% | 5.00% |
| 2022 | 5.00% | 5.00% | 4.50% | 5.00% | 5.00% |
| 2023 and Later | 4.50% | 4.50% | 4.50% | 4.50% | 5.00% |

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

| | 1% Decrease | Current Health Care Trend Rate Assumption | 1% Increase |
|---|---------------|---|---------------|
| City's proportionate share of the net OPEB liability | \$ 40,074,174 | \$ 51,587,558 | \$ 67,103,797 |

NOTE 15 - JOINT VENTURES

Canton Tomorrow, Inc.

The City participates in Canton Tomorrow, Inc., formed under Chapter 1702 of the Ohio Revised Code. Of the 26 member board, the City appoints three members. The degree of control exercised by any participating government is limited to its representation on the board. Canton Tomorrow, Inc., was formed to serve as a catalyst to bring together the vision, initiative and action necessary for the continuing revitalization of the City. Continued existence of Canton Tomorrow, Inc. is dependent on the City's continued participation, despite its minimal contribution to the overall budget; however, the City does not have an equity interest in Canton Tomorrow, Inc. (Agency). The Agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. Canton Tomorrow Inc.'s funding comes from a grant given by the City through the Canton Community Improvement Corporation to the Canton Regional Chamber of Commerce. In 2018, the grant was for \$125,000. The Chamber of Commerce is responsible for dividing it up amongst its various agencies like Canton Tomorrow, Inc. Complete financial statements can be obtained from Canton Tomorrow, Inc.

Downtown Canton Special Improvement District

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 13 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The District was created for the purpose of developing and implementing plans for public improvements and public services. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. In 2018, the City contributed \$191,124 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

NOTE 16 - RELATED ORGANIZATION

Joint Recreation District

On April 30, 2018 the Joint Recreation District (District) was dissolved pursuant to Ohio Law and no longer exist as a legal entity. The functions performed by the District are now functions of the Canton City Park Commission a legal fund on the City's financial statements.

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Stark Area Regional Transit Authority

The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon and Alliance. A nine-member board of trustees oversees the operation of the Authority whose purpose is to provide a low cost mass transportation system for Stark County. The City appoints three of the nine members. Each member's control over the operation of the Authority is limited to its representation on the Board. The Board exercises total authority for the day-to-day operations of the Authority, which include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Authority's liabilities. The City made no monetary contributions to assist in the operational expenses of the Authority during 2018. Complete financial statements may be obtained from the Stark Area Regional Transit Authority.

Stark Council of Governments

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities and villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is dependent on the City's continued participation; however, the City does not have an equity interest in the agency. The agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. The City contributed \$423,488 from the general fund for 2018 for the operation of SCOG. Complete financial statements may be obtained from the Stark Council of Governments.

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the State. The commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 88-member board, the City appoints 5 members.

The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2018, the City contributed \$112 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT

The component unit column in the government-wide financial statements identifies the financial data of the City's component unit, the Canton Community Improvement Corporation (CCIC). It is reported separately to emphasize that it is legally separate from the City. A summary of the CCIC more significant accounting policies and activities are disclosed below.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

Canton Community Improvement Corporation

The CCIC is a legally separate, not-for-profit, community improvement corporation, as authorized under Chapter 1724 of the Ohio Revised Code. The seven-member board is comprised of the following; the City's Mayor, three appointed or elected officials, chosen by the Mayor, and three recommended by the Mayor and approved by the other three board members. The CCIC was organized for the purpose of advancing, encouraging, and promoting the industrial, economic, and commercial and civic development of the community. The City's Community and Economic Development Department, as authorized by City Council, provides an annual grant to pay for all operational costs associated with the CCIC. Complete financial statements can be obtained from the Canton Community Improvement Corporation.

A. Summary of Significant Accounting Policies

The financial statements of CCIC have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Restricted Cash - CCIC received a grant award for economic development. Terms of the grant require specific uses of the funds.

Community Development Loans - CCIC issues loans to various businesses for the purpose of assisting the establishment of a new business enterprise in the City of Canton and/or continuing or expanding existing business activity.

Capital Assets - Capital assets represent land and buildings donated to or transferred to CCIC by the City of Canton to be used in future economic development projects as well as land currently being utilized for an economic development project. The land and buildings have been recorded at their fair value as of the date of the contribution, or at cost if purchased. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Grant Revenue - Grant revenue is derived from a grant passed through the City of Canton. The grant funds received provide economic development loans and façade improvement grants, as well as administrative expenses of CCIC. Grant revenue is recognized to the extent that expenses eligible for reimbursement under the grant agreement have been incurred during the period.

Federal Income Tax - CCIC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Net Position - Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the statement of net position. CCIC's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations. CCIC had no restricted net position as of December 31, 2018.

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

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

B. Cash and Investments

At December 31, 2018, the carrying value of the CCIC's deposits was \$71,564. The entire bank balance of \$92,064 was covered by the Federal Deposit Insurance Corporation. CCIC has not experienced any losses on this account and management of CCIC believes it is not exposed to any significant credit risk.

At December 31, 2018, CCIC had no investments.

C. Capital Assets

Capital asset activity for the year ended December 31, 2018, is as follows:

| | Balance 12/31/17 | Additions | Deductions | Balance 12/31/18 |
|--|---------------------|-------------------|-------------|---------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 130,400 | \$ - | \$ - | \$ 130,400 |
| Land improvements | 172,400 | - | - | 172,400 |
| Land held for future use | 486,961 | - | - | 486,961 |
| Total capital assets, not being depreciated | <u>789,761</u> | <u>-</u> | <u>-</u> | <u>789,761</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 107,500 | - | - | 107,500 |
| Total capital assets, being depreciated | <u>107,500</u> | <u>-</u> | <u>-</u> | <u>107,500</u> |
| Less accumulated depreciation | | | | |
| Buildings | (31,994) | (2,680) | - | (34,674) |
| Total accumulated depreciation | <u>(31,994)</u> | <u>(2,680)</u> | <u>-</u> | <u>(34,674)</u> |
| Total capital assets, being depreciated, net | <u>75,506</u> | <u>(2,680)</u> | <u>-</u> | <u>72,826</u> |
| Governmental activities total capital assets, net | <u>\$ 865,267</u> | <u>\$ (2,680)</u> | <u>\$ -</u> | <u>\$ 862,587</u> |

D. Community Development Loans

CCIC awards loans through the Community Development Block Grant program provided by the City of Canton. If the business has been awarded a Performance Loan and has maintained all of the terms and conditions of the agreement, CCIC shall forgive and cancel the unpaid balance for the specified time stated in the agreement. For all loan types, the borrowers must meet certain criteria documented in the loan agreements for receiving these funds. Jobs must be created as a result of the loan. Fifty-one percent or more of the new employees must be in the low to moderate income category. The City of Canton retains the loans and is responsible for the collection of these loans; these loans are therefore not recorded in the financial statements of CCIC.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

E. Commitments

In 2018, there were no loans or grants committed to or approved by the Board of Directors

F. In-Kind Contributions, Donated Facilities and Services

The City of Canton provides CCIC with office space and various office services without charge. The value of the donated facilities is not recognized in the financial statements because no objective basis is available to measure the value of the donated facilities. No in-kind wages were received from the City of Canton in 2018.

NOTE 19 - CONTINGENCIES

A. Grants

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

B. Litigation

The City is a party to various other legal proceedings. The City management is of the opinion that ultimate disposition of those subsequent pending claims and legal proceedings will likely not have a material adverse effect, if any, on the financial condition of the City. However any pending litigation that could be successful against the City would in all likelihood not exceed a maximum exposure of \$250,000.

NOTE 20 - 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 to the extent fund balance is available. For the general fund, fund balance is not reported as assigned for encumbrances as unassigned fund balance is negative. At year end, the City's commitments for encumbrances (less amounts already reported as payables) in the governmental funds were as follows:

| | Encumbrances as of 12/31/18 |
|---|--------------------------------|
| Major Funds | |
| General Fund | \$ 1,810,272 |
| Community and Economic Development Fund | 2,297,125 |
| Capital Project Fund | 4,002,157 |
| Motor Vehicle Purchase Fund | 68,284 |
| Nonmajor Governmental Funds | 10,250,277 |
| <i>Total</i> | \$ 18,428,115 |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 20 - COMMITMENTS - (Continued)

As of December 31, 2018, the City had significant contractual commitments as follows:

| Company | Project | Amount Remaining On Contract |
|------------------------------------|---|------------------------------------|
| Lockhart Concrete | Allendale | \$ 11,271 |
| Dominion | Mahoning Road Phase II | 761,422 |
| Michael Baker, Jr. Charter Comm | Mahoning Road Phase II | 727,512 |
| ATT | Mahoning Road Phase II | 54,122 |
| AEP | Mahoning Road Phase II | 310,340 |
| S.E.T. Inc. | Mahoning Road Phase II | 2,075,925 |
| GPD | Mahoning Road Phase II | 10,799,640 |
| Transystems RE Consulting | Mahoning Road Phase II | 1,172,072 |
| Perram Electric | Traffic Signal Upgrade | 432,750 |
| Liberta Construction | 38th Street Paving | 722,273 |
| OVIVO USA LLL | Water Reclamation Facility Membrane | 51,821 |
| Hobs Industrial Roofing | Roof Repairs Buildings | 20,000 |
| Hobbs | WRF Roof Repair | 190,000 |
| Wenger | Canton South Cleveland Ave Water Line Ext | 1,429,926 |
| Wenger | Avondale Waterline Phase I | 165,181 |
| Wenger | Avondale Phase II | 1,076,342 |
| CT Consultants | Avondale Water Main Replacement Phase II | 134,867 |
| Arcadis | Edgefield Water Main Replacement | 67,022 |
| Burgess and Nipples | Sugarcreek WT Backwash Sludge | 20,192 |
| Burgess and Nipples | AM & CMOM Plan Development Project | 549,290 |
| Stanley Miller | Sugarcreek WT Backwash Sludge | 123,087 |
| Kokosing Industrial Inc | Sludge Processing Modification Project | 3,524,000 |
| Insituform Technologies Inc | 47th & Packard NW Storm Sewer Proj | 770,129 |
| Insituform Technologies Inc | 47th ST Storm Sewer Repair | 452,889 |
| Arcadis | WRF Sludge Projecessing | 171,479 |
| CT Consultants | Fairmont Area Phase II | 32,275 |
| CT Consultants | Avondale Area Phase II | 21,527 |
| Omni Pro Services | Canton South Cleveland Ave Water Line Ext | 185,510 |
| Beaver Excavating | 12st St Bridge | 271,622 |
| Total | | <u>\$ 28,340,141</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 21 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following, as reported on the fund financial statements:

| Transfers Out | Transfer In | Amount |
|---------------|-----------------------------|------------|
| General fund | Nonmajor governmental funds | \$ 55,335 |
| General fund | Internal service funds | 500,000 |
| Total | | \$ 555,335 |

Transfers are used to 1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds.

Interfund transfers between governmental funds are eliminated for reporting on the statement of activities.

B. Interfund Loans and Manuscript Debt

Interfund loans receivable/payable consisted of the following at December 31, 2018, as reported on the fund financial statements:

| | Interfund loan Receivable |
|-----------------------------|------------------------------|
| Interfund Loan Payable | General Fund |
| Nonmajor governmental funds | \$ 61,960 |

In 2015, the health services fund (a nonmajor governmental fund) received a \$61,960 advance in from the general fund.

On April 1, 2018, the general fund issued \$1,050,000 in manuscript notes which were purchased by the land reutilization and note fund (a component of the general fund on a GAAP basis). The manuscript notes bear an interest rate of 1.0 percent and matured on April 1, 2019.

On June 1, 2018, the general fund issued \$500,000 in manuscript notes which were purchased by the NIP acquisition demo debt fund (a component of the general fund on a GAAP basis). The manuscript notes bear an interest rate of 1.0 percent and matured on June 1, 2019.

On August 1, 2018, the general fund issued \$2,000,000 in manuscript notes which were purchased by the NIP acquisition demo debt fund (a component of the general fund on a GAAP basis). The manuscript notes bear an interest rate of 1.0 percent and matured on August 1, 2019.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 21 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES - (Continued)

On a GAAP basis, manuscript debt is reported as an interfund loan receivable in the issuing fund and an interfund loan payable in the purchasing fund. In accordance with GASB Statements No. 54, the land reutilization and note fund and the NIP acquisition demo debt fund are considered part of the City's general fund for financial reporting purposes. As such, the interfund balances are eliminated in the general fund for reporting on the balance sheet and for reporting in the governmental activities statement of net position.

Interfund receivables and payables between governmental activities are eliminated for reporting on the government-wide statement of net position. Interfund receivables and payables between governmental activities and business-type activities are reported as a component of internal balance on the government-wide statement of net position.

C. Interfund Balances

| <u>Due To Other Funds (Payable)</u> | Due From Other Funds (Receivable) | | |
|--|-----------------------------------|------------------------------|-------------------|
| | General Fund | Internal Service Funds | Total |
| General fund | \$ - | \$ 218,085 | \$ 218,085 |
| Community and economic development fund | 35,304 | - | 35,304 |
| Capital projects fund | - | 4,562 | 4,562 |
| Water operating fund | - | 27,283 | 27,283 |
| Sewer operating fund | - | 10,707 | 10,707 |
| Refuse operating fund | - | 7,783 | 7,783 |
| Nonmajor governmental funds | 272,745 | 8,836 | 281,581 |
| Total | \$ 308,049 | \$ 277,256 | \$ 585,305 |

Balances due among the governmental activities and internal service funds are eliminated on the government-wide statement of net position. Balances due from the enterprise funds to the governmental activities and internal service funds are reported on the statement of net position as a component of internal balance.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 22 - FUND BALANCES

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

| Fund Balances | General Fund | Community and Economic Development | Capital Projects | Motor Vehicle Purchase | Nonmajor Governmental Funds | Total |
|--|-----------------|---|---------------------|------------------------------|-----------------------------------|----------------------|
| <i>Nonspendable:</i> | | | | | | |
| Materials & supplies | \$ 344,350 | \$ - | \$ - | \$ - | \$ 37,174 | \$ 381,524 |
| Unclaimed monies | 120,144 | - | - | - | - | 120,144 |
| <i>Total nonspendable</i> | <u>464,494</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>37,174</u> | <u>501,668</u> |
| <i>Restricted for:</i> | | | | | | |
| Road improvements | - | - | - | - | 1,502,381 | 1,502,381 |
| Community development grants & programs | - | 1,071,477 | - | - | 4,477,626 | 5,549,103 |
| Public health service grants & programs | - | - | - | - | 3,309,923 | 3,309,923 |
| Police department grants, donations & programs | - | - | - | - | 854,037 | 854,037 |
| Fire department grants, donations & programs | - | - | - | - | 348,703 | 348,703 |
| Judicial system grants & programs | - | - | - | - | 2,080,234 | 2,080,234 |
| Market square | - | - | - | - | 9,242 | 9,242 |
| Cornerstone parking deck operations | - | - | - | - | 738,223 | 738,223 |
| Youth development donations & programs | - | - | - | - | 5,332 | 5,332 |
| Employee recognition program | - | - | - | - | 143 | 143 |
| Debt service payments | - | - | - | - | 63,134 | 63,134 |
| Park donations | - | - | - | - | 21,114 | 21,114 |
| Infrastructure improvements | - | - | - | - | 181,387 | 181,387 |
| Recreational facility improvements | - | - | - | - | 450,004 | 450,004 |
| Construction projects | - | - | - | - | 545,309 | 545,309 |
| City hall renovations | - | - | - | - | 1,744 | 1,744 |
| Canton merchandising | - | - | - | - | 12,296 | 12,296 |
| Motor vehicle purchases | - | - | - | 1,026,353 | - | 1,026,353 |
| <i>Total restricted</i> | <u>\$ -</u> | <u>\$ 1,071,477</u> | <u>\$ -</u> | <u>\$ 1,026,353</u> | <u>\$ 14,600,832</u> | <u>\$ 16,698,662</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 22 - FUND BALANCES - (Continued)

| Fund Balances | General Fund | Community and Economic Development | Capital Projects | Motor Vehicle Purchase | Nonmajor Governmental Funds | Total |
|---|----------------------------|---|----------------------------|------------------------------|-----------------------------------|-----------------------------|
| <i>Committed to:</i> | | | | | | |
| Vehicle self-insurance | \$ 730,805 | \$ - | \$ - | \$ - | \$ - | \$ 730,805 |
| Motor vehicle maintenance | 320,927 | - | - | - | - | 320,927 |
| Park department operations | - | - | - | - | 1,802,552 | 1,802,552 |
| Community environment Capital improvements | - | - | 6,013,602 | - | - | 6,013,602 |
| Other purposes | - | - | - | - | 239,843 | 239,843 |
| <i>Total committed</i> | <u>1,051,732</u> | <u>-</u> | <u>6,013,602</u> | <u>-</u> | <u>2,042,395</u> | <u>9,107,729</u> |
| <i>Assigned to:</i> | | | | | | |
| General government operations | 365,731 | - | - | - | - | 365,731 |
| Security of persons and property programs | 336,470 | - | - | - | - | 336,470 |
| Public health programs | 150,419 | - | - | - | - | 150,419 |
| Transportation projects | 250,635 | - | - | - | - | 250,635 |
| Community environment projects | 282 | - | - | - | - | 282 |
| Leisure time activities | 95,412 | - | - | - | - | 95,412 |
| Sub. Year appropriations | 369,880 | - | - | - | - | 369,880 |
| Income tax department operations | 68,504 | - | - | - | - | 68,504 |
| <i>Total assigned</i> | <u>1,637,333</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,637,333</u> |
| Unassigned (deficit) | 3,173,724 | - | - | - | (821,758) | 2,351,966 |
| Total fund balances | <u><u>\$ 6,327,283</u></u> | <u><u>\$ 1,071,477</u></u> | <u><u>\$ 6,013,602</u></u> | <u><u>\$ 1,026,353</u></u> | <u><u>\$ 15,858,643</u></u> | <u><u>\$ 30,297,358</u></u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 23 - TAX ABATEMENTS

As of December 31, 2018, the City provides tax abatements through two programs - Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The City has entered into agreements to abate property taxes through these programs. During 2018, the City's property tax revenues were reduced as a result of these agreements as follows:

| <u>Tax Abatement Program</u> | <u>City Taxes Abated</u> |
|------------------------------|------------------------------|
| CRA | \$ 4,599 |
| Ezone | <u>49,026</u> |
| Total | <u>\$ 53,625</u> |

During 2018, the City did not incur a reduction in taxes by agreements entered into by other governments that reduced the City's taxes.

NOTE 24 - SIGNIFICANT SUBSEQUENT EVENT

On April 1, 2019, the Village retired the \$1,900,000 Historic Hercules Note through the issuance of a \$1,700,000 Historic Hercules Refunding Note. The Historic Hercules Refunding Note bears an interest rate of 5.00% and matures April 1, 2020.

On April 21, 2019, the Village retired the \$3,500,000 City Improvements Note through the issuance of a \$3,500,000 City Improvements Refunding Note. The City Improvements Refunding Note bears an interest rate of 6.00% and matures April 21, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| <i>Traditional Plan:</i> | | | | | |
| City's proportion of the net pension liability | 0.223317% | 0.224478% | 0.239094% | 0.238157% | 0.238157% |
| City's proportionate share of the net pension liability | \$ 35,034,108 | \$ 50,975,135 | \$ 41,414,095 | \$ 28,724,397 | \$ 28,075,608 |
| City's covered payroll | \$ 29,602,038 | \$ 29,259,467 | \$ 29,866,883 | \$ 29,295,150 | \$ 28,672,100 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 118.35% | 174.22% | 138.66% | 98.05% | 97.92% |
| Plan fiduciary net position as a percentage of the total pension liability | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |
| <i>Combined Plan:</i> | | | | | |
| City's proportion of the net pension asset | 0.275615% | 0.316472% | 0.327300% | 0.336465% | 0.336465% |
| City's proportionate share of the net pension asset | \$ 375,201 | \$ 176,139 | \$ 159,271 | \$ 129,546 | \$ 35,305 |
| City's covered payroll | \$ 1,128,777 | \$ 1,231,883 | \$ 1,182,483 | \$ 1,229,908 | \$ 1,194,669 |
| City's proportionate share of the net pension asset as a percentage of its covered payroll | 33.24% | 14.30% | 13.47% | 10.53% | 2.96% |
| Plan fiduciary net position as a percentage of the total pension asset | 137.28% | 116.55% | 116.90% | 114.83% | 104.56% |
| <i>Member Directed Plan:</i> | | | | | |
| City's proportion of the net pension asset | 0.176378% | 0.174190% | 0.181591% | n/a | n/a |
| City's proportionate share of the net pension asset | \$ 6,156 | \$ 726 | \$ 694 | n/a | n/a |
| City's covered payroll | \$ 966,700 | \$ 715,867 | \$ 1,011,317 | n/a | n/a |
| City's proportionate share of the net pension asset as a percentage of its covered payroll | 0.64% | 0.10% | 0.07% | n/a | n/a |
| Plan fiduciary net position as a percentage of the total pension asset | 124.46% | 103.40% | 103.91% | n/a | n/a |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability | 0.91049900% | 0.89965700% | 0.99237900% | 0.98849140% | 0.98849140% |
| City's proportionate share of the net pension liability | \$ 55,881,392 | \$ 56,983,376 | \$ 63,840,446 | \$ 51,207,977 | \$ 48,142,632 |
| City's covered payroll | \$ 19,960,909 | \$ 19,548,776 | \$ 19,839,596 | \$ 19,409,588 | \$ 21,641,256 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 279.95% | 291.49% | 321.78% | 263.83% | 222.46% |
| Plan fiduciary net position as a percentage of the total pension liability | 70.91% | 68.36% | 66.77% | 72.20% | 73.00% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS (1)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| <i>Traditional Plan:</i> | | | | |
| Contractually required contribution | \$ 4,205,236 | \$ 3,848,265 | \$ 3,511,136 | \$ 3,584,026 |
| Contributions in relation to the contractually required contribution | <u>(4,205,236)</u> | <u>(3,848,265)</u> | <u>(3,511,136)</u> | <u>(3,584,026)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 30,037,400 | \$ 29,602,038 | \$ 29,259,467 | \$ 29,866,883 |
| Contributions as a percentage of covered payroll | 14.00% | 13.00% | 12.00% | 12.00% |
| <i>Combined Plan:</i> | | | | |
| Contractually required contribution | \$ 145,790 | \$ 146,741 | \$ 147,826 | \$ 141,898 |
| Contributions in relation to the contractually required contribution | <u>(145,790)</u> | <u>(146,741)</u> | <u>(147,826)</u> | <u>(141,898)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 1,041,357 | \$ 1,128,777 | \$ 1,231,883 | \$ 1,182,483 |
| Contributions as a percentage of covered payroll | 14.00% | 13.00% | 12.00% | 12.00% |
| <i>Member Directed Plan:</i> | | | | |
| Contractually required contribution | \$ 102,971 | \$ 96,670 | \$ 85,904 | \$ 121,358 |
| Contributions in relation to the contractually required contribution | <u>(102,971)</u> | <u>(96,670)</u> | <u>(85,904)</u> | <u>(121,358)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 1,029,710 | \$ 966,700 | \$ 715,867 | \$ 1,011,317 |
| Contributions as a percentage of covered payroll | 10.00% | 10.00% | 12.00% | 12.00% |

(1) Information prior to 2013 is not available for the Traditional and Combined Plans and information for the Member Directed Plan is not available prior to 2015. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2014</u> | <u>2013</u> |
|--------------------|--------------------|
| \$ 3,515,418 | \$ 3,727,373 |
| <u>(3,515,418)</u> | <u>(3,727,373)</u> |
| <u>\$ -</u> | <u>\$ -</u> |
| \$ 29,295,150 | \$ 28,672,100 |
| 12.00% | 13.00% |
| | |
| \$ 147,589 | \$ 155,307 |
| <u>(147,589)</u> | <u>(155,307)</u> |
| <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,229,908 | \$ 1,194,669 |
| 12.00% | 13.00% |

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| <i>Police:</i> | | | | |
| Contractually required contribution | \$ 2,001,228 | \$ 1,985,253 | \$ 1,957,745 | \$ 1,915,238 |
| Contributions in relation to the contractually required contribution | <u>(2,001,228)</u> | <u>(1,985,253)</u> | <u>(1,957,745)</u> | <u>(1,915,238)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 10,532,779 | \$ 10,448,700 | \$ 10,303,921 | \$ 10,080,200 |
| Contributions as a percentage of covered payroll | 19.00% | 19.00% | 19.00% | 19.00% |
| <i>Fire:</i> | | | | |
| Contractually required contribution | \$ 2,262,561 | \$ 2,235,369 | \$ 2,172,541 | \$ 2,293,458 |
| Contributions in relation to the contractually required contribution | <u>(2,262,561)</u> | <u>(2,235,369)</u> | <u>(2,172,541)</u> | <u>(2,293,458)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 9,627,919 | \$ 9,512,209 | \$ 9,244,855 | \$ 9,759,396 |
| Contributions as a percentage of covered payroll | 23.50% | 23.50% | 23.50% | 23.50% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 1,925,993 | \$ 1,781,676 | \$ 1,766,663 | \$ 1,928,444 | \$ 1,936,464 | \$ 1,992,982 |
| <u>(1,925,993)</u> | <u>(1,781,676)</u> | <u>(1,766,663)</u> | <u>(1,928,444)</u> | <u>(1,936,464)</u> | <u>(1,992,982)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 10,136,805 | \$ 11,217,268 | \$ 13,856,180 | \$ 15,125,051 | \$ 15,187,953 | \$ 15,631,231 |
| 19.00% | 15.88% | 12.75% | 12.75% | 12.75% | 12.75% |
| \$ 2,179,104 | \$ 2,123,929 | \$ 2,188,878 | \$ 2,257,140 | \$ 2,452,065 | \$ 2,412,232 |
| <u>(2,179,104)</u> | <u>(2,123,929)</u> | <u>(2,188,878)</u> | <u>(2,257,140)</u> | <u>(2,452,065)</u> | <u>(2,412,232)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 9,272,783 | \$ 10,419,930 | \$ 12,689,148 | \$ 13,084,870 | \$ 14,214,870 | \$ 13,983,954 |
| 23.50% | 20.38% | 17.25% | 17.25% | 17.25% | 17.25% |

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO YEARS

| | <u>2018</u> | <u>2017</u> |
|---|---------------|---------------|
| City's proportion of the net OPEB liability | 0.223140% | 0.224638% |
| City's proportionate share of the net OPEB liability | \$ 24,231,360 | \$ 22,689,180 |
| City's covered payroll | \$ 31,697,515 | \$ 31,207,217 |
| City's proportionate share of the net OPEB liability as a percentage of its covered payroll | 76.45% | 72.70% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 54.14% | 54.04% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO YEARS

| | <u>2018</u> | <u>2017</u> |
|---|---------------|---------------|
| City's proportion of the net OPEB liability | 0.91049900% | 0.89965700% |
| City's proportionate share of the net OPEB liability | \$ 51,587,558 | \$ 42,704,695 |
| City's covered payroll | \$ 19,960,909 | \$ 19,548,776 |
| City's proportionate share of the net OPEB liability as a percentage of its covered payroll | 258.44% | 218.45% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 14.13% | 15.96% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS (1)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-----------------|------------------|------------------|------------------|
| Contractually required contribution | \$ 41,188 | \$ 345,976 | \$ 650,519 | \$ 620,986 |
| Contributions in relation to the contractually required contribution | <u>(41,188)</u> | <u>(345,976)</u> | <u>(650,519)</u> | <u>(620,986)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 32,108,467 | \$ 31,697,515 | \$ 31,207,217 | \$ 32,060,683 |
| Contributions as a percentage of covered payroll | 0.13% | 1.09% | 2.08% | 1.94% |

(1) Information prior to 2013 not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2014</u> | <u>2013</u> |
|------------------|-----------------|
| \$ 623,331 | \$ 41,532 |
| <u>(623,331)</u> | <u>(41,532)</u> |
| <u>\$ -</u> | <u>\$ -</u> |
| \$ 30,525,058 | \$ 29,866,769 |
| 2.04% | 0.14% |

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-----------------|-----------------|-----------------|-----------------|
| <i>Police:</i> | | | | |
| Contractually required contribution | \$ 52,664 | \$ 52,244 | \$ 51,520 | \$ 51,763 |
| Contributions in relation to the contractually required contribution | <u>(52,664)</u> | <u>(52,244)</u> | <u>(51,520)</u> | <u>(51,763)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 10,532,779 | \$ 10,448,700 | \$ 10,303,921 | \$ 10,080,200 |
| Contributions as a percentage of covered payroll | 0.50% | 0.50% | 0.50% | 0.50% |
| <i>Fire:</i> | | | | |
| Contractually required contribution | \$ 48,140 | \$ 47,561 | \$ 46,224 | \$ 48,797 |
| Contributions in relation to the contractually required contribution | <u>(48,140)</u> | <u>(47,561)</u> | <u>(46,224)</u> | <u>(48,797)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 9,627,919 | \$ 9,512,209 | \$ 9,244,855 | \$ 9,759,396 |
| Contributions as a percentage of covered payroll | 0.50% | 0.50% | 0.50% | 0.50% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-----------------|------------------|------------------|------------------|------------------|------------------|
| \$ 49,794 | \$ 347,422 | \$ 641,941 | \$ 681,283 | \$ 670,404 | \$ 689,970 |
| <u>(49,794)</u> | <u>(347,422)</u> | <u>(641,941)</u> | <u>(681,283)</u> | <u>(670,404)</u> | <u>(689,970)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 10,136,805 | \$ 11,217,268 | \$ 13,856,180 | \$ 15,125,051 | \$ 15,187,953 | \$ 15,631,231 |
| 0.50% | 3.62% | 6.75% | 6.75% | 6.75% | 6.75% |
| | | | | | |
| \$ 47,212 | \$ 316,280 | \$ 584,399 | \$ 620,215 | \$ 689,766 | \$ 678,561 |
| <u>(47,212)</u> | <u>(316,280)</u> | <u>(584,399)</u> | <u>(620,215)</u> | <u>(689,766)</u> | <u>(678,561)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 9,272,783 | \$ 10,419,930 | \$ 12,689,148 | \$ 13,084,870 | \$ 14,214,870 | \$ 13,983,954 |
| 0.50% | 3.62% | 6.75% | 6.75% | 6.75% | 6.75% |

CITY OF CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25%, (e) payroll growth was reduced from 3.75% to 3.25%, and (f) the discount rate (interest rate) was reduced from 3.79% to 3.24%.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Major Governmental Funds

General Fund

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

Community and Economic Development Fund

The community and economic development fund is a major special revenue fund that accounts for HUD community and economic development block grant money used for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

Capital Projects Fund

The capital projects fund is a major capital projects fund that accounts for the City's capital projects and expenditures of 20 percent of net income tax receipts.

Motor Vehicle Purchase Fund

The motor vehicle purchase fund is a major capital projects fund that accounts for the purchase and maintenance of the City's vehicles and expenditures of 5 percent of net income tax receipts.

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The following are the nonmajor special revenue funds which the City of Canton operates:

Street Construction, Maintenance and Repair Fund

Required by the Ohio Revised Code to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

State Highway Fund

Required by the Ohio Revised Code to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Municipal Road Fund

To account for County grant money used for various street projects approved through the county's municipal road fund.

Cornerstone Parking Deck Fund

To account for parking fees collected at City owned parking facilities.

Mills Industrial Park TIF Fund

To account for tax incremental financing (TIF) revenues associated with the Mills Industrial Park.

Gervasi 1700, LLC TIF Fund

To account for tax incremental financing (TIF) revenues associated with Gervasi 1700, LLC.

Urban TIF Fund

To account for tax increment financing (TIF) associated with the development of luxury lofts at the Historic Onesto Hotel.

Lesh Rd./30th St. TIF Fund

To account for tax incremental financing (TIF) revenues associated with the City's Lesh Rd./30th St. TIF agreement.

Health Services Fund

To account for State and Federal grant funds used for various health education, prevention, and treatment programs in the City.

Crime Lab Fund

To account for monies received for the operational costs of the City's crime lab.

Court Computer Fund

To account for monies used to maintain court computer systems.

Court Funds

To account for special revenues received from Canton Municipal Court fines. These include the court capital improvement special projects, legal research, court GPS cost, and ignition interlock/alcohol monitoring funds.

Law Department Dispute Resolution Fund

To provide for the receipt of fees charged for discretionary public services provided to resolve various types of disputes.

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

SARTA Area Improvement Fund

To account for contributions and donations for Stark Area Regional Transit Authority (SARTA) operations and improvements.

Park Department Fund

To account for park donations and operational fees charged by the department.

Youth Development Fund

To account for grant monies used for summer youth employment programs.

Federal Forfeiture Fund

To account for the proceeds from seizures in federal cases.

Probation Award Fund

To account for the costs associated with the probation program ran by the municipal court.

Enforcement and Education Fund

To account for fines which are used for educating the public on the dangers of driving while under the influence of alcohol and the laws governing the operation of a motor vehicle while under the influence of alcohol.

Indigent Driver Alcohol Treatment Fund

To account for fines collected by the municipal court from persons whose driver's license or permit was suspended for driving under the influence of alcohol. By order of the court, this fund will provide for the cost of rehabilitation for those deemed to be indigent.

Law Enforcement Trust Fund

To account for monies received from the sale or disposition of seized contraband. Expenditures from this fund are made for law enforcement purposes.

Municipal Probation Services Fund

To account for fines and forfeitures used for various probation projects.

Misdemeanor Community Sanction Grant Fund

To account for grant dollars from the Department of Rehabilitation and Correction to be used to meet the needs of low level offenders, divert additional offenders from prison and enhance public safety

Prisoner Housing Fund

To account for fines collected used for the housing and/or treatment of indigent offenders.

Local Law Enforcement Block Grant Fund

To account for block grant monies used for law enforcement purposes.

Supplementary Police Forces Funds

To account for the receipts and expenditures of the Canton police youth corp fund and Canton auxiliary police funds.

Police Funds

To account for the receipt and expenditure of various grants and donations received by the City's police department. These include the D.A.R.E. program fund, probation improvement and incentive grant fund, 2015 COPS hiring program grant, 2016 COPS hiring program grant, safe neighborhood heroes grant fund, police grants and donations fund, 2014 COPS hiring program grant, Byrne memorial recovery act fund, use of force software upgrade grant, FY17 bullet proof vest partners grant, 2017 COPS hiring program grant, 2010 local solicitation Byrne grant fund, police EMS training and equipment grant fund, 2014 Byrne grant fund, 2013 cops hiring program fund, and the 2012 cops hiring program fund.

Fire Funds

To account for the receipts and expenditures of various grants and donations received by the City's fire department. These include the fire grants and donation fund, FY16 assist to firefighters grant, 2017 assist to firefighters grant, the EMS training and equipment grant fund, the firefighter assistance grant fund, the Fire FEMA SAFER grant 2009 fund, and the Fire FEMA SAFER Grant 2017 fund.

Vacant/Foreclosed Registry Fund

To account for registration fees, penalties and interest levied as established in Chapter 1353 of the Codified Ordinances and the administrative fee withheld from the maintenance bond used to enforce laws regarding foreclosed and/or vacant properties.

Clean Ohio Revitalization Fund

To account for the receipts and expenditures associated with the Clean Ohio Revitalization Grant received by the City for asbestos abatement projects.

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

Canton Merchandising Fund

To account for the receipts and expenditures associated with activity resulting from the sale of various City of Canton merchandise.

Market Square Donation Fund

To account for the receipts and expenditures associated with donations to the market square.

Jobs Ohio Fund

To account for the receipts and expenditures associated with the Jobs Ohio program.

Hall of Fame Village

To account for the costs associated with the development and upkeep of the Hall of Fame Village.

Neighborhood Development Fund

To account for income tax revenues associated with the demolition of vacant properties and improvements of blighted neighborhoods for the enhancement of city residents.

Comprehensive Plan Implementation Fund

To account for income tax revenues associated for economic and downtown area development, job creation, and expansion and retention.

Other

Other funds operated by the City are subsidized in part by local, state and Federal monies as well as miscellaneous sources. These include the employee recognition, city hall plaza, recycle Ohio grant, guardrail/attenuator replacement, southeast community center, Thurman Munson Memorial Stadium donation, recovery court ATP fund, justice reinvest grant prob., court technology grant, specialized docket grant, justice reinvest grant - pretrial, and clerk of courts administration funds.

Income Tax Fund

To account for the receipts from the assessment of an income tax. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the nonmajor special revenue funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule is presented in this section.

Nonmajor Debt Service Funds

To account for the accumulation of resources for, and the payment of, general obligation debt principal and interest.

General Obligation Bond Retirement Fund

To account for the accumulation of resources to pay principal and interest on general obligation debt.

Special Assessment Bond Retirement Fund

To account for the collection of special assessments levied against properties for the payment of special assessment bonds and related interest costs. No budgetary schedule is presented for this fund as no revenues or expenditures were budgeted in 2018.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary or nonexpendable trust funds.

2015 Construction/Reconstruction Note Fund

To account for the portions of a 2015 City note for building renovations and construction being done throughout the City.

2006 City Infrastructure Bond Fund

To account for the portions of a 2006 City bond issue spent for roadway, storm sewer, and other infrastructure improvements.

2006 Recreational Bond Fund

To account for the portions of a 2006 City bond issue spent for a water park, baseball field upgrades and other recreational facility improvements.

2006 Construction/Reconstruction Bond Fund

To account for the portions of a 2006 City bond issue for building renovations and construction being done throughout the City.

2006 Judges Facilities/City Hall Renovation Bond Fund

To account for the portions of a 2006 City bond issue spent on a renovation project being undertaken at City Hall.

12th St. N Corridor Project Fund

To account for capital grants and all costs associated with infrastructure improvements related to the 12th St. North Corridor project.

Mahoning Rd. Corridor Project Fund

To account for capital grants and all costs associated with infrastructure improvements to the Mahoning Road Corridor.

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

11th St. NW Improvement Project Fund

To account for capital grants and all costs associated with the 11th Street NW infrastructure road project.

38th St. NW Water Main Repair and Roadway Reconstruction Fund

To account for capital grants and all costs associated with the 38th St. NW water main repair and roadway reconstruction project.

Traffic Signal Comm. Upgrade

To account for capital grants and all costs associated with the traffic signal communications upgrade project.

Fulton Rd. Resurfacing

To account for capital grants and all costs associated with the Fulton Road Resurfacing project.

Tuscarawas Street W. Corridor Safety Project Fund

To account for loan proceeds and all costs related to the Tuscarawas Street West Corridor Safety project.

12th Street NW Bridge Replacement Project

To account for capital grants and all costs related to the 12th Street NW Bridge Replacement project.

41st Street NW Roadway Reconstruction Project Fund

To account for capital grants and all costs related to the 41st Street NW Roadway Reconstruction project.

47th Street NW Sewer Repair Project GP 1198 Fund

To account for capital grants and all costs related to the 47th Street NW Sewer Repair GP1198 project.

47th Street NW Sewer Repair Project GP 1241 Fund

To account for capital grants and all costs related to the 47th Street NW Sewer Repair GP1241 project.

Navarre Rd. Signal Upgrade

To account for capital grants and all costs associated with the Navarre Road upgrade project.

SIB Loan 12th Street N. Corridor Project Fund

To account for the proceeds of the SIB loan and costs associated with the 12th Street N. corridor project.

30th Street NW Resurfacing Project Fund

To account for capital grants and all costs related to the 30th Street NW Resurfacing project.

Ridgewood Phase 1 Part 2 Roadway Reconstruction Project Fund

To account for capital grants and all costs related to the Ridgewood Phase 1 part 2 Roadway Reconstruction project.

CITY OF CANTON
STARK COUNTY, 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, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|---|
| Revenues: | | | |
| Property and other taxes | \$ 1,950,000 | \$ 1,997,554 | \$ 47,554 |
| Municipal income taxes | 32,865,000 | 34,358,473 | 1,493,473 |
| Charges for services | 8,203,700 | 8,680,584 | 476,884 |
| Licenses, permits, and fees | 736,900 | 826,623 | 89,723 |
| Fines and forfeitures | 349,500 | 363,729 | 14,229 |
| Intergovernmental | 6,828,558 | 7,327,208 | 498,650 |
| Interest and investment income | 420,967 | 592,462 | 171,495 |
| Rental income | 7,500 | 5,440 | (2,060) |
| Contributions and donations | - | 4,745 | 4,745 |
| Operating grants | 3,078,000 | 3,639,268 | 561,268 |
| Other | 1,396,450 | 2,361,610 | 965,160 |
| Total revenues | 55,836,575 | 60,157,696 | 4,321,121 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>General Government - Support Administration:</i> | | | |
| Materials and supplies | 3,200 | 1,403 | 1,797 |
| Contractual services | 525,958 | 477,577 | 48,381 |
| Capital outlay | 3,400 | 3,360 | 40 |
| Other | 6,500 | 980 | 5,520 |
| <i>Total General Government - Support Administration</i> | <i>539,058</i> | <i>483,320</i> | <i>55,738</i> |
| <i>Service Director - Service Director Administration:</i> | | | |
| Personal services | 54,700 | 49,816 | 4,884 |
| Materials and supplies | 595 | 523 | 72 |
| Contractual services | 9,702 | 8,805 | 897 |
| Other | 3,239 | 2,758 | 481 |
| <i>Total Service Director - Service Director Administration</i> | <i>68,236</i> | <i>61,902</i> | <i>6,334</i> |
| <i>Service Director - Purchase Administration:</i> | | | |
| Personal services | 242,933 | 229,134 | 13,799 |
| Materials and supplies | 187,103 | 184,775 | 2,328 |
| Contractual services | 5,591 | 4,931 | 660 |
| Other | 8,390 | 6,934 | 1,456 |
| <i>Total Service Director - Purchase Administration</i> | <i>444,017</i> | <i>425,774</i> | <i>18,243</i> |
| <i>Service Director - Annexation:</i> | | | |
| Personal services | 6,044 | 6,026 | 18 |
| Contractual services | 7,500 | 300 | 7,200 |
| <i>Total Service Director - Annexation</i> | <i>13,544</i> | <i>6,326</i> | <i>7,218</i> |
| <i>Building and Maintenance - Other Building:</i> | | | |
| Personal services | 737,357 | 651,758 | 85,599 |
| Materials and supplies | 59,315 | 58,407 | 908 |
| Contractual services | 484,694 | 484,390 | 304 |
| Capital outlay | 8,419 | 8,419 | - |
| Other | 4,562 | 4,556 | 6 |
| <i>Total Building and Maintenance - Other Building</i> | <i>1,294,347</i> | <i>1,207,530</i> | <i>86,817</i> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|---|
| <i>Mayor - Administration:</i> | | | |
| Personal services | 404,139 | 392,988 | 11,151 |
| Materials and supplies | 4,059 | 2,863 | 1,196 |
| Contractual services | 38,781 | 35,048 | 3,733 |
| Other | 127,050 | 122,141 | 4,909 |
| <i>Total Mayor - Administration</i> | <u>574,029</u> | <u>553,040</u> | <u>20,989</u> |
| <i>Mayor - Planning Department:</i> | | | |
| Personal services | 150,006 | 145,079 | 4,927 |
| Materials and supplies | 2,400 | 789 | 1,611 |
| Contractual services | 625 | 260 | 365 |
| Other | 100 | 95 | 5 |
| <i>Total Mayor - Planning Department</i> | <u>153,131</u> | <u>146,223</u> | <u>6,908</u> |
| <i>Mayor - Human Resources Administration:</i> | | | |
| Personal services | 120,867 | 119,023 | 1,844 |
| Materials and supplies | 3,200 | 2,797 | 403 |
| Contractual services | 18,822 | 18,822 | - |
| Capital outlay | 2,681 | 1,468 | 1,213 |
| <i>Total Mayor - Human Resources Administration</i> | <u>145,570</u> | <u>142,110</u> | <u>3,460</u> |
| <i>Council - Council Administration:</i> | | | |
| Personal services | 648,866 | 641,790 | 7,076 |
| Materials and supplies | 3,098 | 2,368 | 730 |
| Contractual services | 38,277 | 37,274 | 1,003 |
| Other | 1,975 | 1,594 | 381 |
| <i>Total Council - Council Administration</i> | <u>692,216</u> | <u>683,026</u> | <u>9,190</u> |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 1,968,404 | 1,859,273 | 109,131 |
| Materials and supplies | 51,842 | 42,001 | 9,841 |
| Contractual services | 105,945 | 72,175 | 33,770 |
| Capital outlay | 12,000 | - | 12,000 |
| Other | 590 | 106 | 484 |
| <i>Total Courts/Judge - Judge Administration</i> | <u>2,138,781</u> | <u>1,973,555</u> | <u>165,226</u> |
| <i>Courts/Clerk - Clerk of Courts Administration:</i> | | | |
| Personal services | 1,538,145 | 1,512,832 | 25,313 |
| Materials and supplies | 27,864 | 26,209 | 1,655 |
| Contractual services | 24,853 | 23,328 | 1,525 |
| Other | 890 | 565 | 325 |
| <i>Total Courts/Clerk - Clerk of Courts Administration</i> | <u>1,591,752</u> | <u>1,562,934</u> | <u>28,818</u> |
| <i>Law Director - Law Administration:</i> | | | |
| Personal services | 1,407,192 | 1,396,078 | 11,114 |
| Materials and supplies | 11,932 | 9,608 | 2,324 |
| Contractual services | 11,352 | 7,743 | 3,609 |
| Other | 36,269 | 35,339 | 930 |
| <i>Total Law Director - Law Administration</i> | <u>1,466,745</u> | <u>1,448,768</u> | <u>17,977</u> |
| <i>Law - Non Operational Legal Exp:</i> | | | |
| Materials and supplies | 5,157 | 4,241 | 916 |
| Contractual services | 25,403 | 24,042 | 1,361 |
| Other | 178,459 | 127,940 | 50,519 |
| <i>Total Law - Non Operational Legal Exp</i> | <u>209,019</u> | <u>156,223</u> | <u>52,796</u> |
| <i>Auditor - Auditor Administration:</i> | | | |
| Personal services | 1,048,636 | 1,033,088 | 15,548 |
| Materials and supplies | 25,047 | 20,600 | 4,447 |
| Contractual services | 19,792 | 14,571 | 5,221 |
| Other | 201,500 | 201,391 | 109 |
| <i>Total Auditor - Auditor Administration</i> | <u>1,294,975</u> | <u>1,269,650</u> | <u>25,325</u> |
| <i>Auditor - Legally Binding Expenses:</i> | | | |
| Contractual services | 609,323 | 532,614 | 76,709 |
| Other | 43,500 | 36,488 | 7,012 |
| <i>Total Auditor - Legally Binding Expenses</i> | <u>652,823</u> | <u>569,102</u> | <u>83,721</u> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|---|
| <i>Treasurer - Administration & Operations:</i> | | | |
| Personal services | 283,251 | 270,313 | 12,938 |
| Materials and supplies | 667 | 429 | 238 |
| Contractual services | 32,987 | 31,432 | 1,555 |
| Other | 362,491 | 253,813 | 108,678 |
| <i>Total Treasurer - Administration & Operations</i> | <u>679,396</u> | <u>555,987</u> | <u>123,409</u> |
| <i>Board of Commission - Civil Service:</i> | | | |
| Personal services | 291,220 | 285,744 | 5,476 |
| Materials and supplies | 1,860 | 1,845 | 15 |
| Contractual services | 54,974 | 54,686 | 288 |
| Other | 704 | 689 | 15 |
| <i>Total Board of Commission - Civil Service</i> | <u>348,758</u> | <u>342,964</u> | <u>5,794</u> |
| <i>Board of Commission - Zoning Board:</i> | | | |
| Personal services | 8,574 | 8,520 | 54 |
| <i>Management Information Systems:</i> | | | |
| Personal services | 1,051,706 | 1,038,603 | 13,103 |
| Materials and supplies | 10,255 | 9,854 | 401 |
| Contractual services | 260,447 | 197,996 | 62,451 |
| Other | 1,525 | 1,525 | - |
| <i>Total Management Information Systems</i> | <u>1,323,933</u> | <u>1,247,978</u> | <u>75,955</u> |
| <i>Total General Government</i> | <u>13,638,904</u> | <u>12,844,932</u> | <u>793,972</u> |
| <i>Security of Persons and Property:</i> | | | |
| <i>Safety Director - Safety Director Administration:</i> | | | |
| Personal services | 173,428 | 170,558 | 2,870 |
| Materials and supplies | 220 | 199 | 21 |
| Contractual services | 838 | 838 | - |
| Other | 175 | - | 175 |
| <i>Total Safety Director - Safety Director Administration</i> | <u>174,661</u> | <u>171,595</u> | <u>3,066</u> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|---|
| <i>Safety Director - Code Enforcement Administration:</i> | | | |
| Materials and supplies | 9,912 | 7,000 | 2,912 |
| Contractual services | 3,032,121 | 2,661,868 | 370,253 |
| Other | 657 | 657 | - |
| <i>Total Safety Director - Code Enforcement Administration</i> | <u>3,042,690</u> | <u>2,669,525</u> | <u>373,165</u> |
| <i>Safety Director - Central Communication Administration:</i> | | | |
| Personal services | 1,679,745 | 1,627,402 | 52,343 |
| Materials and supplies | 6,460 | 5,950 | 510 |
| Contractual services | 61,346 | 60,670 | 676 |
| Capital outlay | 700 | 700 | - |
| Other | 2,250 | 1,317 | 933 |
| <i>Total Safety Director - Central Communication Administration</i> | <u>1,750,501</u> | <u>1,696,039</u> | <u>54,462</u> |
| <i>Police Administration:</i> | | | |
| Personal services | 15,976,382 | 15,373,431 | 602,951 |
| Materials and supplies | 366,601 | 365,878 | 723 |
| Contractual services | 730,318 | 730,114 | 204 |
| Capital outlay | 942,728 | 942,667 | 61 |
| Other | 65,177 | 48,825 | 16,352 |
| <i>Total Police Administration</i> | <u>18,081,206</u> | <u>17,460,915</u> | <u>620,291</u> |
| <i>Fire Administration:</i> | | | |
| Personal services | 14,279,898 | 13,985,370 | 294,528 |
| Materials and supplies | 378,783 | 378,068 | 715 |
| Contractual services | 425,270 | 423,804 | 1,466 |
| Capital outlay | 2,928 | 2,928 | - |
| Other | 63,988 | 63,632 | 356 |
| <i>Total Fire Administration</i> | <u>15,150,867</u> | <u>14,853,802</u> | <u>297,065</u> |
| <i>Traffic Administration:</i> | | | |
| Personal services | 697,916 | 684,781 | 13,135 |
| <i>Traffic Divisions - Traffic Engineer/Parking Meter:</i> | | | |
| Personal services | 194,324 | 177,021 | 17,303 |
| Materials and supplies | 7,900 | 7,798 | 102 |
| Contractual services | 5,800 | 5,800 | - |
| <i>Total Traffic Divisions - Traffic Engineer/Parking Meter</i> | <u>208,024</u> | <u>190,619</u> | <u>17,405</u> |
| <i>Total Security of Persons and Property</i> | <u>39,105,865</u> | <u>37,727,276</u> | <u>1,378,589</u> |
| Public Health: | | | |
| <i>Health - Administration:</i> | | | |
| Personal services | 378,367 | 371,796 | 6,571 |
| Materials and supplies | 35,531 | 30,663 | 4,868 |
| Contractual services | 132,645 | 128,077 | 4,568 |
| Capital outlay | 4,299 | 4,299 | - |
| Other | 220,984 | 219,957 | 1,027 |
| <i>Total Health - Administration</i> | <u>771,826</u> | <u>754,792</u> | <u>17,034</u> |
| <i>Health - Nurses:</i> | | | |
| Personal services | 542,041 | 509,166 | 32,875 |
| Materials and supplies | 2,243 | 1,272 | 971 |
| Contractual services | 24,699 | 21,454 | 3,245 |
| Other | 2,229 | 1,098 | 1,131 |
| <i>Total Health - Nurses</i> | <u>571,212</u> | <u>532,990</u> | <u>38,222</u> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---|
| <i>Health - Lab:</i> | | | |
| Personal services | 215,192 | 203,050 | 12,142 |
| Materials and supplies | 42,220 | 30,125 | 12,095 |
| Contractual services | 25,195 | 22,496 | 2,699 |
| Capital outlay | 1,996 | 1,996 | - |
| Other | 2,537 | 1,254 | 1,283 |
| <i>Total Health - Lab</i> | <u>287,140</u> | <u>258,921</u> | <u>28,219</u> |
| <i>Health - Air Pollution:</i> | | | |
| Other | 40,000 | 40,000 | - |
| <i>Health - Environmental Health Administration:</i> | | | |
| Personal services | 332,353 | 291,855 | 40,498 |
| Materials and supplies | 5,538 | 4,822 | 716 |
| Contractual services | 879 | 108 | 771 |
| Other | 3,451 | 3,028 | 423 |
| <i>Total Health - Environmental Health Administration</i> | <u>342,221</u> | <u>299,813</u> | <u>42,408</u> |
| <i>Total Public Health</i> | <u>2,012,399</u> | <u>1,886,516</u> | <u>125,883</u> |
| <i>Transportation:</i> | | | |
| <i>Engineering - Daily Operations:</i> | | | |
| Personal services | 63,375 | 48,017 | 15,358 |
| Materials and supplies | 1,825 | 775 | 1,050 |
| Contractual services | 5,025 | 4,067 | 958 |
| <i>Total Engineering - Daily Operations</i> | <u>70,225</u> | <u>52,859</u> | <u>17,366</u> |
| <i>Street - Maintenance:</i> | | | |
| Personal services | 411,365 | 343,783 | 67,582 |
| Materials and supplies | 33,216 | 31,240 | 1,976 |
| Contractual services | 1,138,657 | 1,090,914 | 47,743 |
| Other | 5,944 | 4,266 | 1,678 |
| <i>Total Street - Maintenance</i> | <u>1,589,182</u> | <u>1,470,203</u> | <u>118,979</u> |
| <i>Total Transportation</i> | <u>1,659,407</u> | <u>1,523,062</u> | <u>136,345</u> |
| <i>Community Environment:</i> | | | |
| <i>Community Development - Community Development Administration:</i> | | | |
| Personal services | 1,004,347 | 831,295 | 173,052 |
| Materials and supplies | 2,337 | 2,187 | 150 |
| Contractual services | 388,792 | 370,038 | 18,754 |
| Other | 179,000 | 179,000 | - |
| <i>Total Community Development - Community Development Administration</i> | <u>1,574,476</u> | <u>1,382,520</u> | <u>191,956</u> |
| <i>Land Reutilization:</i> | | | |
| Contractual services | 3,000 | - | 3,000 |
| <i>Community Improvement Corporation:</i> | | | |
| Other | 50,000 | 50,000 | - |
| <i>Total Community Environment</i> | <u>1,627,476</u> | <u>1,432,520</u> | <u>194,956</u> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---|
| Leisure Time Activities: | | | |
| <i>Civic Center - Civic Center Administration:</i> | | | |
| Materials and supplies | 150 | 150 | - |
| Contractual services | 609,862 | 517,612 | 92,250 |
| Capital outlay | 8,250 | 8,240 | 10 |
| <i>Total Civic Center - Civic Center Administration</i> | <u>618,262</u> | <u>526,002</u> | <u>92,260</u> |
| Debt Service: | | | |
| Principal retirement | 14,895,000 | 14,895,000 | - |
| Interest and fiscal charges | 346,522 | 245,257 | 101,265 |
| <i>Total Debt Service</i> | <u>15,241,522</u> | <u>15,140,257</u> | <u>101,265</u> |
| Total expenditures | <u>73,903,835</u> | <u>71,080,565</u> | <u>2,823,270</u> |
| Excess of expenditures over revenues | <u>(18,067,260)</u> | <u>(10,922,869)</u> | <u>7,144,391</u> |
| Other financing sources (uses): | | | |
| Sale of capital assets | - | 1,040 | 1,040 |
| Issuance of notes | 10,000,000 | 9,650,000 | (350,000) |
| Issuance of manuscript debt | 4,322,200 | 3,550,000 | (772,200) |
| Transfers in | 127,322 | 644,530 | 517,208 |
| Transfers (out) | (1,665,572) | (1,582,502) | 83,070 |
| Advances in | 741,484 | 616,166 | (125,318) |
| Advances (out) | (200,910) | (150,910) | 50,000 |
| Total other financing sources (uses) | <u>13,324,524</u> | <u>12,728,324</u> | <u>(596,200)</u> |
| Net change in fund balance | (4,742,736) | 1,805,455 | 6,548,191 |
| Fund balance at beginning of year | 4,208,494 | 4,208,494 | - |
| Prior year encumbrances appropriated | <u>2,299,778</u> | <u>2,299,778</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 1,765,536</u> | <u>\$ 8,313,727</u> | <u>\$ 6,548,191</u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY AND ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Operating grants | \$ 8,573,163 | \$ 3,873,478 | \$ (4,699,685) |
| Other | 283,674 | 249,470 | (34,204) |
| Total revenues | 8,856,837 | 4,122,948 | (4,733,889) |
| Expenditures: | | | |
| Current: | | | |
| Community Environment: | | | |
| <i>Community Development Administration:</i> | | | |
| Materials and supplies | 24,234 | 10,706 | 13,528 |
| Contractual services | 295,703 | 187,411 | 108,292 |
| Capital outlay | 15,318 | 11,674 | 3,644 |
| Other | 7,464,529 | 5,797,445 | 1,667,084 |
| <i>Total Community Development Administration</i> | <i>7,799,784</i> | <i>6,007,236</i> | <i>1,792,548</i> |
| <i>Federal Stimulus Funding:</i> | | | |
| Contractual services | 9,000 | - | 9,000 |
| Other | 35,445 | - | 35,445 |
| <i>Total Federal Stimulus Funding</i> | <i>44,445</i> | <i>-</i> | <i>44,445</i> |
| <i>Community Development Demolition:</i> | | | |
| Contractual services | 303,872 | 300,535 | 3,337 |
| Other | 7,496 | 7,496 | - |
| <i>Total Community Development Demolition</i> | <i>311,368</i> | <i>308,031</i> | <i>3,337</i> |
| <i>Fair Housing Administration:</i> | | | |
| Personal services | 146,098 | 110,119 | 35,979 |
| Materials and supplies | 8,700 | 500 | 8,200 |
| Contractual services | 75,620 | 4,985 | 70,635 |
| Other | 131,532 | 66,817 | 64,715 |
| <i>Total Fair Housing Administration</i> | <i>361,950</i> | <i>182,421</i> | <i>179,529</i> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY AND ECONOMIC DEVELOPMENT FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------------|---|
| Total expenditures | 8,517,547 | 6,497,688 | 2,019,859 |
| Excess of revenues over (under) expenditures | 339,290 | (2,374,740) | (2,714,030) |
| Other financing (uses): | | | |
| Advances out | (607,000) | (596,051) | 10,949 |
| Net change in fund balance. | (267,710) | (2,970,791) | (2,703,081) |
| Fund balance (deficit) at beginning of year | (1,719,417) | (1,719,417) | - |
| Prior year encumbrances appropriated | 2,584,820 | 2,584,820 | - |
| Fund balance (deficit) at end of year. | <u>\$ 597,693</u> | <u>\$ (2,105,388)</u> | <u>\$ (2,703,081)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---|
| Revenues: | | | |
| Municipal income taxes | \$ 9,173,463 | \$ 9,406,455 | \$ 232,992 |
| Capital grants | 1,900,000 | 74,871 | (1,825,129) |
| Other | 157,000 | 96,512 | (60,488) |
| Total revenues | 11,230,463 | 9,577,838 | (1,652,625) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Safety Director:</i> | | | |
| Central Communication Administration | 18,000 | 17,659 | 341 |
| Police Department - Police Administration | 280,037 | 271,758 | 8,279 |
| Fire Department - Fire Administration. | 299,858 | 237,153 | 62,705 |
| Total Safety Director | 597,895 | 526,570 | 71,325 |
| <i>Traffic Divisions:</i> | | | |
| Engineer Administration. | 26,360 | 26,360 | - |
| Traffic Signal | 48,000 | 43,634 | 4,366 |
| Total Traffic Divisions | 74,360 | 69,994 | 4,366 |
| <i>Service Director:</i> | | | |
| Service Director Administration | 545,187 | 475,019 | 70,168 |
| Engineering Administration. | 1,871,542 | 1,775,738 | 95,804 |
| Engineering - 3rd Street SE Bridge Rehabilitation Project | 74,461 | 74,461 | - |
| Purchasing Administration. | 24,787 | 23,919 | 868 |
| Engineering - 30th St NW Resurface Project | 3,203 | 3,203 | - |
| Engineering - 19th St NE Resurface Project | 49,168 | 49,168 | - |
| Engineering - STA IR77 | 120,000 | 120,000 | - |
| Engineering - Glenwood Inter School Deten Basis | 130,000 | - | 130,000 |
| Engineering - 11th Street Improvement Project. | 30,367 | 30,366 | 1 |
| Engineering - Central Plaza Bronze Bust Project | 100,000 | 98,900 | 1,100 |
| Engineering - Tuscarawas Street W. Corridor Safety Project | 67,254 | 29,904 | 37,350 |
| Street Administration | 1,072,622 | 909,419 | 163,203 |
| Street Paving | 4,588,717 | 4,300,632 | 288,085 |
| AOC Compliance Organization | 35,550 | 35,550 | - |
| Building Maintenance Administration. | 325,740 | 320,088 | 5,652 |
| Collection System Department | 421,380 | 316,467 | 104,913 |
| Engineering - Urban Forestry. | 75,422 | 63,925 | 11,497 |
| Engineering - 38th Street NW Improvement Project | 217,833 | 66,997 | 150,836 |
| Engineering - Mahoning Rd. Corridor Project | 3,420,483 | 2,414,019 | 1,006,464 |
| Total Service Director | 13,173,716 | 11,107,775 | 2,065,941 |
| <i>Water:</i> | | | |
| 37th Street Water Sewer Street Improvement Project | 110,458 | 110,458 | - |
| Ridgewood East Water Main Replacement. | 2,100 | 2,100 | - |
| Total Water | 112,558 | 112,558 | - |
| <i>Health:</i> | | | |
| Health Administration. | 26,900 | 26,900 | - |
| <i>Human Resources:</i> | | | |
| Human Resources. | 11,000 | 5,845 | 5,155 |
| <i>Mayor:</i> | | | |
| Information Technology Manager. | 1,244,826 | 608,629 | 636,197 |
| <i>Council:</i> | | | |
| Council Administration | 1,500 | 1,473 | 27 |
| <i>Auditor:</i> | | | |
| Auditor Administration | 321,709 | 317,658 | 4,051 |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---|
| <i>Law:</i> | | | |
| Law - Administration | 8,700 | 4,409 | 4,291 |
| <i>Income Tax:</i> | | | |
| Income Tax - Administration | 142,560 | 71,280 | 71,280 |
| <i>Treasurer:</i> | | | |
| Treasurer - Administration | 11,500 | - | 11,500 |
| <i>Total Capital Outlay</i> | <u>15,727,224</u> | <u>12,853,091</u> | <u>2,874,133</u> |
| <i>Debt Service:</i> | | | |
| <i>Principal retirement:</i> | | | |
| Various purpose loans | 416,918 | 416,918 | - |
| General obligation various improvement bonds | 555,000 | 555,000 | - |
| <i>Total Principal Retirement</i> | <u>971,918</u> | <u>971,918</u> | <u>-</u> |
| <i>Interest and Fiscal Charges:</i> | | | |
| Various purpose loans | 56,559 | 56,557 | 2 |
| General obligation various improvement bonds | 22,200 | 22,200 | - |
| <i>Total Interest and Fiscal Charges</i> | <u>78,759</u> | <u>78,757</u> | <u>2</u> |
| <i>Total Debt Service</i> | <u>1,050,677</u> | <u>1,050,675</u> | <u>2</u> |
| <i>Total expenditures</i> | <u>16,777,901</u> | <u>13,903,766</u> | <u>2,874,135</u> |
| <i>Excess of expenditures over revenues</i> | <u>(5,547,438)</u> | <u>(4,325,928)</u> | <u>1,221,510</u> |
| Other financing sources: | | | |
| Sale of assets | - | 12,667 | 12,667 |
| Loan proceeds - OPWC | 255,000 | 110,458 | (144,542) |
| Transfers in | 323,000 | - | (323,000) |
| <i>Total other financing sources</i> | <u>578,000</u> | <u>123,125</u> | <u>(454,875)</u> |
| <i>Net change in fund balance</i> | (4,969,438) | (4,202,803) | 766,635 |
| Fund balance at beginning of year | 2,270,390 | 2,270,390 | - |
| Prior year encumbrances appropriated | 3,403,370 | 3,403,370 | - |
| Fund balance at end of year | <u>\$ 704,322</u> | <u>\$ 1,470,957</u> | <u>\$ 766,635</u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE PURCHASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Municipal income taxes | \$ 1,825,639 | \$ 2,220,937 | \$ 395,298 |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Safety Director:</i> | | | |
| Code Enforcement Administration | 72,000 | - | 72,000 |
| Central Communication Administration | 254,750 | 131,064 | 123,686 |
| Police Department - Police Administration | 298,847 | 269,076 | 29,771 |
| Fire Department - Fire Administration | 698,911 | 698,910 | 1 |
| <i>Total Safety Director</i> | 1,324,508 | 1,099,050 | 225,458 |
| <i>Traffic Divisions:</i> | | | |
| Traffic Divisions - Engineer Administration | 8,702 | 8,702 | - |
| Traffic Divisions - Traffic Sign & Paint | 10,466 | 10,466 | - |
| Traffic Divisions - Traffic Signal. | 20,000 | 20,000 | - |
| <i>Total Traffic Divisions</i> | 39,168 | 39,168 | - |
| <i>Service Director:</i> | | | |
| Engineering Administration. | 9,231 | 9,231 | - |
| Street Administration | 513,119 | 480,100 | 33,019 |
| Street Paving | 223,329 | 223,329 | - |
| Service and Repair | 26,000 | 24,475 | 1,525 |
| Building Maintenance Administration | 3,059 | 3,059 | - |
| Collection System Department | 8,852 | 8,852 | - |
| <i>Total Service Director</i> | 783,590 | 749,046 | 34,544 |
| <i>Health:</i> | | | |
| Health Administration | 61,000 | 59,200 | 1,800 |
| <i>Mayor:</i> | | | |
| Mayor Administration | 9,431 | 931 | 8,500 |
| <i>Management Information Systems:</i> | | | |
| Information Technology Manager. | 1,712 | 1,712 | - |
| <i>Judges:</i> | | | |
| Judge Administration | 33,606 | 31,316 | 2,290 |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE PURCHASE FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|---|
| Total expenditures | 2,253,015 | 1,980,423 | 272,592 |
| Excess of revenues over (under) expenditures | (427,376) | 240,514 | 667,890 |
| Other financing sources: | | | |
| Sale of assets. | - | 59,715 | 59,715 |
| Net change in fund balance | (427,376) | 300,229 | 727,605 |
| Fund balance at beginning of year. | 248,846 | 248,846 | - |
| Prior year encumbrances appropriated | 200,176 | 200,176 | - |
| Fund balance at end of year | <u>\$ 21,646</u> | <u>\$ 749,251</u> | <u>\$ 727,605</u> |

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 15,021,175 | \$ 60,115 | \$ 1,178,362 | \$ 16,259,652 |
| Cash with fiscal agent | - | 3,019 | - | 3,019 |
| Receivables: | | | | |
| Property and other local taxes | 4,664,570 | - | - | 4,664,570 |
| Municipal income taxes | 823,704 | - | - | 823,704 |
| Accounts. | 144,713 | 6,363 | - | 151,076 |
| Accrued interest | 6 | - | 82 | 88 |
| Due from other governments | 2,619,026 | - | 1,391,362 | 4,010,388 |
| Materials and supplies inventory | 37,174 | - | - | 37,174 |
| Total assets | <u>\$ 23,310,368</u> | <u>\$ 69,497</u> | <u>\$ 2,569,806</u> | <u>\$ 25,949,671</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 1,055,330 | \$ - | \$ 1,578,999 | \$ 2,634,329 |
| Accrued wages and benefits payable | 311,149 | - | - | 311,149 |
| Due to other funds | 281,581 | - | - | 281,581 |
| Interfund loans payable | 61,960 | - | - | 61,960 |
| Due to other governments. | 98,985 | - | - | 98,985 |
| Retainage payable. | 10,611 | - | 38,573 | 49,184 |
| Total liabilities | <u>1,819,616</u> | <u>-</u> | <u>1,617,572</u> | <u>3,437,188</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year | 3,494,730 | - | - | 3,494,730 |
| Delinquent property tax revenue not available | 1,169,840 | - | - | 1,169,840 |
| Income tax revenue not available | 133,915 | - | - | 133,915 |
| Other local taxes not available. | 102,581 | - | - | 102,581 |
| Intergovernmental revenue not available | 1,147,190 | - | 589,813 | 1,737,003 |
| Charges for services revenue not available | - | 6,363 | - | 6,363 |
| Miscellaneous revenue not available | 9,408 | - | - | 9,408 |
| Total deferred inflows of resources. | <u>6,057,664</u> | <u>6,363</u> | <u>589,813</u> | <u>6,653,840</u> |
| Fund balances: | | | | |
| Nonspendable. | 37,174 | - | - | 37,174 |
| Restricted. | 13,359,254 | 63,134 | 1,178,444 | 14,600,832 |
| Committed | 2,042,395 | - | - | 2,042,395 |
| Unassigned (deficit). | (5,735) | - | (816,023) | (821,758) |
| Total fund balances. | <u>15,433,088</u> | <u>63,134</u> | <u>362,421</u> | <u>15,858,643</u> |
| Total liabilities, deferred inflows of resources, and fund balances. | <u>\$ 23,310,368</u> | <u>\$ 69,497</u> | <u>\$ 2,569,806</u> | <u>\$ 25,949,671</u> |

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|--|
| Revenues: | | | | |
| Property and other local taxes | \$ 3,271,986 | \$ - | \$ - | \$ 3,271,986 |
| Municipal income taxes | 4,390,789 | - | - | 4,390,789 |
| Charges for services | 1,778,873 | - | - | 1,778,873 |
| Licenses, permits, and fees | 420,217 | - | - | 420,217 |
| Fines and forfeitures | 431,259 | - | - | 431,259 |
| Intergovernmental. | 3,413,902 | - | - | 3,413,902 |
| Interest and investment income | 122 | 34,267 | 1,025 | 35,414 |
| Rental income. | 76,667 | - | - | 76,667 |
| Contributions and donations | 194,418 | - | - | 194,418 |
| Operating grants. | 7,637,889 | - | - | 7,637,889 |
| Capital grants | 679,889 | - | 8,806,526 | 9,486,415 |
| Payment in lieu of taxes. | 144,666 | - | - | 144,666 |
| Other local taxes | 597,512 | - | - | 597,512 |
| Other | 459,129 | - | - | 459,129 |
| Total revenues. | 23,497,318 | 34,267 | 8,807,551 | 32,339,136 |
| Expenditures: | | | | |
| Current: | | | | |
| General government. | 1,876,827 | - | - | 1,876,827 |
| Security of persons and property | 3,668,088 | - | - | 3,668,088 |
| Public health | 6,487,728 | - | - | 6,487,728 |
| Transportation. | 3,323,782 | - | - | 3,323,782 |
| Community environment | 682,395 | - | - | 682,395 |
| Leisure time activities. | 3,960,958 | - | - | 3,960,958 |
| Capital outlay | 166,894 | - | 8,907,037 | 9,073,931 |
| Debt service: | | | | |
| Principal retirement. | 13,767 | - | 3,500,000 | 3,513,767 |
| Interest and fiscal charges | - | - | 80,744 | 80,744 |
| Total expenditures | 20,180,439 | - | 12,487,781 | 32,668,220 |
| Excess (deficiency) of revenues over (under) expenditures . . | 3,316,879 | 34,267 | (3,680,230) | (329,084) |
| Other financing sources: | | | | |
| Issuance of notes | - | - | 3,500,000 | 3,500,000 |
| Issuance of loans | - | - | 1,108,930 | 1,108,930 |
| Transfers in. | 55,335 | - | - | 55,335 |
| Total other financing sources. | 55,335 | - | 4,608,930 | 4,664,265 |
| Net change in fund balances | 3,372,214 | 34,267 | 928,700 | 4,335,181 |
| Fund balances (deficit) at beginning of year | 12,060,874 | 28,867 | (566,279) | 11,523,462 |
| Fund balances at end of year | \$ 15,433,088 | \$ 63,134 | \$ 362,421 | \$ 15,858,643 |

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CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2018

| | Street Construction, Maintenance, and Repair | State Highway | Municipal Road | Cornerstone Parking Deck | Mills Industrial Park TIF |
|--|---|-------------------|-------------------|--------------------------------|------------------------------|
| Assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 836,425 | \$ 109,904 | \$ 586,134 | \$ 246,207 | \$ 182,935 |
| Receivables: | | | | | |
| Accounts | 605 | - | - | - | - |
| Accrued interest | - | - | - | - | - |
| Property and other taxes | - | - | - | - | - |
| Income taxes | - | - | - | - | - |
| Due from other governments | 1,118,211 | 70,710 | 108,177 | - | - |
| Materials and supplies inventory | 22,827 | - | - | - | - |
| Total assets | <u>\$ 1,978,068</u> | <u>\$ 180,614</u> | <u>\$ 694,311</u> | <u>\$ 246,207</u> | <u>\$ 182,935</u> |
| Liabilities: | | | | | |
| Accounts payable | \$ 375,931 | \$ 10,119 | \$ 166,495 | \$ 5,832 | \$ - |
| Retainage payable | - | - | - | - | - |
| Accrued wages and benefits payable | 66,128 | 5,443 | - | 8,218 | - |
| Due to other funds | 1,857 | 620 | - | - | - |
| Interfund loan payable | - | - | - | - | - |
| Due to other governments | 10,217 | 841 | - | 48,792 | - |
| Total liabilities | <u>454,133</u> | <u>17,023</u> | <u>166,495</u> | <u>62,842</u> | <u>-</u> |
| Deferred inflows of resources: | | | | | |
| Property taxes levied for the next fiscal year | - | - | - | - | - |
| Delinquent property tax revenue not available | - | - | - | - | - |
| Intergovernmental revenue not available | 639,285 | 37,456 | 13,393 | - | - |
| Other local taxes not available | - | - | - | - | - |
| Income tax revenue not available | - | - | - | - | - |
| Miscellaneous revenue not available | - | - | - | - | - |
| Total deferred inflows of resources | <u>639,285</u> | <u>37,456</u> | <u>13,393</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | |
| Nonspendable | 22,827 | - | - | - | - |
| Restricted | 861,823 | 126,135 | 514,423 | 183,365 | 182,935 |
| Committed | - | - | - | - | - |
| Unassigned (deficit) | - | - | - | - | - |
| Total fund balances (deficit) | <u>884,650</u> | <u>126,135</u> | <u>514,423</u> | <u>183,365</u> | <u>182,935</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,978,068</u> | <u>\$ 180,614</u> | <u>\$ 694,311</u> | <u>\$ 246,207</u> | <u>\$ 182,935</u> |

| <u>Gervasi 1700, LLC TIF</u> | <u>Lesh Rd./30th St. TIF</u> | <u>Health Services</u> | <u>Crime Lab</u> | <u>Court Computer</u> | <u>Court</u> | <u>Law Department Dispute Resolution</u> | <u>SARTA Area Improvement</u> |
|----------------------------------|----------------------------------|----------------------------|----------------------|---------------------------|---------------------|--|-----------------------------------|
| \$ 37,395 | \$ 45,479 | \$ 3,138,001 | \$ 67,776 | \$ 271,777 | \$ 1,211,815 | \$ 1,009 | \$ 642 |
| - | - | 19,821 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 768,216 | 476 | 16,400 | 40,322 | - | - |
| - | - | - | - | - | - | - | - |
| <u>\$ 37,395</u> | <u>\$ 45,479</u> | <u>\$ 3,926,038</u> | <u>\$ 68,252</u> | <u>\$ 288,177</u> | <u>\$ 1,252,137</u> | <u>\$ 1,009</u> | <u>\$ 642</u> |
| \$ - | \$ - | \$ 113,946 | \$ - | \$ 2,712 | \$ 23,192 | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | 107,203 | - | 3,789 | 11,391 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 61,960 | - | - | - | - | - |
| - | - | 16,563 | - | 585 | 1,760 | - | - |
| - | - | 299,672 | - | 7,086 | 36,343 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 316,443 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 316,443 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 37,395 | 45,479 | 3,309,923 | 68,252 | 281,091 | 1,215,794 | 1,009 | 642 |
| - | - | - | - | - | - | - | - |
| <u>37,395</u> | <u>45,479</u> | <u>3,309,923</u> | <u>68,252</u> | <u>281,091</u> | <u>1,215,794</u> | <u>1,009</u> | <u>642</u> |
| <u>\$ 37,395</u> | <u>\$ 45,479</u> | <u>\$ 3,926,038</u> | <u>\$ 68,252</u> | <u>\$ 288,177</u> | <u>\$ 1,252,137</u> | <u>\$ 1,009</u> | <u>\$ 642</u> |

(Continued)

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2018

| | Park Department | Youth Development | Federal Forfeiture | Probation Award | Enforcement and Education | Indigent Driver Alcohol Treatment |
|--|---------------------|----------------------|-----------------------|--------------------|---------------------------------|---|
| Assets: | | | | | | |
| Equity in pooled cash and cash equivalents | \$ 1,999,154 | \$ 4,470 | \$ 390,853 | \$ 22,246 | \$ 22,011 | \$ 42,430 |
| Receivables: | | | | | | |
| Accounts | 1,338 | - | - | - | - | - |
| Accrued interest | - | - | 6 | - | - | - |
| Property and other taxes | 4,664,570 | - | - | - | - | - |
| Income taxes | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | 200 | 1,813 |
| Materials and supplies inventory | - | - | - | - | - | - |
| Total assets | <u>\$ 6,665,062</u> | <u>\$ 4,470</u> | <u>\$ 390,859</u> | <u>\$ 22,246</u> | <u>\$ 22,211</u> | <u>\$ 44,243</u> |
| Liabilities: | | | | | | |
| Accounts payable | \$ 77,432 | \$ - | \$ 16,867 | \$ 676 | \$ 100 | \$ - |
| Retainage payable | - | - | - | - | - | - |
| Accrued wages and benefits payable | 73,857 | - | - | - | - | - |
| Due to other funds | 10,184 | - | - | - | - | - |
| Interfund loan payable | - | - | - | - | - | - |
| Due to other governments | 15,353 | - | - | - | - | - |
| Total liabilities | <u>176,826</u> | <u>-</u> | <u>16,867</u> | <u>676</u> | <u>100</u> | <u>-</u> |
| Deferred inflows of resources: | | | | | | |
| Property taxes levied for the next fiscal year | 3,494,730 | - | - | - | - | - |
| Delinquent property tax revenue not available | 1,169,840 | - | - | - | - | - |
| Intergovernmental revenue not available | - | - | - | - | - | - |
| Other local taxes not available | - | - | - | - | - | - |
| Income tax revenue not available | - | - | - | - | - | - |
| Miscellaneous revenue not available | - | - | - | - | - | - |
| Total deferred inflows of resources | <u>4,664,570</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 21,114 | 4,470 | 373,992 | 21,570 | 22,111 | 44,243 |
| Committed | 1,802,552 | - | - | - | - | - |
| Unassigned (deficit) | - | - | - | - | - | - |
| Total fund balances (deficit) | <u>1,823,666</u> | <u>4,470</u> | <u>373,992</u> | <u>21,570</u> | <u>22,111</u> | <u>44,243</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 6,665,062</u> | <u>\$ 4,470</u> | <u>\$ 390,859</u> | <u>\$ 22,246</u> | <u>\$ 22,211</u> | <u>\$ 44,243</u> |

| Law Enforcement Trust | Municipal Probation Services | Misdemeanor Community Sanction Grant | Prisoner Housing | Local Law Enforcement Block Grant | Supplementary Police Forces | Police | Fire |
|------------------------------|-------------------------------------|---|-------------------------|--|------------------------------------|-------------------|-------------------|
| \$ 20,398 | \$ 338,513 | \$ 65,064 | \$ 89,568 | \$ 46,011 | \$ 108 | \$ 310,000 | \$ 353,991 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 5,142 | 18,554 | 42,650 | 921 | 37,434 | - | 219,967 | 94,789 |
| - | - | - | - | - | - | - | - |
| <u>\$ 25,540</u> | <u>\$ 357,067</u> | <u>\$ 107,714</u> | <u>\$ 90,489</u> | <u>\$ 83,445</u> | <u>\$ 108</u> | <u>\$ 529,967</u> | <u>\$ 448,780</u> |
| \$ 997 | \$ 399 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | 9,730 | 4,799 | - | - | - | 3,752 | - |
| - | - | - | - | 14,517 | - | 148,591 | 100,077 |
| - | - | - | - | - | - | - | - |
| - | 1,503 | 742 | - | - | - | - | - |
| <u>997</u> | <u>11,632</u> | <u>5,541</u> | <u>-</u> | <u>14,517</u> | <u>-</u> | <u>152,343</u> | <u>100,077</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 37,434 | - | 65,657 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 37,434 | - | 65,657 | - |
| - | - | - | - | - | - | - | - |
| 24,543 | 345,435 | 102,173 | 90,489 | 31,494 | 108 | 311,967 | 348,703 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>24,543</u> | <u>345,435</u> | <u>102,173</u> | <u>90,489</u> | <u>31,494</u> | <u>108</u> | <u>311,967</u> | <u>348,703</u> |
| <u>\$ 25,540</u> | <u>\$ 357,067</u> | <u>\$ 107,714</u> | <u>\$ 90,489</u> | <u>\$ 83,445</u> | <u>\$ 108</u> | <u>\$ 529,967</u> | <u>\$ 448,780</u> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2018

| | Vacant/ Foreclosed Registry | Canton Merchandising | Market Square Donation | Jobs Ohio | HOF Village |
|--|-----------------------------------|-------------------------|------------------------------|----------------|-------------------|
| Assets: | | | | | |
| Equity in pooled cash and cash equivalents. | \$ 483,402 | \$ 12,324 | \$ 53,242 | \$ - | \$ 83,896 |
| Receivables: | | | | | |
| Accounts | - | - | - | - | 110,948 |
| Accrued interest. | - | - | - | - | - |
| Property and other taxes | - | - | - | - | - |
| Income taxes | - | - | - | - | - |
| Due from other governments | - | - | - | - | - |
| Materials and supplies inventory | - | 14,347 | - | - | - |
| Total assets | <u>\$ 483,402</u> | <u>\$ 26,671</u> | <u>\$ 53,242</u> | <u>\$ -</u> | <u>\$ 194,844</u> |
| Liabilities: | | | | | |
| Accounts payable. | \$ 19,421 | \$ - | \$ 44,000 | \$ - | \$ - |
| Retainage payable | - | - | - | - | - |
| Accrued wages and benefits payable. | 1,201 | - | - | - | - |
| Due to other funds | - | - | - | 5,735 | - |
| Interfund loan payable | - | - | - | - | - |
| Due to other governments | 185 | 28 | - | - | - |
| Total liabilities | <u>20,807</u> | <u>28</u> | <u>44,000</u> | <u>5,735</u> | <u>-</u> |
| Deferred inflows of resources: | | | | | |
| Property taxes levied for the next fiscal year. | - | - | - | - | - |
| Delinquent property tax revenue not available | - | - | - | - | - |
| Intergovernmental revenue not available | - | - | - | - | - |
| Other local taxes not available | - | - | - | - | 102,581 |
| Income tax revenue not available | - | - | - | - | - |
| Miscellaneous revenue not available | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>102,581</u> |
| Fund balances: | | | | | |
| Nonspendable. | - | 14,347 | - | - | - |
| Restricted. | 462,595 | 12,296 | 9,242 | - | 92,263 |
| Committed | - | - | - | - | - |
| Unassigned (deficit) | - | - | - | (5,735) | - |
| Total fund balances (deficit). | <u>462,595</u> | <u>26,643</u> | <u>9,242</u> | <u>(5,735)</u> | <u>92,263</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 483,402</u> | <u>\$ 26,671</u> | <u>\$ 53,242</u> | <u>\$ -</u> | <u>\$ 194,844</u> |

| Neighborhood Development | Comp. Plan Implement. | Other | Total Nonmajor Special Revenue Funds |
|-------------------------------------|----------------------------------|-------------------|---|
| \$ 529,571 | \$ 3,169,909 | \$ 248,515 | \$ 15,021,175 |
| - | - | 12,001 | 144,713 |
| - | - | - | 6 |
| - | - | - | 4,664,570 |
| 117,672 | 706,032 | - | 823,704 |
| - | - | 75,044 | 2,619,026 |
| - | - | - | 37,174 |
| <u>\$ 647,243</u> | <u>\$ 3,875,941</u> | <u>\$ 335,560</u> | <u>\$ 23,310,368</u> |
| \$ 156,283 | \$ 11,200 | \$ 29,728 | \$ 1,055,330 |
| 10,611 | - | - | 10,611 |
| - | - | 15,638 | 311,149 |
| - | - | - | 281,581 |
| - | - | - | 61,960 |
| - | - | 2,416 | 98,985 |
| <u>166,894</u> | <u>11,200</u> | <u>47,782</u> | <u>1,819,616</u> |
| - | - | - | 3,494,730 |
| - | - | - | 1,169,840 |
| - | - | 37,522 | 1,147,190 |
| - | - | - | 102,581 |
| 19,131 | 114,784 | - | 133,915 |
| - | - | 9,408 | 9,408 |
| <u>19,131</u> | <u>114,784</u> | <u>46,930</u> | <u>6,057,664</u> |
| - | - | - | 37,174 |
| 461,218 | 3,749,957 | 1,005 | 13,359,254 |
| - | - | 239,843 | 2,042,395 |
| - | - | - | (5,735) |
| <u>461,218</u> | <u>3,749,957</u> | <u>240,848</u> | <u>15,433,088</u> |
| <u>\$ 647,243</u> | <u>\$ 3,875,941</u> | <u>\$ 335,560</u> | <u>\$ 23,310,368</u> |

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Street Construction, Maintenance, and Repair | State Highway | Municipal Road | Cornerstone Parking Deck | Mills Industrial Park TIF |
|---|---|--------------------------|---------------------------|---|--------------------------------------|
| Revenues: | | | | | |
| Property and other local taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Income taxes | - | - | - | - | - |
| Charges for services | - | - | - | 265,087 | - |
| Licenses, permits, and fees | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - |
| Intergovernmental | 2,958,516 | 204,676 | - | - | - |
| Interest and investment income | - | - | - | - | - |
| Rental income | - | - | - | 7,330 | - |
| Contributions and donations | - | - | - | - | - |
| Operating grants | - | - | - | - | - |
| Capital grants | - | - | 679,889 | - | - |
| Payment in lieu of taxes | - | - | - | - | 49,348 |
| Other local taxes | - | - | - | - | - |
| Other | 18,099 | 306 | 121,475 | 188,731 | - |
| Total revenues | 2,976,615 | 204,982 | 801,364 | 461,148 | 49,348 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Security of persons and property | 1,303,778 | - | - | 294,248 | - |
| Public health | - | - | - | - | - |
| Transportation | 2,219,299 | 203,769 | 795,710 | - | - |
| Community environment | - | - | - | - | - |
| Leisure time activities | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service: | | | | | |
| Principal retirement | - | - | - | - | - |
| Total expenditures | 3,523,077 | 203,769 | 795,710 | 294,248 | - |
| Excess of revenues over (under) expenditures | (546,462) | 1,213 | 5,654 | 166,900 | 49,348 |
| Other financing sources: | | | | | |
| Transfers in | - | - | - | - | - |
| Net change in fund balance | (546,462) | 1,213 | 5,654 | 166,900 | 49,348 |
| Fund balances (deficit) at beginning of year | 1,431,112 | 124,922 | 508,769 | 16,465 | 133,587 |
| Fund balances (deficit) at end of year | \$ 884,650 | \$ 126,135 | \$ 514,423 | \$ 183,365 | \$ 182,935 |

| Gervasi 1700, LLC TIF | Urban TIF | Lesh Rd./30th St. TIF | Health Services | Crime Lab | Court Computer | Court | Law Department Dispute Resolution | SARTA Area Improvement |
|----------------------------------|----------------------|----------------------------------|----------------------------|----------------------|---------------------------|---------------------|--|-----------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 269,947 | 18,345 | 242,670 | 604,421 | - | - |
| - | - | - | 306,293 | - | - | - | - | - |
| - | - | - | - | - | - | 106 | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 6,150 | - | - | - | - | - |
| - | - | - | 4,309,188 | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 24,006 | 66,056 | 5,256 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 3,723 | - | 48,709 | 10,367 | 135 | 40 |
| <u>24,006</u> | <u>66,056</u> | <u>5,256</u> | <u>4,895,301</u> | <u>18,345</u> | <u>291,379</u> | <u>614,894</u> | <u>135</u> | <u>40</u> |
| - | 66,056 | - | - | - | 232,088 | 518,687 | - | - |
| - | - | - | 6,487,728 | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 13,767 | - | - | - | - | - | - | - | - |
| <u>13,767</u> | <u>66,056</u> | <u>-</u> | <u>6,487,728</u> | <u>-</u> | <u>232,088</u> | <u>518,687</u> | <u>-</u> | <u>-</u> |
| 10,239 | - | 5,256 | (1,592,427) | 18,345 | 59,291 | 96,207 | 135 | 40 |
| - | - | - | - | - | - | - | - | - |
| 10,239 | - | 5,256 | (1,592,427) | 18,345 | 59,291 | 96,207 | 135 | 40 |
| 27,156 | - | 40,223 | 4,902,350 | 49,907 | 221,800 | 1,119,587 | 874 | 602 |
| <u>\$ 37,395</u> | <u>\$ -</u> | <u>\$ 45,479</u> | <u>\$ 3,309,923</u> | <u>\$ 68,252</u> | <u>\$ 281,091</u> | <u>\$ 1,215,794</u> | <u>\$ 1,009</u> | <u>\$ 642</u> |

(Continued)

**CITY OF CANTON
STARK COUNTY, OHIO**
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Park Department</u> | <u>Youth Development</u> | <u>Federal Forfeiture</u> | <u>Probation Award</u> | <u>Enforcement and Education</u> | <u>Indigent Driver Alcohol Treatment</u> |
|--|----------------------------|------------------------------|-------------------------------|----------------------------|--|--|
| Revenues: | | | | | | |
| Property and other local taxes | \$ 3,271,986 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Income taxes | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Licenses, permits, and fees | 113,924 | - | - | - | - | - |
| Fines and forfeitures | - | - | 347,638 | - | 5,184 | 46,023 |
| Intergovernmental | 176,118 | - | - | - | - | - |
| Interest and investment income | - | - | 122 | - | - | - |
| Rental income | 69,337 | - | - | - | - | - |
| Contributions and donations | 186,668 | - | - | - | - | - |
| Operating grants | - | - | - | - | - | - |
| Capital grants | - | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - | - |
| Other local taxes | - | - | - | - | - | - |
| Other | 5,548 | - | - | - | 325 | - |
| Total revenues | <u>3,823,581</u> | <u>-</u> | <u>347,760</u> | <u>-</u> | <u>5,509</u> | <u>46,023</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | 1,430 | - | 68,243 |
| Security of persons and property | - | - | 186,588 | - | 12,685 | - |
| Public health | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - |
| Community environment | - | - | - | - | - | - |
| Leisure time activities | 3,404,751 | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Total expenditures | <u>3,404,751</u> | <u>-</u> | <u>186,588</u> | <u>1,430</u> | <u>12,685</u> | <u>68,243</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>418,830</u> | <u>-</u> | <u>161,172</u> | <u>(1,430)</u> | <u>(7,176)</u> | <u>(22,220)</u> |
| Other financing sources: | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Net change in fund balance | 418,830 | - | 161,172 | (1,430) | (7,176) | (22,220) |
| Fund balances (deficit) at beginning of year | <u>1,404,836</u> | <u>4,470</u> | <u>212,820</u> | <u>23,000</u> | <u>29,287</u> | <u>66,463</u> |
| Fund balances (deficit) at end of year | <u>\$ 1,823,666</u> | <u>\$ 4,470</u> | <u>\$ 373,992</u> | <u>\$ 21,570</u> | <u>\$ 22,111</u> | <u>\$ 44,243</u> |

| Law Enforcement Trust | Municipal Probation Services | Misdemeanor Community Sanction Grant | Prisoner Housing | Local Law Enforcement Block Grant | Supplementary Police Forces | Police | Fire |
|------------------------------|-------------------------------------|---|-------------------------|--|------------------------------------|-------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | 213,153 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 18,032 | - | - | 14,276 | - | - | - | - |
| - | - | - | - | 74,592 | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 1,600 | - |
| - | 7,767 | 213,251 | - | - | - | 1,312,814 | 786,837 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 66 | - | - | - | - | - | - |
| <u>18,032</u> | <u>220,986</u> | <u>213,251</u> | <u>14,276</u> | <u>74,592</u> | <u>-</u> | <u>1,314,414</u> | <u>786,837</u> |
| - | 272,290 | 156,536 | - | - | - | 949 | - |
| 52,758 | - | - | - | 64,557 | - | 1,127,659 | 457,620 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>52,758</u> | <u>272,290</u> | <u>156,536</u> | <u>-</u> | <u>64,557</u> | <u>-</u> | <u>1,128,608</u> | <u>457,620</u> |
| <u>(34,726)</u> | <u>(51,304)</u> | <u>56,715</u> | <u>14,276</u> | <u>10,035</u> | <u>-</u> | <u>185,806</u> | <u>329,217</u> |
| - | - | - | - | - | - | 40,245 | 15,090 |
| <u>(34,726)</u> | <u>(51,304)</u> | <u>56,715</u> | <u>14,276</u> | <u>10,035</u> | <u>-</u> | <u>226,051</u> | <u>344,307</u> |
| 59,269 | 396,739 | 45,458 | 76,213 | 21,459 | 108 | 85,916 | 4,396 |
| <u>\$ 24,543</u> | <u>\$ 345,435</u> | <u>\$ 102,173</u> | <u>\$ 90,489</u> | <u>\$ 31,494</u> | <u>\$ 108</u> | <u>\$ 311,967</u> | <u>\$ 348,703</u> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Vacant/ Foreclosed Registry | Clean Ohio Revitalization | Canton Merchandising | Market Square Donation | Jobs Ohio |
|--|--|--------------------------------------|---------------------------------|---------------------------------------|-------------------|
| Revenues: | | | | | |
| Property and other local taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Income taxes | - | - | - | - | - |
| Charges for services | 165,250 | - | - | - | - |
| Licenses, permits, and fees | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Interest and investment income | - | - | - | - | - |
| Rental income | - | - | - | - | - |
| Contributions and donations | - | - | - | - | - |
| Operating grants | - | 682,387 | - | - | - |
| Capital grants | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Other local taxes | - | - | - | - | - |
| Other | 4,136 | - | 505 | - | - |
| Total revenues | 169,386 | 682,387 | 505 | - | - |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 49,426 | - | 359 | 100,000 | - |
| Security of persons and property | 154,029 | - | - | - | - |
| Public health | - | - | - | - | - |
| Transportation | 55,820 | - | - | - | - |
| Community environment | - | 682,395 | - | - | - |
| Leisure time activities | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service: | | | | | |
| Principal retirement | - | - | - | - | - |
| Total expenditures | 259,275 | 682,395 | 359 | 100,000 | - |
| Excess (deficiency) of revenues over (under) expenditures | (89,889) | (8) | 146 | (100,000) | - |
| Other financing sources: | | | | | |
| Transfers in | - | - | - | - | - |
| Net change in fund balance | (89,889) | (8) | 146 | (100,000) | - |
| Fund balances (deficit) at beginning of year | 552,484 | 8 | 26,497 | 109,242 | (5,735) |
| Fund balances (deficit) at end of year | \$ 462,595 | \$ - | \$ 26,643 | \$ 9,242 | \$ (5,735) |

| HOF Village | Neighborhood Development | Comp. Plan Implement. | Other | Total Nonmajor Special Revenue Funds |
|------------------------|-------------------------------------|----------------------------------|-------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ 3,271,986 |
| - | 628,112 | 3,762,677 | - | 4,390,789 |
| - | - | - | - | 1,778,873 |
| - | - | - | - | 420,217 |
| - | - | - | - | 431,259 |
| - | - | - | - | 3,413,902 |
| - | - | - | - | 122 |
| - | - | - | - | 76,667 |
| - | - | - | - | 194,418 |
| - | - | - | 325,645 | 7,637,889 |
| - | - | - | - | 679,889 |
| - | - | - | - | 144,666 |
| 597,512 | - | - | - | 597,512 |
| - | - | - | 56,964 | 459,129 |
| <u>597,512</u> | <u>628,112</u> | <u>3,762,677</u> | <u>382,609</u> | <u>23,497,318</u> |
| - | - | 12,720 | 398,043 | 1,876,827 |
| - | - | - | 14,166 | 3,668,088 |
| - | - | - | - | 6,487,728 |
| - | - | - | 49,184 | 3,323,782 |
| - | - | - | - | 682,395 |
| 556,207 | - | - | - | 3,960,958 |
| - | 166,894 | - | - | 166,894 |
| - | - | - | - | 13,767 |
| <u>556,207</u> | <u>166,894</u> | <u>12,720</u> | <u>461,393</u> | <u>20,180,439</u> |
| <u>41,305</u> | <u>461,218</u> | <u>3,749,957</u> | <u>(78,784)</u> | <u>3,316,879</u> |
| - | - | - | - | 55,335 |
| 41,305 | 461,218 | 3,749,957 | (78,784) | 3,372,214 |
| 50,958 | - | - | 319,632 | 12,060,874 |
| <u>\$ 92,263</u> | <u>\$ 461,218</u> | <u>\$ 3,749,957</u> | <u>\$ 240,848</u> | <u>\$ 15,433,088</u> |

CITY OF CANTON
STARK COUNTY, 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, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 3,000,000 | \$ 2,963,203 | \$ (36,797) |
| Other | - | 19,506 | 19,506 |
| Total revenues | 3,000,000 | 2,982,709 | (17,291) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Traffic Divisions - Traffic Engineer/Parking Meter:</i> | | | |
| Personal services | 326,967 | 303,561 | 23,406 |
| Materials and supplies | 16,435 | 15,247 | 1,188 |
| Contractual services | 21,082 | 20,871 | 211 |
| Capital outlay | 19,262 | 19,129 | 133 |
| Other | 343 | 342 | 1 |
| <i>Total Traffic Divisions - Traffic Engineer/Parking Meter</i> | <i>384,089</i> | <i>359,150</i> | <i>24,939</i> |
| <i>Traffic Divisions - Traffic Sign and Paint:</i> | | | |
| Personal services | 262,573 | 227,672 | 34,901 |
| Materials and supplies | 131,101 | 129,581 | 1,520 |
| Contractual services | 55,822 | 54,236 | 1,586 |
| Other | 1,797 | 1,795 | 2 |
| <i>Total Traffic Divisions - Traffic Sign and Paint</i> | <i>451,293</i> | <i>413,284</i> | <i>38,009</i> |
| <i>Traffic Divisions - Traffic Signal:</i> | | | |
| Personal services | 293,140 | 286,490 | 6,650 |
| Materials and supplies | 79,023 | 78,916 | 107 |
| Contractual services | 135,065 | 135,110 | (45) |
| Capital outlay | 193,678 | 193,678 | - |
| Other | 8,438 | 8,438 | - |
| <i>Total Traffic Divisions - Traffic Signal</i> | <i>709,344</i> | <i>702,632</i> | <i>6,712</i> |
| <i>Total Security of Persons and Property</i> | <i>1,544,726</i> | <i>1,475,066</i> | <i>69,660</i> |
| Transportation: | | | |
| <i>Engineering - Daily Operations:</i> | | | |
| Personal services | 31,890 | 26,371 | 5,519 |
| Materials and supplies | 500 | 276 | 224 |
| Contractual services | 30,000 | 29,996 | 4 |
| Capital outlay | 500 | - | 500 |
| <i>Total Engineering - Daily Operations</i> | <i>62,890</i> | <i>56,643</i> | <i>6,247</i> |
| <i>Street Maintenance:</i> | | | |
| Personal services | 922,113 | 839,235 | 82,878 |
| Materials and supplies | 443,692 | 431,004 | 12,688 |
| Contractual services | 75,641 | 71,184 | 4,457 |
| Capital outlay | 985,440 | 947,587 | 37,853 |
| Other | 15,503 | 11,258 | 4,245 |
| <i>Total Street Maintenance</i> | <i>2,442,389</i> | <i>2,300,268</i> | <i>142,121</i> |
| <i>Total Transportation</i> | <i>2,505,279</i> | <i>2,356,911</i> | <i>148,368</i> |
| Total expenditures | 4,050,005 | 3,831,977 | 218,028 |
| Net change in fund balance | (1,050,005) | (849,268) | 200,737 |
| Fund balance at beginning of year | 617,200 | 617,200 | - |
| Prior year encumbrances appropriated | 550,409 | 550,409 | - |
| Fund balance at end of year | \$ 117,604 | \$ 318,341 | \$ 200,737 |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 210,000 | \$ 205,155 | \$ (4,845) |
| Other | - | 306 | 306 |
| Total revenues | 210,000 | 205,461 | (4,539) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Traffic Divisions - Traffic Signal:</i> | | | |
| Materials and supplies | 10,000 | 9,950 | 50 |
| Transportation: | | | |
| <i>Street Maintenance:</i> | | | |
| Personal services | 131,689 | 114,451 | 17,238 |
| Materials and supplies | 35,250 | 33,438 | 1,812 |
| Contractual services | 45,000 | 45,000 | - |
| Capital outlay | 1,000 | - | 1,000 |
| <i>Total Street Maintenance</i> | <i>212,939</i> | <i>192,889</i> | <i>20,050</i> |
| Total expenditures | 222,939 | 202,839 | 20,100 |
| Net change in fund balance | (12,939) | 2,622 | 15,561 |
| Fund balance at beginning of year | 68,633 | 68,633 | - |
| Prior year encumbrances appropriated | 27,898 | 27,898 | - |
| Fund balance at end of year | \$ 83,592 | \$ 99,153 | \$ 15,561 |

CITY OF CANTON
STARK COUNTY, 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, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Capital grants | \$ 823,943 | \$ 700,105 | \$ (123,838) |
| Other | 220,000 | 121,475 | (98,525) |
| Intergovernmental-federal | 290,000 | - | (290,000) |
| Total revenues | 1,333,943 | 821,580 | (512,363) |
| Expenditures: | | | |
| Current: | | | |
| Transportation: | | | |
| <i>Engineering - Daily Operations:</i> | | | |
| Materials and supplies | 629,235 | 615,417 | 13,818 |
| Contractual services | 78,309 | 63,804 | 14,505 |
| Capital outlay | 1,177,176 | 638,876 | 538,300 |
| <i>Total Engineering - Daily Operations</i> | 1,884,720 | 1,318,097 | 566,623 |
| Net change in fund balance | (550,777) | (496,517) | 54,260 |
| Fund balance at beginning of year | 76,540 | 76,540 | - |
| Prior year encumbrances appropriated | 505,290 | 505,290 | - |
| Fund balance at end of year | \$ 31,053 | \$ 85,313 | \$ 54,260 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CORNERSTONE PARKING DECK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---|
| Revenues: | | | |
| Charges for services | \$ 280,141 | \$ 265,513 | \$ (14,628) |
| Rental income | 18,500 | 7,330 | (11,170) |
| Other | - | 188,731 | 188,731 |
| Total revenues | 298,641 | 461,574 | 162,933 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Traffic Division - Traffic Engineer/Parking Meter:</i> | | | |
| Personal services | 156,377 | 146,656 | 9,721 |
| Materials and supplies. | 14,269 | 13,407 | 862 |
| Contractual services. | 145,320 | 105,428 | 39,892 |
| Capital outlay | 2,643 | 2,643 | - |
| Other | 1,170 | 838 | 332 |
| <i>Total Traffic Division - Traffic Engineer/Parking Meter</i> | <i>319,779</i> | <i>268,972</i> | <i>50,807</i> |
| Net change in fund balance. | (21,138) | 192,602 | 213,740 |
| Fund balance at beginning of year. | 11,803 | 11,803 | - |
| Prior year encumbrances appropriated | 19,869 | 19,869 | - |
| Fund balance at end of year | \$ 10,534 | \$ 224,274 | \$ 213,740 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLS INDUSTRIAL PARK TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|---|
| Revenues: | | | |
| Payment in lieu of taxes. | \$ 50,000 | \$ 49,348 | \$ (652) |
| Net change in fund balance | 50,000 | 49,348 | (652) |
| Fund balance at beginning of year | <u>133,587</u> | <u>133,587</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 183,587</u> | <u>\$ 182,935</u> | <u>\$ (652)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GERVASI 1700, LLC TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------------|---|
| Revenues: | | | |
| Payment in lieu of taxes | \$ 20,000 | \$ 24,006 | \$ 4,006 |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal retirement | <u>13,767</u> | <u>13,767</u> | <u>-</u> |
| Net change in fund balance | 6,233 | 10,239 | 4,006 |
| Fund balance at beginning of year | <u>27,155</u> | <u>27,155</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ 33,388</u></u> | <u><u>\$ 37,394</u></u> | <u><u>\$ 4,006</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 URBAN TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Payment in lieu of taxes | \$ 66,056 | \$ 66,056 | \$ - |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| <i>Mayor - Administration:</i> | | | |
| Other | 66,056 | 66,056 | - |
| Net change in fund balance | - | - | - |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year. | \$ - | \$ - | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HALL OF FAME VILLAGE TOURISM DEVELOPMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------------|---|
| Revenues: | | | |
| Other local taxes | \$ 582,377 | \$ 640,103 | \$ 57,726 |
| Expenditures: | | | |
| Current: | | | |
| Leisure Time Activities: | | | |
| <i>Hall of Fame Village - Tourism Development District:</i> | | | |
| Other | <u>560,000</u> | <u>556,207</u> | <u>3,793</u> |
| Net change in fund balance | 22,377 | 83,896 | 61,519 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 22,377</u></u> | <u><u>\$ 83,896</u></u> | <u><u>\$ 61,519</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LESH RD./30TH ST. TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Payment in lieu of taxes. | \$ 4,500 | \$ 5,256 | \$ 756 |
| Net change in fund balance | 4,500 | 5,256 | 756 |
| Fund balance at beginning of year | <u>40,223</u> | <u>40,223</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 44,723</u> | <u>\$ 45,479</u> | <u>\$ 756</u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEALTH SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|---|
| Revenues: | | | |
| Charges for services | \$ 1,585,212 | \$ 277,320 | \$ (1,307,892) |
| Licenses, permits, and fees | 237,400 | 306,293 | 68,893 |
| Intergovernmental | 15,700 | 3,183 | (12,517) |
| Operating grants | 3,401,636 | 4,013,290 | 611,654 |
| Contributions and donations | - | 6,150 | 6,150 |
| Other | - | 3,738 | 3,738 |
| Total revenues | 5,239,948 | 4,609,974 | (629,974) |
| Expenditures: | | | |
| Current: | | | |
| Public Health: | | | |
| <i>Health Administration:</i> | | | |
| Personal services | 2,763,874 | 2,601,502 | 162,372 |
| Materials and supplies | 324,201 | 230,900 | 93,301 |
| Contractual services | 4,122,730 | 3,782,991 | 339,739 |
| Capital outlay | 21,411 | 11,690 | 9,721 |
| Other | 95,283 | 78,292 | 16,991 |
| <i>Total Health Administration</i> | <i>7,327,499</i> | <i>6,705,375</i> | <i>622,124</i> |
| Excess of expenditures over revenues | (2,087,551) | (2,095,401) | (7,850) |
| Other financing sources: | | | |
| Transfers in | 40,000 | - | (40,000) |
| Net change in fund balance | (2,047,551) | (2,095,401) | (47,850) |
| Fund balance at beginning of year | 4,773,639 | 4,773,639 | - |
| Prior year encumbrances appropriated | 215,956 | 215,956 | - |
| Fund balance at end of year | \$ 2,942,044 | \$ 2,894,194 | \$ (47,850) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CRIME LAB FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Charges for services | \$ 20,000 | \$ 19,157 | \$ (843) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Capital outlay | 43,185 | - | 43,185 |
| Net change in fund balance. | (23,185) | 19,157 | 42,342 |
| Fund balance at beginning of year | 48,619 | 48,619 | - |
| Fund balance at end of year | \$ 25,434 | \$ 67,776 | \$ 42,342 |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT COMPUTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---|
| Revenues: | | | |
| Charges for services | \$ 225,000 | \$ 242,716 | \$ 17,716 |
| Other | - | 48,709 | 48,709 |
| Total revenues | 225,000 | 291,425 | 66,425 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Clerk - Clerk of Courts Administration:</i> | | | |
| Personal services | 200,400 | 99,689 | 100,711 |
| Materials and supplies | 70,399 | 57,587 | 12,812 |
| Contractual services | 85,641 | 80,313 | 5,328 |
| Capital outlay | 40,000 | 9,066 | 30,934 |
| Other | 20,000 | - | 20,000 |
| <i>Total Courts/Clerk - Clerk of Courts Administration</i> | <i>416,440</i> | <i>246,655</i> | <i>169,785</i> |
| Net change in fund balance | (191,440) | 44,770 | 236,210 |
| Fund balance at beginning of year | 190,345 | 190,345 | - |
| Prior year encumbrances appropriated | 20,275 | 20,275 | - |
| Fund balance at end of year | \$ 19,180 | \$ 255,390 | \$ 236,210 |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT CAPITAL IMPROVEMENT SPECIAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---|
| Revenues: | | | |
| Charges for services | \$ 470,000 | \$ 506,843 | \$ 36,843 |
| Other | - | 10,856 | 10,856 |
| Total revenues | 470,000 | 517,699 | 47,699 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 246,827 | 229,620 | 17,207 |
| Materials and supplies | 44,714 | 36,108 | 8,606 |
| Contractual services | 171,059 | 80,620 | 90,439 |
| Capital outlay | 177,225 | 169,781 | 7,444 |
| Other | 40,980 | 13,266 | 27,714 |
| <i>Total Courts/Judge - Judge Administration</i> | <i>680,805</i> | <i>529,395</i> | <i>151,410</i> |
| Net change in fund balance | (210,805) | (11,696) | 199,109 |
| Fund balance at beginning of year | 678,493 | 678,493 | - |
| Prior year encumbrances appropriated | 41,280 | 41,280 | - |
| Fund balance at end of year | \$ 508,968 | \$ 708,077 | \$ 199,109 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LEGAL RESEARCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Charges for services. | \$ 20,500 | \$ 26,620 | \$ 6,120 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge- Judge Administration:</i> | | | |
| Materials and supplies | 4,191 | 4,182 | 9 |
| Contractual services. | 24,497 | 4,080 | 20,417 |
| Capital outlay. | 25,808 | 4,760 | 21,048 |
| <i>Total Courts/Judge - Judge Administration</i> | 54,496 | 13,022 | 41,474 |
| Net change in fund balance | (33,996) | 13,598 | 47,594 |
| Fund balance at beginning of year | 33,996 | 33,996 | - |
| Fund balance at end of year. | \$ - | \$ 47,594 | \$ 47,594 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT GPS COST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Charges for services | \$ 2,500 | \$ 958 | \$ (1,542) |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Contractual services. | 11,300 | 2,676 | 8,624 |
| Net change in fund balance | (8,800) | (1,718) | 7,082 |
| Fund balance at beginning of year | 9,491 | 9,491 | - |
| Fund balance at end of year. | \$ 691 | \$ 7,773 | \$ 7,082 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 IGNITION INTERLOCK/ALCOHOL MONITORING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|---|
| Revenues: | | | |
| Charges for services. | \$ 75,000 | \$ 70,627 | \$ (4,373) |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge- Judge Administration:</i> | | | |
| Contractual services. | 50,000 | 23,077 | 26,923 |
| Other | 125,000 | - | 125,000 |
| <i>Total Courts/Judge- Judge Administration</i> | <u>175,000</u> | <u>23,077</u> | <u>151,923</u> |
| Excess of revenues over (under) expenditures. | <u>(100,000)</u> | <u>47,550</u> | <u>147,550</u> |
| Other financing (uses): | | | |
| Transfers out | <u>(75,000)</u> | - | <u>75,000</u> |
| Net change in fund balance | (175,000) | 47,550 | 222,550 |
| Fund balance at beginning of year | <u>342,971</u> | <u>342,971</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 167,971</u> | <u>\$ 390,521</u> | <u>\$ 222,550</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW DEPARTMENT DISPUTE RESOLUTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------------|---|
| Revenues: | | | |
| Other | \$ - | \$ 135 | \$ 135 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Law Director - Administration:</i> | | | |
| Contractual services. | <u>400</u> | <u>-</u> | <u>400</u> |
| Net change in fund balance | (400) | 135 | 535 |
| Fund balance at beginning of year | <u>874</u> | <u>874</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ 474</u></u> | <u><u>\$ 1,009</u></u> | <u><u>\$ 535</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SARTA AREA IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 642 | \$ 642 | \$ - |
| Fund balance at end of year | \$ 642 | \$ 642 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARK DEPARTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------------|---|
| Revenues: | | | |
| Property taxes | \$ 3,137,750 | \$ 3,271,986 | \$ 134,236 |
| Intergovernmental. | 175,000 | 176,118 | 1,118 |
| Licenses and permits. | 128,750 | 114,102 | (14,648) |
| Rental income | 67,500 | 69,337 | 1,837 |
| Contributions and donations | 1,500 | 186,668 | 185,168 |
| Other | 4,750 | 5,445 | 695 |
| Total revenues | 3,515,250 | 3,823,656 | 308,406 |
| Expenditures: | | | |
| Current: | | | |
| Leisure Time Activities: | | | |
| <i>Park Division - Special Parks Funds:</i> | | | |
| Personal services | 2,257,880 | 1,997,125 | 260,755 |
| Materials and supplies. | 362,085 | 322,331 | 39,754 |
| Contractual services. | 1,245,712 | 1,026,652 | 219,060 |
| Capital outlay | 609,858 | 406,300 | 203,558 |
| Other | 108,650 | 77,809 | 30,841 |
| <i>Total Park Division - Special Parks Funds</i> | <i>4,584,185</i> | <i>3,830,217</i> | <i>753,968</i> |
| Net change in fund balance | (1,068,935) | (6,561) | 1,062,374 |
| Fund balance at beginning of year | 1,055,623 | 1,055,623 | - |
| Prior year encumbrances appropriated. | 608,771 | 608,771 | - |
| Fund balance at end of year. | \$ 595,459 | \$ 1,657,833 | \$ 1,062,374 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 YOUTH DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 4,470 | \$ 4,470 | \$ - |
| Fund balance at end of year. | \$ 4,470 | \$ 4,470 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEDERAL FORFEITURE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Fines and forfeitures. | \$ 25,000 | \$ 347,638 | \$ 322,638 |
| Investment income. | - | 136 | 136 |
| Other | 21,175 | - | (21,175) |
| Total revenues | 46,175 | 347,774 | 301,599 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Personal services | 21,175 | 4,438 | 16,737 |
| Materials and supplies. | 112,832 | 108,967 | 3,865 |
| Contractual services. | 41,725 | 39,965 | 1,760 |
| Capital outlay | 69,956 | 67,454 | 2,502 |
| Other | 13,725 | 6,171 | 7,554 |
| <i>Total Police Administration</i> | 259,413 | 226,995 | 32,418 |
| Net change in fund balance | (213,238) | 120,779 | 334,017 |
| Fund balance at beginning of year | 183,963 | 183,963 | - |
| Prior year encumbrances appropriated. | 46,553 | 46,553 | - |
| Fund balance at end of year. | \$ 17,278 | \$ 351,295 | \$ 334,017 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROBATION AWARD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Operating grants | \$ 23,000 | \$ - | \$ (23,000) |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge- Judge Administration:</i> | | | |
| Personal services | 13,000 | - | 13,000 |
| Other | 10,000 | 5,254 | 4,746 |
| <i>Total Courts/Judge- Judge Administration</i> | 23,000 | 5,254 | 17,746 |
| Net change in fund balance | - | (5,254) | (5,254) |
| Fund balance at beginning of year | 23,000 | 23,000 | - |
| Fund balance at end of year. | \$ 23,000 | \$ 17,746 | \$ (5,254) |

CITY OF CANTON
STARK COUNTY, 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, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Fines and forfeitures | \$ 5,000 | \$ 5,143 | \$ 143 |
| Other | - | 325 | 325 |
| Total revenues | 5,000 | 5,468 | 468 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other | 15,000 | 13,625 | 1,375 |
| Net change in fund balance. | (10,000) | (8,157) | 1,843 |
| Fund balance at beginning of year | 26,033 | 26,033 | - |
| Prior year encumbrances appropriated | 3,095 | 3,095 | - |
| Fund balance at end of year | \$ 19,128 | \$ 20,971 | \$ 1,843 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVER ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------------|---|
| Revenues: | | | |
| Fines and forfeitures | \$ 51,000 | \$ 46,223 | \$ (4,777) |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Contractual services | <u>96,000</u> | <u>75,343</u> | <u>20,657</u> |
| Excess of expenditures over revenues | <u>(45,000)</u> | <u>(29,120)</u> | <u>15,880</u> |
| Other financing sources: | | | |
| Transfers in | <u>33,000</u> | <u>-</u> | <u>(33,000)</u> |
| Net change in fund balance | (12,000) | (29,120) | (17,120) |
| Fund balance at beginning of year | 64,450 | 64,450 | - |
| Prior year encumbrances appropriated. | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ 53,450</u></u> | <u><u>\$ 36,330</u></u> | <u><u>\$ (17,120)</u></u> |

CITY OF CANTON
STARK COUNTY, 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, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Fines and forfeitures | \$ 33,185 | \$ 13,388 | \$ (19,797) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Materials and supplies. | 19,060 | 16,835 | 2,225 |
| Contractual services. | 31,040 | 24,747 | 6,293 |
| Capital outlay | 23,158 | 22,652 | 506 |
| Other | 6,116 | 76 | 6,040 |
| <i>Total Police Administration.</i> | 79,374 | 64,310 | 15,064 |
| Net change in fund balance | (46,189) | (50,922) | (4,733) |
| Fund balance at beginning of year | 37,421 | 37,421 | - |
| Prior year encumbrances appropriated. | 25,866 | 25,866 | - |
| Fund balance at end of year. | \$ 17,098 | \$ 12,365 | \$ (4,733) |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL PROBATION SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|---|
| Revenues: | | | |
| Charges for services | \$ 205,000 | \$ 208,156 | \$ 3,156 |
| Operating grants | - | 7,767 | 7,767 |
| Other | 20,000 | 66 | (19,934) |
| Total revenues | <u>225,000</u> | <u>215,989</u> | <u>(9,011)</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 257,682 | 228,997 | 28,685 |
| Materials and supplies | 23,982 | 23,936 | 46 |
| Contractual services | 5,570 | 4,163 | 1,407 |
| Capital outlay | 27,362 | 25,862 | 1,500 |
| Other | 28,500 | 18,432 | 10,068 |
| <i>Total Courts/Judge - Judge Administration.</i> | <u>343,096</u> | <u>301,390</u> | <u>41,706</u> |
| Net change in fund balance | (118,096) | (85,401) | 32,695 |
| Fund balance at beginning of year | 382,783 | 382,783 | - |
| Prior year encumbrances appropriated. | 18,625 | 18,625 | - |
| Fund balance at end of year. | <u>\$ 283,312</u> | <u>\$ 316,007</u> | <u>\$ 32,695</u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISDEMEANOR COMMUNITY SANCTION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Operating grants | \$ 165,000 | \$ 170,601 | \$ 5,601 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 163,023 | 155,494 | 7,529 |
| Contractual services | 1,174 | 1,174 | - |
| Other | 6,402 | 4,372 | 2,030 |
| <i>Total Courts/Judge- Judge Administration.</i> | 170,599 | 161,040 | 9,559 |
| Net change in fund balance | (5,599) | 9,561 | 15,160 |
| Fund balance at beginning of year | 55,503 | 55,503 | - |
| Fund balance at end of year. | \$ 49,904 | \$ 65,064 | \$ 15,160 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PRISONER HOUSING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Fines and forfeitures. | \$ 15,000 | \$ 14,054 | \$ (946) |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Contractual services | 60,000 | - | 60,000 |
| Net change in fund balance | (45,000) | 14,054 | 59,054 |
| Fund balance at beginning of year | 75,514 | 75,514 | - |
| Fund balance at end of year. | \$ 30,514 | \$ 89,568 | \$ 59,054 |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 149,026 | \$ 74,592 | \$ (74,434) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Materials and supplies | 20,155 | 4,170 | 15,985 |
| Capital outlay. | 4,680 | 509 | 4,171 |
| Other. | 143,216 | 112,722 | 30,494 |
| <i>Total Police Administration</i> | 168,051 | 117,401 | 50,650 |
| Net change in fund balance | (19,025) | (42,809) | (23,784) |
| Fund balance at beginning of year. | 84,650 | 84,650 | - |
| Prior year encumbrances appropriated | 4,170 | 4,170 | - |
| Fund balance at end of year | \$ 69,795 | \$ 46,011 | \$ (23,784) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON POLICE YOUTH CORP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Materials and supplies | \$ 108 | \$ - | \$ 108 |
| Net change in fund balance | (108) | - | 108 |
| Fund balance at beginning of year. | 108 | 108 | - |
| Fund balance at end of year. | \$ - | \$ 108 | \$ 108 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 D.A.R.E. PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|----------------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Materials and supplies. | \$ 151 | \$ - | \$ 151 |
| Net change in fund balance | (151) | - | 151 |
| Fund balance at beginning of year | <u>151</u> | <u>151</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ -</u></u> | <u><u>\$ 151</u></u> | <u><u>\$ 151</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROB IMPROV AND INCENT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Operating Grants | \$ 40,000 | \$ - | \$ (40,000) |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 847 | 847 | - |
| Other | 17,503 | 4,826 | 12,677 |
| <i>Total Courts/Judge - Judge Administration</i> | <u>18,350</u> | <u>5,673</u> | <u>12,677</u> |
| Net change in fund balance | 21,650 | (5,673) | (27,323) |
| Fund balance at beginning of year | <u>5,673</u> | <u>5,673</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 27,323</u> | <u>\$ -</u> | <u>\$ (27,323)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2015 COPS HIRING PROGRAM GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Operating grants | \$ 348,000 | \$ 406,671 | \$ 58,671 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other | 348,000 | 326,082 | 21,918 |
| Net change in fund balance | - | 80,589 | 80,589 |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | \$ - | \$ 80,589 | \$ 80,589 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2016 COPS HIRING PROGRAM GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------------|---|
| Revenues: | | | |
| Operating grants | \$ 375,000 | \$ 476,100 | \$ 101,100 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other | <u>375,000</u> | <u>370,624</u> | <u>4,376</u> |
| Net change in fund balance | - | 105,476 | 105,476 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 105,476</u></u> | <u><u>\$ 105,476</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFE NEIGHBORHOOD HEROES GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|---|
| Fund balance at beginning of year | \$ 1,000 | \$ 1,000 | \$ - |
| Fund balance at end of year. | <u>\$ 1,000</u> | <u>\$ 1,000</u> | <u>\$ -</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE GRANTS AND DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Contributions and donations | \$ 10,000 | \$ 1,600 | \$ (8,400) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Materials and supplies | 6,175 | 550 | 5,625 |
| Contractual services | 14,125 | 10,355 | 3,770 |
| Capital outlay | 7,250 | 5,297 | 1,953 |
| <i>Total Police Administration</i> | <u>27,550</u> | <u>16,202</u> | <u>11,348</u> |
| Net Change in Fund Balance | (17,550) | (14,602) | 2,948 |
| Fund balance at beginning of year | 28,212 | 28,212 | - |
| Prior year encumbrances appropriated | 2,138 | 2,138 | - |
| Fund balance at end of year | <u>\$ 12,800</u> | <u>\$ 15,748</u> | <u>\$ 2,948</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2014 COPS HIRING PROGRAM GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------------|---|
| Revenues: | | | |
| Operating grants | \$ 215,195 | \$ 165,460 | \$ (49,735) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other | <u>215,195</u> | <u>165,480</u> | <u>49,715</u> |
| Net change in fund balance. | - | (20) | (20) |
| Fund balance at beginning of year. | <u>20</u> | <u>20</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 20</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (20)</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BYRNE MEMORIAL RECOVERY ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other. | \$ 7,442 | \$ - | \$ 7,442 |
| Net change in fund balance | (7,442) | - | 7,442 |
| Fund balance at beginning of year | <u>7,442</u> | <u>7,442</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ -</u></u> | <u><u>\$ 7,442</u></u> | <u><u>\$ 7,442</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 USE OF FORCE SOFTWARE UPGRADE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Operating grants | \$ 70,500 | \$ 70,500 | \$ - |
| Net change in fund balance. | 70,500 | 70,500 | - |
| Fund balance at beginning of year. | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 70,500</u> | <u>\$ 70,500</u> | <u>\$ -</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FY17 BULLET PROOF VEST PARTNERS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Operating grants | \$ 20,115 | \$ - | \$ (20,115) |
| Excess of revenues over expenditures | 20,115 | - | (20,115) |
| Other financing (uses): | | | |
| Advances out | (20,115) | (20,115) | - |
| Net change in fund balance. | - | (20,115) | (20,115) |
| Fund balance at beginning of year. | 20,115 | 20,115 | - |
| Fund balance at end of year. | \$ 20,115 | \$ - | \$ (20,115) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2017 COPS HIRING GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Operating grants | \$ 1,000,000 | \$ 148,448 | \$ (851,552) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other | 375,000 | 129,722 | 245,278 |
| Net change in fund balance | 625,000 | 18,726 | (606,274) |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | \$ 625,000 | \$ 18,726 | \$ (606,274) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2010 LOCAL SOLICITATION BYRNE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 21 | \$ 21 | \$ - |
| Fund balance at end of year. | <u>\$ 21</u> | <u>\$ 21</u> | <u>\$ -</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE EMS TRAINING AND EQUIPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Fund balance at beginning of year. | \$ 1,500 | \$ 1,500 | \$ - |
| Fund balance at end of year | \$ 1,500 | \$ 1,500 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2014 BYRNE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other | \$ 20,207 | \$ 20,207 | \$ - |
| Net change in fund balance | (20,207) | (20,207) | - |
| Fund balance at beginning of year | <u>20,207</u> | <u>20,207</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2013 COPS HIRING PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other | \$ 111,842 | \$ 111,842 | \$ - |
| Net change in fund balance | (111,842) | (111,842) | - |
| Fund balance at beginning of year | <u>111,842</u> | <u>111,842</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2012 COPS HIRING PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Police Administration:</i> | | | |
| Other | \$ 57,687 | \$ 57,687 | \$ - |
| Excess of expenditures over revenues | <u>(57,687)</u> | <u>(57,687)</u> | <u>-</u> |
| Other financing sources: | | | |
| Transfers in | <u>57,687</u> | <u>40,245</u> | <u>(17,442)</u> |
| Net change in fund balance | - | (17,442) | (17,442) |
| Fund balance at beginning of year | <u>17,442</u> | <u>17,442</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 17,442</u> | <u>\$ -</u> | <u>\$ (17,442)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE GRANTS AND DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 1 | \$ 1 | \$ - |
| Fund balance at end of year. | \$ 1 | \$ 1 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FY16 ASSIST TO FIREFIGHTERS GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Operating grants | \$ 134,484 | \$ 128,944 | \$ (5,540) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Fire Administration:</i> | | | |
| Contractual services. | 29,775 | 22,987 | 6,788 |
| Capital outlay | 105,620 | 105,620 | - |
| <i>Total Fire Administration</i> | 135,395 | 128,607 | 6,788 |
| Excess of revenues over (under) expenditures | (911) | 337 | 1,248 |
| Other financing (uses): | | | |
| Advances out | (127,696) | - | 127,696 |
| Net change in fund balance | (128,607) | 337 | 128,944 |
| Fund balance at beginning of year | 8,180 | 8,180 | - |
| Prior year encumbrances appropriated. | 121,819 | 121,819 | - |
| Fund balance at end of year. | \$ 1,392 | \$ 130,336 | \$ 128,944 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2017 ASSIST TO FIREFIGHTERS GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---|
| Revenues: | | | |
| Operating grants | \$ 166,000 | \$ - | \$ (166,000) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Fire Administration:</i> | | | |
| Capital outlay | 166,000 | - | 166,000 |
| Excess of revenues over expenditures | - | - | - |
| Other financing sources: | | | |
| Transfers in | - | 15,090 | 15,090 |
| Advances in | - | 150,910 | 150,910 |
| Total other financing sources | - | 166,000 | 166,000 |
| Net change in fund balance | - | 166,000 | 166,000 |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | \$ - | \$ 166,000 | \$ 166,000 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMS TRAINING AND EQUIPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Fire Administration:</i> | | | |
| Materials and supplies | \$ 7,713 | \$ - | \$ 7,713 |
| Net change in fund balance | (7,713) | - | 7,713 |
| Fund balance at beginning of year. | 7,713 | 7,713 | - |
| Fund balance at end of year | \$ - | \$ 7,713 | \$ 7,713 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIREFIGHTER ASSISTANCE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Fire Administration:</i> | | | |
| Other | \$ 1,167 | \$ - | \$ 1,167 |
| Net change in fund balance | (1,167) | - | 1,167 |
| Fund balance at beginning of year | <u>1,167</u> | <u>1,167</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 1,167</u></u> | <u><u>\$ 1,167</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE FEMA SAFER GRANT 2009 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Operating grants. | \$ 819,000 | \$ 671,844 | \$ (147,156) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Fire Administration:</i> | | | |
| Other. | 819,000 | 624,209 | 194,791 |
| Net change in fund balance | - | 47,635 | 47,635 |
| Fund balance at beginning of year. | - | - | - |
| Fund balance at end of year. | \$ - | \$ 47,635 | \$ 47,635 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE FEMA SAFER GRANT 2017 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------------|---|
| Revenues: | | | |
| Operating grants. | \$ 160,000 | \$ - | \$ (160,000) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| <i>Fire Administration:</i> | | | |
| Other. | <u>160,000</u> | <u>-</u> | <u>160,000</u> |
| Net change in fund balance | - | - | - |
| Fund balance at beginning of year. | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VACANT/FORECLOSED REGISTRY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---|
| Revenues: | | | |
| Charges for services | \$ 119,500 | \$ 165,250 | \$ 45,750 |
| Other | 5,500 | 4,284 | (1,216) |
| Total revenues | 125,000 | 169,534 | 44,534 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 31,263 | 30,782 | 481 |
| Security of Persons and Property: | | | |
| <i>Safety Director - Code Enforcement Administration:</i> | | | |
| Materials and supplies | 64,285 | 54,699 | 9,586 |
| Contractual services | 131,215 | 120,000 | 11,215 |
| Other | 23,500 | 22,095 | 1,405 |
| <i>Total Safety Director - Code Enforcement Administration</i> | <i>219,000</i> | <i>196,794</i> | <i>22,206</i> |
| Transportation: | | | |
| <i>Street - Maintenance:</i> | | | |
| Contractual services | 102,204 | 60,820 | 41,384 |
| Community Environment: | | | |
| <i>Community Development - Fair Housing:</i> | | | |
| Contractual services | 4,300 | - | 4,300 |
| Total expenditures | 356,767 | 288,396 | 68,371 |
| Net change in fund balance | (231,767) | (118,862) | 112,905 |
| Fund balance at beginning of year | 509,865 | 509,865 | - |
| Prior year encumbrances appropriated | 44,634 | 44,634 | - |
| Fund balance at end of year | \$ 322,732 | \$ 435,637 | \$ 112,905 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CLEAN OHIO REVITALIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Operating grants | \$ 1,634,894 | \$ 682,387 | \$ (952,507) |
| Expenditures: | | | |
| Current: | | | |
| Community Environment: | | | |
| <i>Community Development Administration:</i> | | | |
| Capital outlay | 1,213,907 | 682,395 | 531,512 |
| Net change in fund balance | 420,987 | (8) | (420,995) |
| Fund balance (deficit) at beginning of year | (606,899) | (606,899) | - |
| Prior year encumbrances appropriated | 606,907 | 606,907 | - |
| Fund balance at end of year | \$ 420,995 | \$ - | \$ (420,995) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON MERCHANDISING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Other | \$ 1,000 | \$ 505 | \$ (495) |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Council Administration:</i> | | | |
| Materials and supplies. | 2,000 | - | 2,000 |
| Contractual services. | 858 | 358 | 500 |
| <i>Total Council Administration</i> | 2,858 | 358 | 2,500 |
| Net change in fund balance | (1,858) | 147 | 2,005 |
| Fund balance at beginning of year | 11,507 | 11,507 | - |
| Prior year encumbrances appropriated. | 358 | 358 | - |
| Fund balance at end of year. | \$ 10,007 | \$ 12,012 | \$ 2,005 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MARKET SQUARE DONATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------------|---|
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Service Director Administration:</i> | | | |
| Contractual services. | \$ 100,000 | \$ 100,000 | \$ - |
| Net change in fund balance | (100,000) | (100,000) | - |
| Fund balance at beginning of year | <u>109,242</u> | <u>109,242</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ 9,242</u></u> | <u><u>\$ 9,242</u></u> | <u><u>\$ -</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NEIGHBORHOOD DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Municipal income taxes | \$ 515,000 | \$ 523,704 | \$ 8,704 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Mayor - Administration:</i> | | | |
| Materials and supplies | 250,000 | 239,508 | 10,492 |
| Contractual services | 265,000 | - | 265,000 |
| <i>Total Mayor - Administration</i> | 515,000 | 239,508 | 275,492 |
| Net change in fund balance | - | 284,196 | 284,196 |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | \$ - | \$ 284,196 | \$ 284,196 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMPREHENSIVE PLAN IMPLEMENTATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|---|
| Revenues: | | | |
| Municipal income taxes | \$ 3,090,000 | \$ 3,136,225 | \$ 46,225 |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Mayor - Administration:</i> | | | |
| Contractual services. | 3,090,000 | 361,250 | 2,728,750 |
| Net change in fund balance. | - | 2,774,975 | 2,774,975 |
| Fund balance at beginning of year. | - | - | - |
| Fund balance at end of year | \$ - | \$ 2,774,975 | \$ 2,774,975 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMPLOYEE RECOGNITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| <i>Mayor Administration:</i> | | | |
| Contractual services | \$ 143 | \$ - | \$ 143 |
| Net change in fund balance. | (143) | - | 143 |
| Fund balance at beginning of year | 143 | 143 | - |
| Fund balance at end of year | \$ - | \$ 143 | \$ 143 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CITY HALL PLAZA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 173 | \$ 173 | \$ - |
| Fund balance at end of year | \$ 173 | \$ 173 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECYCLE OHIO GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 7,515 | \$ 7,515 | \$ - |
| Fund balance at end of year. | \$ 7,515 | \$ 7,515 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GUARDRAIL/ATTENUATOR REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Other | \$ 60,000 | \$ 57,467 | \$ (2,533) |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| <i>Law Director - Law Administration:</i> | | | |
| Capital outlay | 19,045 | 19,045 | - |
| Other | 58,760 | 33,960 | 24,800 |
| <i>Total Law Director - Law Administration</i> | <u>77,805</u> | <u>53,005</u> | <u>24,800</u> |
| Transportation: | | | |
| <i>Street Maintenance:</i> | | | |
| Contractual services. | 400 | - | 400 |
| Capital outlay. | 67,500 | 49,809 | 17,691 |
| Other | 2,500 | - | 2,500 |
| <i>Total Street Maintenance</i> | <u>70,400</u> | <u>49,809</u> | <u>20,591</u> |
| <i>Total Expenditures</i> | <u>148,205</u> | <u>102,814</u> | <u>45,391</u> |
| Net change in fund balance. | (88,205) | (45,347) | 42,858 |
| Fund balance at beginning of year. | 88,486 | 88,486 | - |
| Prior year encumbrances appropriated | 6,619 | 6,619 | - |
| Fund balance at end of year | <u>\$ 6,900</u> | <u>\$ 49,758</u> | <u>\$ 42,858</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SOUTHEAST COMMUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Fund balance at beginning of year. | \$ 862 | \$ 862 | \$ - |
| Fund balance at end of year | \$ 862 | \$ 862 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 THURMAN MUNSON MEMORIAL STADIUM DONATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 1,566 | \$ 1,566 | \$ - |
| Fund balance at end of year | \$ 1,566 | \$ 1,566 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECOVERY COURT ATP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Operating grants | \$ 20,513 | \$ 20,513 | \$ - |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Materials and supplies | 10,000 | - | 10,000 |
| Contractual services | 10,513 | - | 10,513 |
| <i>Total Courts/Judge - Judge Administration</i> | 20,513 | - | 20,513 |
| Net change in fund balance | - | 20,513 | 20,513 |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | \$ - | \$ 20,513 | \$ 20,513 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JUSTICE REINVEST GRANT PROBATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Operating grants | \$ 62,943 | \$ 44,959 | \$ (17,984) |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 88,198 | 55,935 | 32,263 |
| Net change in fund balance. | (25,255) | (10,976) | 14,279 |
| Fund balance at beginning of year. | 25,255 | 25,255 | - |
| Fund balance at end of year | \$ - | \$ 14,279 | \$ 14,279 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT TECHNOLOGY GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------|---|
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Capital outlay. | \$ 27,638 | \$ 27,638 | \$ - |
| Net change in fund balance. | (27,638) | (27,638) | - |
| Fund balance at beginning of year. | - | - | - |
| Prior year encumbrances appropriated | 27,638 | 27,638 | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIALIZED DOCKET GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Operating grants | \$ 80,000 | \$ 80,000 | \$ - |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 154,347 | 96,124 | 58,223 |
| Net change in fund balance. | (74,347) | (16,124) | 58,223 |
| Fund balance at beginning of year. | 79,755 | 79,755 | - |
| Fund balance at end of year | \$ 5,408 | \$ 63,631 | \$ 58,223 |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
JUSTICE REINVESTMENT GRANT - PRETRIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|---|
| Revenues: | | | |
| Operating grants | \$ 199,711 | \$ 142,651 | \$ (57,060) |
| Expenditures: | | | |
| Current: | | | |
| General Government: | | | |
| <i>Courts/Judge - Judge Administration:</i> | | | |
| Personal services | 280,301 | 164,363 | 115,938 |
| Contractual services | 5,000 | 4,821 | 179 |
| <i>Total Courts/Judge - Judge Administration</i> | <u>285,301</u> | <u>169,184</u> | <u>116,117</u> |
| Net change in fund balance. | (85,590) | (26,533) | 59,057 |
| Fund balance at beginning of year. | <u>85,590</u> | <u>85,590</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 59,057</u></u> | <u><u>\$ 59,057</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CLERK OF COURTS ADMINISTRATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 1,229 | \$ 1,229 | \$ - |
| Fund balance at end of year. | \$ 1,229 | \$ 1,229 | \$ - |

CITY OF CANTON
STARK COUNTY, 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, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Municipal income taxes | \$ 3,400,000 | \$ 3,211,800 | \$ (188,200) |
| Other | - | 13,937 | 13,937 |
| Total revenues | 3,400,000 | 3,225,737 | (174,263) |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| <i>Law Administration:</i> | | | |
| Personal services. | 63,746 | 62,579 | 1,167 |
| <i>Income Tax Administration:</i> | | | |
| Personal services. | 974,488 | 936,172 | 38,316 |
| Materials and supplies | 104,473 | 95,882 | 8,591 |
| Contractual services | 98,885 | 91,992 | 6,893 |
| Capital outlay | 41,594 | 40,690 | 904 |
| Other. | 2,326,761 | 2,264,347 | 62,414 |
| <i>Total Income Tax Administration</i> | <i>3,546,201</i> | <i>3,429,083</i> | <i>117,118</i> |
| Total Expenditures | 3,609,947 | 3,491,662 | 118,285 |
| Net change in fund balance. | (209,947) | (265,925) | (55,978) |
| Fund balance at beginning of year. | - | - | - |
| Prior year encumbrances appropriated. | 265,925 | 265,925 | - |
| Fund balance at end of year | \$ 55,978 | \$ - | \$ (55,978) |

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2018

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|--|---|---|--|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ 60,115 | \$ - | \$ 60,115 |
| Cash with fiscal agent. | 3,019 | - | 3,019 |
| Receivables: | | | |
| Accounts | - | 6,363 | 6,363 |
| Total assets. | <u>\$ 63,134</u> | <u>\$ 6,363</u> | <u>\$ 69,497</u> |
| Deferred inflows of resources: | | | |
| Charges for services revenue not available | \$ - | \$ 6,363 | \$ 6,363 |
| Fund balances: | | | |
| Restricted | 63,134 | - | 63,134 |
| Total deferred inflows of resources and fund balances | <u>\$ 63,134</u> | <u>\$ 6,363</u> | <u>\$ 69,497</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>General Obligation Bond Retirement</u> | <u>Total Non Major Debt Service</u> |
|--|---|---|
| Revenues: | | |
| Interest and investment income | \$ 34,267 | \$ 34,267 |
| Net change in fund balances | 34,267 | 34,267 |
| Fund balances at beginning of year. | <u>28,867</u> | <u>28,867</u> |
| Fund balances at end of year | <u>\$ 63,134</u> | <u>\$ 63,134</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL OBLIGATION BOND RETIREMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Interest and investment income | \$ 15,000 | \$ 34,267 | \$ 19,267 |
| Other | 4,500 | - | (4,500) |
| Total revenues | <u>19,500</u> | <u>34,267</u> | <u>14,767</u> |
| Expenditures: | | | |
| Current: | | | |
| Debt Service: | | | |
| Interest and fiscal charges | 20,000 | - | 20,000 |
| Net change in fund balance | (500) | 34,267 | 34,767 |
| Fund balance at beginning of year | 25,848 | 25,848 | - |
| Fund balance at end of year | <u>\$ 25,348</u> | <u>\$ 60,115</u> | <u>\$ 34,767</u> |

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CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2018

| | 2015 Construction Reconstruction Note | 2006 City Infrastructure Bond | 2006 Recreational Bond | 2006 Construction/ Reconstruction Bond |
|---|--|--|---------------------------------------|---|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 534,561 | \$ 175,744 | \$ 449,979 | \$ 10,691 |
| Receivables: | | | | |
| Accrued interest | 57 | - | 25 | - |
| Due from other governments | - | - | - | - |
| Total assets | <u>\$ 534,618</u> | <u>\$ 175,744</u> | <u>\$ 450,004</u> | <u>\$ 10,691</u> |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Retainage payable. | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred inflows of resources: | | | | |
| Intergovernmental revenue not available | - | - | - | - |
| Fund balances: | | | | |
| Restricted | 534,618 | 175,744 | 450,004 | 10,691 |
| Unassigned (deficit). | - | - | - | - |
| Total fund balances (deficit) | <u>534,618</u> | <u>175,744</u> | <u>450,004</u> | <u>10,691</u> |
| Total liabilities, deferred inflows of resources, and fund balances. | <u>\$ 534,618</u> | <u>\$ 175,744</u> | <u>\$ 450,004</u> | <u>\$ 10,691</u> |

| 2006 Judges Facilities/ City Hall Renovation Bond | 12th St. N Corridor Project | Mahoning Rd. Corridor Project | 11th St. NW Improvement Project | Traffic Signal Comm. Upgrade |
|--|--|--|--|---|
| \$ 1,744 | \$ 5,643 | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| - | - | 646,102 | 32,565 | 284,929 |
| <u>\$ 1,744</u> | <u>\$ 5,643</u> | <u>\$ 646,102</u> | <u>\$ 32,565</u> | <u>\$ 284,929</u> |
| \$ - | \$ - | \$ 607,529 | \$ 32,564 | \$ 511,140 |
| - | - | 38,573 | - | - |
| - | - | 646,102 | 32,564 | 511,140 |
| - | - | 473,637 | 25,787 | 15,542 |
| 1,744 | 5,643 | - | - | - |
| - | - | (473,637) | (25,786) | (241,753) |
| <u>1,744</u> | <u>5,643</u> | <u>(473,637)</u> | <u>(25,786)</u> | <u>(241,753)</u> |
| <u>\$ 1,744</u> | <u>\$ 5,643</u> | <u>\$ 646,102</u> | <u>\$ 32,565</u> | <u>\$ 284,929</u> |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)
 DECEMBER 31, 2018

| | Tuscarawas Street West Corridor Safety Project | 12th St. NW Bridge Replacement Street Project | Totals Nonmajor Capital Projects Funds |
|---|---|--|---|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ - | \$ - | \$ 1,178,362 |
| Receivables: | | | |
| Accrued interest | - | - | 82 |
| Due from other governments | | | |
| . | 609 | 427,157 | 1,391,362 |
| Total assets | \$ 609 | \$ 427,157 | \$ 2,569,806 |
| Liabilities: | | | |
| Accounts payable | \$ 609 | \$ 427,157 | \$ 1,578,999 |
| Retainage payable. | - | - | 38,573 |
| Total liabilities | 609 | 427,157 | 1,617,572 |
| Deferred inflows of resources: | | | |
| Intergovernmental revenue not available | 609 | 74,238 | 589,813 |
| Fund balances: | | | |
| Restricted | - | - | 1,178,444 |
| Unassigned (deficit). | (609) | (74,238) | (816,023) |
| Total fund balances (deficit) | (609) | (74,238) | 362,421 |
| Total liabilities, deferred inflows of resources, and fund balances. | \$ 609 | \$ 427,157 | \$ 2,569,806 |

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CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | 2015 Construction Reconstruction Note | 2006 City Infrastructure Bond | 2006 Recreational Bond | 2006 Construction/ Reconstruction Bond |
|---|--|--|---------------------------------------|---|
| Revenues: | | | | |
| Interest and investment income | \$ 725 | \$ - | \$ 300 | \$ - |
| Capital grants | - | 236,000 | - | - |
| Total revenues | <u>725</u> | <u>236,000</u> | <u>300</u> | <u>-</u> |
| Expenditures: | | | | |
| Capital outlay | 39,840 | 121,304 | - | - |
| Debt service: | | | | |
| Principal retirement | 3,500,000 | - | - | - |
| Interest and fiscal charges | 80,744 | - | - | - |
| Total expenditures | <u>3,620,584</u> | <u>121,304</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(3,619,859)</u> | <u>114,696</u> | <u>300</u> | <u>-</u> |
| Other financing sources: | | | | |
| Note issuance | 3,500,000 | - | - | - |
| Issuance of loans | - | - | - | - |
| Total other financing sources | <u>3,500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (119,859) | 114,696 | 300 | - |
| Fund balances (deficit) at beginning of year | <u>654,477</u> | <u>61,048</u> | <u>449,704</u> | <u>10,691</u> |
| Fund balances (deficit) at end of year | <u>\$ 534,618</u> | <u>\$ 175,744</u> | <u>\$ 450,004</u> | <u>\$ 10,691</u> |

| 2006 Judges Facilities/ City Hall Renovation Bond | 12th St. N Corridor Project | Mahoning Rd. Corridor Project | 11th St. NW Improvement Project | 38th St. NW Water Main Repair & Roadway Reconstruction | Traffic Signal Comm. Upgrade | Fulton Road Resurfacing Project |
|--|--|--|--|---|---|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 52,100 | 1,731,856 | 6,778 | 1,086,895 | 458,959 | - |
| - | 52,100 | 1,731,856 | 6,778 | 1,086,895 | 458,959 | - |
| - | 9,595 | 1,939,539 | 32,564 | 1,086,895 | 700,712 | 6,938 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 9,595 | 1,939,539 | 32,564 | 1,086,895 | 700,712 | 6,938 |
| - | 42,505 | (207,683) | (25,786) | - | (241,753) | (6,938) |
| - | - | - | - | - | - | - |
| - | - | 6,833 | - | - | - | 6,938 |
| - | - | 6,833 | - | - | - | 6,938 |
| - | 42,505 | (200,850) | (25,786) | - | (241,753) | - |
| 1,744 | (36,862) | (272,787) | - | - | - | - |
| \$ 1,744 | \$ 5,643 | \$ (473,637) | \$ (25,786) | \$ - | \$ (241,753) | \$ - |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)
FOR THE YEAR ENDING DECEMBER 31, 2018

| | Tuscarawas Street West Corridor Safety Project | 12th St. NW Bridge Replacement Street Project | SIB Loan 12th St. N Cooridor Project | Total Nonmajor Capital Projects Funds |
|---|---|--|---|--|
| Revenues: | | | | |
| Interest and investment income | \$ - | \$ - | \$ - | \$ 1,025 |
| Capital grants | 69,092 | 5,164,846 | - | 8,806,526 |
| Total revenues | 69,092 | 5,164,846 | - | 8,807,551 |
| Expenditures: | | | | |
| Capital outlay | 64,542 | 3,809,949 | 1,095,159 | 8,907,037 |
| Debt service: | | | | |
| Principal retirement | - | - | - | 3,500,000 |
| Interest and fiscal charges | - | - | - | 80,744 |
| Total expenditures | 64,542 | 3,809,949 | 1,095,159 | 12,487,781 |
| Excess of revenues over (under) expenditures | 4,550 | 1,354,897 | (1,095,159) | (3,680,230) |
| Other financing sources: | | | | |
| Note issuance | - | - | - | 3,500,000 |
| Issuance of loans | - | - | 1,095,159 | 1,108,930 |
| Total other financing sources | - | - | 1,095,159 | 4,608,930 |
| Net change in fund balances | 4,550 | 1,354,897 | - | 928,700 |
| Fund balances (deficit) at beginning of year | (5,159) | (1,429,135) | - | (566,279) |
| Fund balances (deficit) at end of year | \$ (609) | \$ (74,238) | \$ - | \$ 362,421 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2015 CONSTRUCTION/RECONSTRUCTION NOTE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------------|---|
| Revenues: | | | |
| Interest and investment income | \$ - | \$ 740 | \$ 740 |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Service Director Administration | 2,041,130 | 85,146 | 1,955,984 |
| Debt Service: | | | |
| <i>Principle Retirement:</i> | | | |
| Various purpose loans | 3,500,000 | 3,500,000 | - |
| <i>Interest and Fiscal Charges:</i> | | | |
| Various purpose loans | 95,000 | 80,744 | 14,256 |
| Total Debt Service | <u>3,595,000</u> | <u>3,580,744</u> | <u>14,256</u> |
| <i>Total expenditures</i> | <u>5,636,130</u> | <u>3,665,890</u> | <u>1,970,240</u> |
| Excess of expenditures over revenues | <u>(5,636,130)</u> | <u>(3,665,150)</u> | <u>1,970,980</u> |
| Other financing sources: | | | |
| Note issuance | 4,982,212 | 3,500,000 | (1,482,212) |
| Net change in fund balance. | (653,918) | (165,150) | 488,768 |
| Fund balance at beginning of year | 652,788 | 652,788 | - |
| Prior year encumbrances appropriated | 2,747 | 2,747 | - |
| Fund balance at end of year. | <u>\$ 1,617</u> | <u>\$ 490,385</u> | <u>\$ 488,768</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 CITY INFRASTRUCTURE BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|---|
| Revenues: | | | |
| Capital grants | \$ 241,449 | \$ 236,000 | \$ (5,449) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering Administration | 533,048 | 371,626 | 161,422 |
| Engineering - 12th Street N. Corridor Project | 5,449 | 5,449 | - |
| <i>Total Service Director</i> | <u>538,497</u> | <u>377,075</u> | <u>161,422</u> |
| Net change in fund balance. | (297,048) | (141,075) | 155,973 |
| Fund balance at beginning of year | 55,599 | 55,599 | - |
| Prior year encumbrances appropriated | 241,449 | 241,449 | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 155,973</u> | <u>\$ 155,973</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 RECREATIONAL BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|---|
| Revenues: | | | |
| Interest and investment income | \$ - | \$ 301 | \$ 301 |
| Net change in fund balance. | - | 301 | 301 |
| Fund balance at beginning of year | <u>449,678</u> | <u>449,678</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 449,678</u> | <u>\$ 449,979</u> | <u>\$ 301</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 CONSTRUCTION/RECONSTRUCTION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 10,691 | \$ 10,691 | \$ - |
| Fund balance at end of year. | \$ 10,691 | \$ 10,691 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 JUDGES FACILITIES/CITY HALL RENOVATION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Fund balance at beginning of year | \$ 1,744 | \$ 1,744 | \$ - |
| Fund balance at end of year. | \$ 1,744 | \$ 1,744 | \$ - |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 12TH ST. N CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------------|---|
| Revenues: | | | |
| Capital grants | \$ 887,000 | \$ 52,100 | \$ (834,900) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - 12th Street N. Corridor Project | 154,728 | 140,004 | 14,724 |
| Net change in fund balance | 732,272 | (87,904) | (820,176) |
| Fund balance (deficit) at beginning of year | (357,152) | (357,152) | - |
| Prior year encumbrances appropriated | 372,390 | 372,390 | - |
| Fund balance (deficit) at end of year | \$ 747,510 | \$ (72,666) | \$ (820,176) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MAHONING RD. CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------------|---|
| Revenues: | | | |
| Capital grants | \$ 9,221,258 | \$ 1,798,047 | \$ (7,423,211) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - Mahoning Road Corridor Project | 8,565,013 | 8,180,312 | 384,701 |
| Excess of revenues over (under) expenditures | 656,245 | (6,382,265) | (7,038,510) |
| Other financing sources: | | | |
| Issuance of loans | - | 6,833 | 6,833 |
| Net change in fund balance | 656,245 | (6,375,432) | (7,031,677) |
| Fund balance (deficit) at beginning of year. | (8,574,559) | (8,574,559) | - |
| Prior year encumbrances appropriated. | 8,648,092 | 8,648,092 | - |
| Fund balance (deficit) at end of year | <u>\$ 729,778</u> | <u>\$ (6,301,899)</u> | <u>\$ (7,031,677)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 11TH ST. NW IMPROVEMENT PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Capital grants | \$ 122,193 | \$ 1,093 | \$ (121,100) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - 11th St. NW Improvement Project | 122,193 | 122,193 | - |
| Net change in fund balance | - | (121,100) | (121,100) |
| Fund balance (deficit) at beginning of year | (122,193) | (122,193) | - |
| Prior year encumbrances appropriated | 122,193 | 122,193 | - |
| Fund balance (deficit) at end of year | \$ - | \$ (121,100) | \$ (121,100) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 38TH ST. NW WATER MAIN REPAIR AND ROADWAY RECONSTRUCTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------------|---|
| Revenues: | | | |
| Capital grants | \$ 116,655 | \$ - | \$ (116,655) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - 38th St NW Improvement Project | 116,655 | 58,759 | 57,896 |
| Excess of expenditures over revenues | - | (58,759) | (58,759) |
| Other financing sources: | | | |
| Issuance of loans | - | 6,938 | 6,938 |
| Net change in fund balance | - | (51,821) | (51,821) |
| Fund balance (deficit) at beginning of year | (58,759) | (58,759) | - |
| Prior year encumbrances appropriated | 58,759 | 58,759 | - |
| Fund balance (deficit) at end of year | \$ - | \$ (51,821) | \$ (51,821) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TRAFFIC SIGNAL COMM UPGRADE
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---|
| Revenues: | | | |
| Capital grants | \$ 631,780 | \$ 189,572 | \$ (442,208) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - Traffic Signal Comm Upgrade Project | <u>1,159,035</u> | <u>1,054,964</u> | <u>104,071</u> |
| Excess of expenditures over revenues | <u>(527,255)</u> | <u>(865,392)</u> | <u>(338,137)</u> |
| Other financing sources: | | | |
| Issuance of loans | <u>527,255</u> | <u>-</u> | <u>(527,255)</u> |
| Net change in fund balance | - | (865,392) | (865,392) |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (865,392)</u> | <u>\$ (865,392)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TUSCARAWAS STREET WEST CORRIDOR SAFETY PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Capital grants | \$ 118,064 | \$ 79,209 | \$ (38,855) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - Tusc St W Corr Safety Project 92562 | 118,064 | 118,064 | - |
| Net change in fund balance | - | (38,855) | (38,855) |
| Fund balance (deficit) at beginning of year | (118,064) | (118,064) | - |
| Prior year encumbrances appropriated | 118,064 | 118,064 | - |
| Fund balance (deficit) at end of year | \$ - | \$ (38,855) | \$ (38,855) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 12th STREET NW BRIDGE REPLACEMENT PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Capital grants | \$ 6,434,172 | \$ 5,178,336 | \$ (1,255,836) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - 12th Street NW Bridge Replacement Project | 6,433,607 | 5,945,489 | 488,118 |
| Net change in fund balance | 565 | (767,153) | (767,718) |
| Fund balance (deficit) at beginning of year | (5,757,423) | (5,757,423) | - |
| Prior year encumbrances appropriated | 5,757,423 | 5,757,423 | - |
| Fund balance (deficit) at end of year | \$ 565 | \$ (767,153) | \$ (767,718) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 41ST ST. NW ROADWAY RECONSTRUCTION PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Capital grants. | \$ 51,103 | \$ - | \$ (51,103) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - 41th St. NW Roadway Reconstruction Project. | 51,103 | 51,103 | - |
| Net change in fund balance | - | (51,103) | (51,103) |
| Fund balance (deficit) at beginning of year | (51,103) | (51,103) | - |
| Prior year encumbrances appropriated | 51,103 | 51,103 | - |
| Fund balance (deficit) at end of year | \$ - | \$ (51,103) | \$ (51,103) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 47TH STREET NW SEWER REPAIR PROJECT GP 1198 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---|
| Revenues: | | | |
| Capital grants | \$ 538,062 | \$ - | \$ (538,062) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Water:</i> | | | |
| 47th Street NW/Pack Avenue NW SWR 1198 | <u>896,770</u> | <u>770,129</u> | <u>126,641</u> |
| Excess of expenditures over revenues | <u>(358,708)</u> | <u>(770,129)</u> | <u>(411,421)</u> |
| Other financing sources: | | | |
| Issuance of loans | <u>358,708</u> | <u>-</u> | <u>(358,708)</u> |
| Net change in fund balance | - | (770,129) | (770,129) |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (770,129)</u> | <u>\$ (770,129)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 47TH STREET NW SEWER REPAIR PROJECT GP 1241 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------------|---|
| Revenues: | | | |
| Capital grants | \$ 352,002 | \$ - | \$ (352,002) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Water:</i> | | | |
| 47th Street NW Storm SWR Rep GP 1241 | 502,860 | 452,889 | 49,971 |
| Excess of expenditures over revenues | (150,858) | (452,889) | (302,031) |
| Other financing sources: | | | |
| Issuance of loans | 150,858 | - | (150,858) |
| Net change in fund balance | - | (452,889) | (452,889) |
| Fund balance at beginning of year | - | - | - |
| Fund balance (deficit) at end of year | \$ - | \$ (452,889) | \$ (452,889) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NAVARRE RD. SIGNAL UPGRADE
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---|
| Revenues: | | | |
| Capital grants | \$ 1,086,895 | \$ 1,086,895 | \$ - |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - Navarre Road Signal Upgrade | 1,086,895 | 1,086,895 | - |
| <i>Water:</i> | | | |
| 37th St Water Sewer Str improvement project | (181,556) | (181,556) | - |
| <i>Total Expenditures</i> | 905,339 | 905,339 | - |
| Excess of revenues over expenditures | 181,556 | 181,556 | - |
| Other financing sources: | | | |
| Issuance of loans | (255,000) | (181,556) | 73,444 |
| Net change in fund balance | (73,444) | - | 73,444 |
| Fund balance at beginning of year | - | - | - |
| Fund balance (deficit) at end of year | \$ (73,444) | \$ - | \$ 73,444 |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SIB LOAN 12TH ST. N CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|---|
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - 12th St. N Corridor Project | \$ 1,099,556 | \$ 1,099,556 | \$ - |
| Excess of expenditures over revenues | <u>(1,099,556)</u> | <u>(1,099,556)</u> | <u>-</u> |
| Other financing sources: | | | |
| Issuance of loans | 1,200,000 | 1,095,159 | (104,841) |
| Net change in fund balance | 100,444 | (4,397) | (104,841) |
| Fund balance (deficit) at beginning of year | (834,965) | (834,965) | - |
| Prior year encumbrances appropriated | 834,965 | 834,965 | - |
| Fund balance (deficit) at end of year | <u>\$ 100,444</u> | <u>\$ (4,397)</u> | <u>\$ (104,841)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 30th STREET NW RESURFACING PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--------------------------|---------------------------|---|
| Revenues: | | | |
| Capital grants. | \$ 381,460 | \$ - | \$ (381,460) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - 30th Street NW Resurfacing Project. | <u>60,857</u> | <u>60,857</u> | <u>-</u> |
| Net change in fund balance | 320,603 | (60,857) | (381,460) |
| Fund balance (deficit) at beginning of year. | (60,857) | (60,857) | - |
| Prior year encumbrances appropriated. | 60,857 | 60,857 | - |
| Fund balance (deficit) at end of year | <u><u>\$ 320,603</u></u> | <u><u>\$ (60,857)</u></u> | <u><u>\$ (381,460)</u></u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RIDGEWOOD E. PHASE 1 PART 2 ROADWAY RECONSTRUCTION PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---|
| Revenues: | | | |
| Capital grants | \$ 150,000 | \$ - | \$ (150,000) |
| Expenditures: | | | |
| Capital Outlay: | | | |
| <i>Service Director:</i> | | | |
| Engineering - Ridgewood Phase 1 Part 2 Roadway Reconstruction | 632,625 | - | 632,625 |
| Excess of expenditures over revenues | (482,625) | - | 482,625 |
| Other financing sources: | | | |
| Issuance of loans | 482,625 | - | (482,625) |
| Net change in fund balance | - | - | - |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ - |

**CITY OF CANTON
STARK COUNTY, OHIO**

Fund Description - Major 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 operates three Major enterprise funds:

Water Operating Fund

The water operating enterprise fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City and surrounding communities.

Sewer Operating Fund

The sewer operating enterprise fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City and several surrounding communities.

Refuse Operating Fund

The refuse operating enterprise fund accounts for the provision of trash collection to the residents and commercial users located in the City.

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------------|---|
| Revenues: | | | |
| Charges for services | \$ 17,835,377 | \$ 19,003,973 | \$ 1,168,596 |
| Rental income | 29,340 | 27,408 | (1,932) |
| Capital grants | 2,606,079 | 1,345,401 | (1,260,678) |
| Other. | - | 62,589 | 62,589 |
| Total revenues. | 20,470,796 | 20,439,371 | (31,425) |
| Expenses: | | | |
| Personal services. | 7,762,094 | 7,066,770 | 695,324 |
| Materials and supplies | 1,819,098 | 1,712,995 | 106,103 |
| Contractual services | 5,751,776 | 4,870,558 | 881,218 |
| Capital outlay | 9,758,338 | 7,564,372 | 2,193,966 |
| Claims | 568,071 | 451,378 | 116,693 |
| Other. | 62,715 | 38,054 | 24,661 |
| Debt service: | | | |
| Principal retirement | 2,052,198 | 1,916,880 | 135,318 |
| Interest and fiscal charges | 761,090 | 761,085 | 5 |
| Total expenses. | 28,535,380 | 24,382,092 | 4,153,288 |
| Excess of expenses over revenues | (8,064,584) | (3,942,721) | 4,121,863 |
| Nonoperating revenues (expenses): | | | |
| Sale of assets. | 5,000 | 36,405 | 31,405 |
| Transfer in. | 181,330 | 209,965 | 28,635 |
| Transfer (out). | (282,826) | (252,665) | 30,161 |
| Loan proceeds. | 5,677,365 | 744,164 | (4,933,201) |
| Capital contributions | - | 1,562,009 | 1,562,009 |
| Total nonoperating revenues (expenses) | 5,580,869 | 2,299,878 | (3,280,991) |
| Net change in fund balance | (2,483,715) | (1,642,843) | 840,872 |
| Fund balance at beginning of year | 8,232,670 | 8,232,670 | - |
| Prior year encumbrances appropriated. | 5,331,549 | 5,331,549 | - |
| Fund balance at end of year | \$ 11,080,504 | \$ 11,921,376 | \$ 840,872 |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|----------------------|---|
| Revenues: | | | |
| Charges for services | \$ 15,844,604 | \$ 15,889,922 | \$ 45,318 |
| Intergovernmental | 3,438,481 | 4,554,728 | 1,116,247 |
| Rental income. | 600 | 11,208 | 10,608 |
| Other | 6,386,818 | 507,729 | (5,879,089) |
| Total revenues | 25,670,503 | 20,963,587 | (4,706,916) |
| Expenses: | | | |
| Personal services. | 6,956,698 | 5,837,131 | 1,119,567 |
| Materials and supplies | 1,598,332 | 1,256,219 | 342,113 |
| Contractual services | 11,194,006 | 7,041,605 | 4,152,401 |
| Capital outlay | 59,734,039 | 25,811,849 | 33,922,190 |
| Claims | 750,010 | 482,983 | 267,027 |
| Other. | 645,249 | 358,760 | 286,489 |
| Debt service: | | | |
| Principal retirement | 4,090,918 | 4,090,914 | 4 |
| Interest and fiscal charges | 2,487,141 | 2,487,139 | 2 |
| Total expenses. | 87,456,393 | 47,366,600 | 40,089,793 |
| Excess of expenses over revenues | (61,785,890) | (26,403,013) | 35,382,877 |
| Nonoperating revenues (expenses): | | | |
| Sale of assets. | - | 3,600 | 3,600 |
| Transfer in. | 2,344,383 | 1,520,000 | (824,383) |
| Transfer (out). | (1,553,300) | (1,553,300) | - |
| Issuance of loans. | 44,490,000 | 16,037,161 | (28,452,839) |
| Total nonoperating revenues (expenses) | 45,281,083 | 16,007,461 | (29,273,622) |
| Net change in fund balance | (16,504,807) | (10,395,552) | 6,109,255 |
| Fund balance (deficit) at beginning of year | (2,230,592) | (2,230,592) | - |
| Prior year encumbrances appropriated. | 23,657,561 | 23,657,561 | - |
| Fund balance at end of year | \$ 4,922,162 | \$ 11,031,417 | \$ 6,109,255 |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REFUSE OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|---|
| Revenues: | | | |
| Charges for services | \$ 6,273,000 | \$ 6,037,610 | \$ (235,390) |
| Operating grants | - | 91,089 | 91,089 |
| Other | - | 29,402 | 29,402 |
| Total revenues | <u>6,273,000</u> | <u>6,158,101</u> | <u>(114,899)</u> |
| Expenses: | | | |
| Personal services | 4,282,170 | 3,879,146 | 403,024 |
| Materials and supplies | 318,618 | 297,137 | 21,481 |
| Contractual services | 2,235,785 | 2,202,221 | 33,564 |
| Capital outlay | 213,042 | 64,031 | 149,011 |
| Claims | 15,750 | 10,360 | 5,390 |
| Other | 41,509 | 38,941 | 2,568 |
| Total expenses | <u>7,106,874</u> | <u>6,491,836</u> | <u>615,038</u> |
| Excess of expenses over revenues | <u>(833,874)</u> | <u>(333,735)</u> | <u>500,139</u> |
| Nonoperating revenues (expenses): | | | |
| Sale of assets | - | (18,547) | (18,547) |
| Transfer (out) | (50,000) | (50,000) | - |
| Total nonoperating revenues (expenses) | <u>(50,000)</u> | <u>(68,547)</u> | <u>(18,547)</u> |
| Net change in fund balance | (883,874) | (402,282) | 481,592 |
| Fund balance at beginning of year | 540,791 | 540,791 | - |
| Prior year encumbrances appropriated | 382,788 | 382,788 | - |
| Fund balance at end of year | <u>\$ 39,705</u> | <u>\$ 521,297</u> | <u>\$ 481,592</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

Fund Descriptions - Non Major Enterprise Fund

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 operates one Nonmajor Enterprise Fund:

Building Code Fund

The building code enterprise fund accounts for the provision of license and permit fees collection related to the enforcement of the city building code.

The budgetary statement is only shown, since the building code fund is the City's only nonmajor enterprise fund.

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING CODE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------------|---|
| Revenues: | | | |
| Licenses, permits, and fees | \$ 1,994,400 | \$ 2,415,688 | \$ 421,288 |
| Other | 5,600 | 5,265 | (335) |
| Total revenues | <u>2,000,000</u> | <u>2,420,953</u> | <u>420,953</u> |
| Expenses: | | | |
| Personal services | 1,636,824 | 1,534,875 | 101,949 |
| Materials and supplies | 60,269 | 56,727 | 3,542 |
| Contractual services | 345,533 | 326,675 | 18,858 |
| Capital outlay | 136,924 | 133,955 | 2,969 |
| Claims | 9,000 | 6,899 | 2,101 |
| Other | 7,105 | 5,343 | 1,762 |
| Total expenses | <u>2,195,655</u> | <u>2,064,474</u> | <u>131,181</u> |
| Net change in fund balance | (195,655) | 356,479 | 552,134 |
| Fund balance at beginning of year | 1,076,817 | 1,076,817 | - |
| Prior year encumbrances appropriated. | 64,674 | 64,674 | - |
| Fund balance at end of year | <u>\$ 945,836</u> | <u>\$ 1,497,970</u> | <u>\$ 552,134</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

Fund Description - Internal Service Funds

Internal Service Funds are established 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.

Workers' Compensation Retrospective Fund

To account for the charges to the operating funds on a percentage of payroll basis and the payment of premiums and claims under the retrospective rating plan as provided by the Ohio Bureau of Workers' Compensation.

Health Insurance Fund

To account for charges to the operating funds on a per employee basis for the health and hospitalization self insurance, eye and dental insurance and for payments to AFSCME for the unions' administered employees' eye and dental premiums. This fund also pays the salaries and fringe benefits of the employees responsible for administering and processing claims.

Compensated Absences Claim Fund

To account for charges to the operating funds on a per employee basis for the claims associated with and mandated by local and state fringe benefit provisions including accumulated sick time, continuing disability, banked vacation, and termination pay.

Vehicle Self Insurance Fund

To account for charges to the operating funds on a per fund basis for the claims associated with a vehicle self insurance fund. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the internal service funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

Motor Vehicles Department Fund

To account for charges to the operating funds on a per fund basis for the department of motor vehicles. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the internal service funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018

| | <u>Workers' Compensation Retrospective</u> | <u>Health Insurance</u> | <u>Compensated Absences Claim</u> | <u>Total Nonmajor Internal Service</u> |
|---|--|-----------------------------|---|--|
| Assets: | | | | |
| Current assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 2,932,494 | \$ 1,497,956 | \$ 492,011 | \$ 4,922,461 |
| Receivables: | | | | |
| Accounts. | 308,711 | 407,793 | 133,548 | 850,052 |
| Due from other funds. | - | - | 277,256 | 277,256 |
| Due from other governments | - | - | 67,050 | 67,050 |
| Total assets. | <u>3,241,205</u> | <u>1,905,749</u> | <u>969,865</u> | <u>6,116,819</u> |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable. | 141,630 | 515,655 | - | 657,285 |
| Accrued wages and benefits payable | 3,666 | 3,666 | 146,658 | 153,990 |
| Due to other governments | 566 | 566 | 22,659 | 23,791 |
| Compensated absences payable | - | - | 2,158,081 | 2,158,081 |
| Claims payable. | 588,643 | 500,869 | - | 1,089,512 |
| Total current liabilities. | <u>734,505</u> | <u>1,020,756</u> | <u>2,327,398</u> | <u>4,082,659</u> |
| Non-current liabilities: | | | | |
| Compensated absences payable | - | - | 6,527,814 | 6,527,814 |
| Claims payable | 1,080,497 | - | - | 1,080,497 |
| Total non-current liabilities | <u>1,080,497</u> | <u>-</u> | <u>6,527,814</u> | <u>7,608,311</u> |
| Total liabilities | <u>1,815,002</u> | <u>1,020,756</u> | <u>8,855,212</u> | <u>11,690,970</u> |
| Net position: | | | | |
| Unrestricted (deficit) | <u>\$ 1,426,203</u> | <u>\$ 884,993</u> | <u>\$ (7,885,347)</u> | <u>\$ (5,574,151)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Workers' Compensation Retrospective | Health Insurance | Compensated Absences Claim | Total Nonmajor Internal Service |
|--|--|-----------------------------|---|--|
| Operating revenues: | | | | |
| Charges for services | \$ 1,334,233 | \$ 10,513,894 | \$ 3,480,651 | \$ 15,328,778 |
| Other | 1,638,908 | 2,583,302 | 206,942 | 4,429,152 |
| Total operating revenues. | <u>2,973,141</u> | <u>13,097,196</u> | <u>3,687,593</u> | <u>19,757,930</u> |
| Operating expenses: | | | | |
| Personal services. | 228,432 | - | - | 228,432 |
| Contract services. | 100,102 | 762,633 | 17,817 | 880,552 |
| Materials and supplies | 270 | 250 | - | 520 |
| Benefit claims and expenses | - | - | 3,681,526 | 3,681,526 |
| Insurance claims and expenses. | 1,394,270 | 12,945,011 | - | 14,339,281 |
| Other. | 390 | 750 | - | 1,140 |
| Total operating expenses. | <u>1,723,464</u> | <u>13,708,644</u> | <u>3,699,343</u> | <u>19,131,451</u> |
| Operating income (loss). | <u>1,249,677</u> | <u>(611,448)</u> | <u>(11,750)</u> | <u>626,479</u> |
| Transfer in | - | 500,000 | - | 500,000 |
| Operating income (loss) / change in net position | 1,249,677 | (111,448) | (11,750) | 1,126,479 |
| Net position (deficit) at beginning of year | <u>176,526</u> | <u>996,441</u> | <u>(7,873,597)</u> | <u>(6,700,630)</u> |
| Net position (deficit) at end of year | <u>\$ 1,426,203</u> | <u>\$ 884,993</u> | <u>\$ (7,885,347)</u> | <u>\$ (5,574,151)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Workers' Compensation Retrospective | Health Insurance | Compensated Absences Claim | Total Nonmajor Internal Service |
|--|--|-----------------------------|---|--|
| Cash flows from operating activities: | | | | |
| Cash received from charges for services | \$ 1,334,233 | \$ 10,513,894 | \$ 3,480,651 | \$ 15,328,778 |
| Cash received from other operations | 1,330,197 | 2,320,467 | 7,649 | 3,658,313 |
| Cash payments for personal services | (89,529) | (91,685) | - | (181,214) |
| Cash payments for contractual services | (100,102) | (935,811) | (17,817) | (1,053,730) |
| Cash payments for materials and supplies | (270) | (250) | - | (520) |
| Cash payments for insurance claims | (1,394,270) | (12,714,290) | - | (14,108,560) |
| Cash payments for benefits claims | - | - | (3,767,154) | (3,767,154) |
| Cash payments for other expenses | (390) | (750) | - | (1,140) |
| Net cash provided by (used in) operating activities | 1,079,869 | (908,425) | (296,671) | (125,227) |
| Cash flows from noncapital financial activities: | | | | |
| Cash received from transfers in | - | 500,000 | - | 500,000 |
| Net increase (decrease) in cash and cash equivalents . . | 1,079,869 | (408,425) | (296,671) | 374,773 |
| Cash and cash equivalents at beginning of year | 1,852,625 | 1,906,381 | 788,682 | 4,547,688 |
| Cash and cash equivalents at end of year | \$ 2,932,494 | \$ 1,497,956 | \$ 492,011 | \$ 4,922,461 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 1,249,677 | \$ (611,448) | \$ (11,750) | \$ 626,479 |
| Changes in assets and liabilities: | | | | |
| (Increase) in accounts receivable | (308,711) | (262,835) | (133,423) | (704,969) |
| (Increase) in due from other governments | - | - | (65,870) | (65,870) |
| (Increase) in due from other funds | - | - | (161,387) | (161,387) |
| Increase (decrease) in accounts payable | 139,135 | (264,631) | (2,200) | (127,696) |
| (Decrease) in accrued wages and benefits | (201) | (201) | (120,001) | (120,403) |
| (Decrease) in due to other governments | (31) | (31) | (18,540) | (18,602) |
| Increase in compensated absences payable | - | - | 216,500 | 216,500 |
| Increase in claims payable | - | 230,721 | - | 230,721 |
| Net cash provided by (used in) operating activities | \$ 1,079,869 | \$ (908,425) | \$ (296,671) | \$ (125,227) |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORKERS' COMPENSATION RETROSPECTIVE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|-------------------------|---------------------|--|
| Revenues: | | | |
| Charges for services | \$ 1,500,000 | \$ 1,334,233 | \$ (165,767) |
| Other | - | 1,330,197 | 1,330,197 |
| Total revenues | <u>1,500,000</u> | <u>2,664,430</u> | <u>1,164,430</u> |
| Expenses: | | | |
| Personal services | 104,768 | 89,529 | 15,239 |
| Materials and supplies | 3,120 | 270 | 2,850 |
| Contractual services | 219,727 | 127,743 | 91,984 |
| Benefit claims and expenses | 2,200,000 | 1,394,270 | 805,730 |
| Other | 2,930 | 390 | 2,540 |
| Total expenses | <u>2,530,545</u> | <u>1,612,202</u> | <u>918,343</u> |
| Net change in fund balance | (1,030,545) | 1,052,228 | 2,082,773 |
| Fund balance at beginning of year | 1,845,140 | 1,845,140 | - |
| Prior year encumbrances appropriated | 7,485 | 7,485 | - |
| Fund balance at end of year | <u>\$ 822,080</u> | <u>\$ 2,904,853</u> | <u>\$ 2,082,773</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|-------------------------|---------------------|--|
| Revenues: | | | |
| Charges for services | \$ 10,500,000 | \$ 10,513,894 | \$ 13,894 |
| Other | 2,144,234 | 2,320,864 | 176,630 |
| Total revenues | <u>12,644,234</u> | <u>12,834,758</u> | <u>190,524</u> |
| Expenses: | | | |
| Personal services | 104,596 | 91,685 | 12,911 |
| Materials and supplies | 890 | 250 | 640 |
| Contractual services | 984,722 | 984,275 | 447 |
| Insurance claims and expenses | 13,236,361 | 13,077,944 | 158,417 |
| Other | 1,750 | 750 | 1,000 |
| Total expenses | <u>14,328,319</u> | <u>14,154,904</u> | <u>173,415</u> |
| Excess of expenses over revenues | <u>(1,684,085)</u> | <u>(1,320,146)</u> | <u>363,939</u> |
| Other financing sources: | | | |
| Transfers in | - | 500,000 | 500,000 |
| Net change in fund balance. | (1,684,085) | (820,146) | 863,939 |
| Fund balance at beginning of year | 1,650,375 | 1,650,375 | - |
| Prior year encumbrances appropriated | 255,609 | 255,609 | - |
| Fund balance at end of year | <u>\$ 221,899</u> | <u>\$ 1,085,838</u> | <u>\$ 863,939</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMPENSATED ABSENCES CLAIM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|-------------------------|-------------------|--|
| Revenues: | | | |
| Charges for services | \$ 3,600,000 | \$ 3,480,651 | \$ (119,349) |
| Other | - | 7,649 | 7,649 |
| Total revenues | <u>3,600,000</u> | <u>3,488,300</u> | <u>(111,700)</u> |
| Expenses: | | | |
| Contractual services | 23,717 | 18,387 | 5,330 |
| Benefit claim expenses | <u>3,777,086</u> | <u>3,767,154</u> | <u>9,932</u> |
| Total expenses | <u>3,800,803</u> | <u>3,785,541</u> | <u>15,262</u> |
| Net change in fund balance | (200,803) | (297,241) | (96,438) |
| Fund balance at beginning of year | 781,031 | 781,031 | - |
| Prior year encumbrances appropriated | 7,651 | 7,651 | - |
| Fund balance at end of year | <u>\$ 587,879</u> | <u>\$ 491,441</u> | <u>\$ (96,438)</u> |

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VEHICLE SELF INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|-------------------------|-------------------|--|
| Revenues: | | | |
| Interest | \$ - | \$ 796 | \$ 796 |
| Other | 25,000 | 2,882 | (22,118) |
| Total revenues | <u>25,000</u> | <u>3,678</u> | <u>(21,322)</u> |
| Expenses: | | | |
| Personal services | 31,247 | 30,437 | 810 |
| Materials and supplies | 142 | - | 142 |
| Contractual services | 80,800 | 55,682 | 25,118 |
| Insurance claim expenses | 378,013 | 195,623 | 182,390 |
| Total expenses | <u>490,202</u> | <u>281,742</u> | <u>208,460</u> |
| Excess of expenses over revenues | <u>(465,202)</u> | <u>(278,064)</u> | <u>187,138</u> |
| Nonoperating revenue: | | | |
| Transfers in | <u>275,000</u> | <u>287,200</u> | <u>12,200</u> |
| Net change in fund balance. | (190,202) | 9,136 | 199,338 |
| Fund balance at beginning of year | 678,992 | 678,992 | - |
| Prior year encumbrances appropriated | 11,821 | 11,821 | - |
| Fund balance at end of year | <u>\$ 500,611</u> | <u>\$ 699,949</u> | <u>\$ 199,338</u> |

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLES DEPARTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

| | Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|-------------------------|-------------------|--|
| Revenues: | | | |
| Charges for services | \$ 2,224,345 | \$ 2,040,455 | \$ (183,890) |
| Other | 100,000 | 55,846 | (44,154) |
| Total revenues | <u>2,324,345</u> | <u>2,096,301</u> | <u>(228,044)</u> |
| Expenses: | | | |
| Personal services | 1,224,165 | 1,181,563 | 42,602 |
| Materials and supplies | 1,148,335 | 1,130,989 | 17,346 |
| Contractual services | 345,744 | 265,592 | 80,152 |
| Capital outlay. | 10,676 | 3,976 | 6,700 |
| Insurance claim expenses | 100 | - | 100 |
| Other. | 9,025 | 8,025 | 1,000 |
| Total expenses | <u>2,738,045</u> | <u>2,590,145</u> | <u>147,900</u> |
| Net change in fund balance. | (413,700) | (493,844) | (80,144) |
| Fund balance at beginning of year | 284,691 | 284,691 | - |
| Prior year encumbrances appropriated | 384,591 | 384,591 | - |
| Fund balance at end of year | <u>\$ 255,582</u> | <u>\$ 175,438</u> | <u>\$ (80,144)</u> |

**CITY OF CANTON
STARK COUNTY, OHIO**

Fund Descriptions - Fiduciary Funds

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

Agency Funds

Agency funds are custodial in nature, and thus, do not recognize revenues or expenditures, only changes in assets and liabilities. These funds are used to record the collection and payment of refundable deposits, taxes collected for other governments, and municipal court.

Building Escrow Fund:

To account for receipts from insurance companies, under City and State statutes, necessary to ensure compliance with building codes after a structure fire. Disbursements are normally to property owners upon release from the code

Payroll Clearing Fund:

To account for payroll taxes and other related payroll deductions accumulated from the funds for distribution to other governmental units and private organizations.

Auditor's Transfer Fund:

To account for and hold receipts from various entities until proper disbursement.

Municipal Court Fund:

To account for municipal court activities, including the civil division and trusteeship accounts not currently reflected on the City's records.

Building Department State Assessment Fund:

To account for assessments that are collected by the City on building projects on behalf of the state.

Downtown Special Improvement District Fund:

To keep track of property taxes collect by the City for a Special Improvement District. Once the City receives the money it is immediately reimbursed to the board of the district.

Jackson-Canton JEDD Clearing Fund:

To account for the receipt and disbursement of JEDD income taxes.

Vacant/Foreclosure Depository Fund:

This fund accounts for deposits held for vacant and foreclosed upon homes.

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Balance 12/31/17 | Additions | Reductions | Balance 12/31/2018 |
|--|-----------------------------|------------------|-------------------|-------------------------------|
| <i>Building Escrow:</i> | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 95,747 | \$ 205,518 | \$ 223,360 | \$ 77,905 |
| Total assets | \$ 95,747 | \$ 205,518 | \$ 223,360 | \$ 77,905 |
| Liabilities: | | | | |
| Deposits held and due to others. | \$ 95,747 | \$ 205,518 | \$ 223,360 | \$ 77,905 |
| Total liabilities | \$ 95,747 | \$ 205,518 | \$ 223,360 | \$ 77,905 |
| <i>Payroll Clearing:</i> | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 320,691 | \$ 18,289,579 | \$ 18,070,390 | \$ 539,880 |
| Total assets | \$ 320,691 | \$ 18,289,579 | \$ 18,070,390 | \$ 539,880 |
| Liabilities: | | | | |
| Due to other governments | \$ 320,691 | \$ 18,289,579 | \$ 18,070,390 | \$ 539,880 |
| Total liabilities | \$ 320,691 | \$ 18,289,579 | \$ 18,070,390 | \$ 539,880 |
| <i>Auditor's Transfer:</i> | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 90,969 | \$ 75,156 | \$ 75,295 | \$ 90,830 |
| Total assets | \$ 90,969 | \$ 75,156 | \$ 75,295 | \$ 90,830 |
| Liabilities: | | | | |
| Deposits held and due to others | \$ 90,969 | \$ 75,156 | \$ 75,295 | \$ 90,830 |
| Total liabilities. | \$ 90,969 | \$ 75,156 | \$ 75,295 | \$ 90,830 |
| <i>Municipal Court:</i> | | | | |
| Assets: | | | | |
| Cash and cash equivalents in segregated accounts | \$ 56,359 | \$ 101,721 | \$ 56,359 | \$ 101,721 |
| Total assets | \$ 56,359 | \$ 101,721 | \$ 56,359 | \$ 101,721 |
| Liabilities: | | | | |
| Undistributed assets. | \$ 56,359 | \$ 101,721 | \$ 56,359 | \$ 101,721 |
| Total liabilities | \$ 56,359 | \$ 101,721 | \$ 56,359 | \$ 101,721 |

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Balance 12/30/17</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/30/18</u> |
|--|-----------------------------|----------------------|----------------------|-----------------------------|
| <i>Building Department State Assessment:</i> | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 246 | \$ 10,535 | \$ 9,830 | \$ 951 |
| Total assets | <u>\$ 246</u> | <u>\$ 10,535</u> | <u>\$ 9,830</u> | <u>\$ 951</u> |
| Liabilities: | | | | |
| Deposits held and due to others | \$ 246 | \$ 10,535 | \$ 9,830 | \$ 951 |
| Total liabilities. | <u>\$ 246</u> | <u>\$ 10,535</u> | <u>\$ 9,830</u> | <u>\$ 951</u> |
| <i>Downtown Special Improvement District:</i> | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ - | \$ 191,124 | \$ 191,124 | \$ - |
| Receivables: | | | | |
| Accounts. | 6,447 | 7,069 | 6,447 | 7,069 |
| Total assets | <u>\$ 6,447</u> | <u>\$ 198,193</u> | <u>\$ 197,571</u> | <u>\$ 7,069</u> |
| Liabilities: | | | | |
| Deposits held and due to others | \$ 6,447 | \$ 198,193 | \$ 197,571 | \$ 7,069 |
| Total liabilities. | <u>\$ 6,447</u> | <u>\$ 198,193</u> | <u>\$ 197,571</u> | <u>\$ 7,069</u> |
| <i>Jackson-Canton JEDD Clearing Fund:</i> | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 7,000 | \$ 240,107 | \$ 157,223 | \$ 89,884 |
| Total assets | <u>\$ 7,000</u> | <u>\$ 240,107</u> | <u>\$ 157,223</u> | <u>\$ 89,884</u> |
| Liabilities: | | | | |
| Deposits held and due to others. | \$ 7,000 | \$ 240,107 | \$ 157,223 | \$ 89,884 |
| Total liabilities | <u>\$ 7,000</u> | <u>\$ 240,107</u> | <u>\$ 157,223</u> | <u>\$ 89,884</u> |
| <i>Vacant/Foreclosure Depository Fund:</i> | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 2,609,236 | \$ 1,310,000 | \$ 1,816,837 | \$ 2,102,399 |
| Total assets | <u>\$ 2,609,236</u> | <u>\$ 1,310,000</u> | <u>\$ 1,816,837</u> | <u>\$ 2,102,399</u> |
| Liabilities: | | | | |
| Deposits held and due to others. | \$ 2,609,236 | \$ 1,310,000 | \$ 1,816,837 | \$ 2,102,399 |
| Total liabilities | <u>\$ 2,609,236</u> | <u>\$ 1,310,000</u> | <u>\$ 1,816,837</u> | <u>\$ 2,102,399</u> |
| <i>Total Agency Funds</i> | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 3,123,889 | \$ 20,322,019 | \$ 20,544,059 | \$ 2,901,849 |
| Cash and cash equivalents in segregated accounts . . . | 56,359 | 101,721 | 56,359 | 101,721 |
| Receivables: | | | | |
| Accounts. | 6,447 | 7,069 | 6,447 | 7,069 |
| Total assets | <u>\$ 3,186,695</u> | <u>\$ 20,430,809</u> | <u>\$ 20,606,865</u> | <u>\$ 3,010,639</u> |
| Liabilities: | | | | |
| Due to other governments | \$ 320,691 | \$ 18,289,579 | \$ 18,070,390 | \$ 539,880 |
| Undistributed assets. | 56,359 | 101,721 | 56,359 | 101,721 |
| Deposits held and due to others. | 2,809,645 | 2,039,509 | 2,480,116 | 2,369,038 |
| Total liabilities | <u>\$ 3,186,695</u> | <u>\$ 20,430,809</u> | <u>\$ 20,606,865</u> | <u>\$ 3,010,639</u> |

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CANTON, OHIO

STATISTICAL
City of Canton, Ohio

**CITY OF CANTON
STARK COUNTY, OHIO
STATISTICAL SECTION**

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends | S1 - S10 |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | |
| Revenue Capacity | S11 - S12 |
| These schedules contain information to help the reader assess the City's most significant local revenue sources, municipal income taxes. | |
| Debt Capacity | S13 - S23 |
| 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. | |
| Demographic and Economic Information | S24 - S25 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | |
| Operating Information | S27 - S32 |
| 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. | |

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CITY OF CANTON
STARK COUNTY, OHIO
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2018 | 2017 | 2016 | 2015 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | |
| Net investment in capital assets | \$ 134,323,608 | \$ 127,232,203 | \$ 120,105,838 | \$ 114,318,575 |
| Restricted | 19,608,510 | 20,359,389 | 17,870,574 | 21,643,804 |
| Unrestricted | (118,676,629) | (119,444,515) | (63,674,938) | (62,270,207) |
| Total Governmental Activities Net Position | <u>\$ 35,255,489</u> | <u>\$ 28,147,077</u> | <u>\$ 74,301,474</u> | <u>\$ 73,692,172</u> |
| Business-Type Activities | | | | |
| Net investment in capital assets | \$ 93,402,528 | \$ 80,091,786 | \$ 81,244,719 | \$ 75,533,187 |
| Unrestricted | 27,255,096 | 34,552,456 | 37,500,121 | 33,635,250 |
| Total Business-Type Activities Net Position | <u>\$ 120,657,624</u> | <u>\$ 114,644,242</u> | <u>\$ 118,744,840</u> | <u>\$ 109,168,437</u> |
| Primary Government | | | | |
| Net investment in capital assets | \$ 227,726,136 | \$ 207,323,989 | \$ 201,350,557 | \$ 189,851,762 |
| Restricted | 19,608,510 | 20,359,389 | 17,870,574 | 21,643,804 |
| Unrestricted | (91,421,533) | (84,892,059) | (26,174,817) | (28,634,957) |
| Total Primary Government Net Position | <u>\$ 155,913,113</u> | <u>\$ 142,791,319</u> | <u>\$ 193,046,314</u> | <u>\$ 182,860,609</u> |

Note: The City has implemented GASB Statements No. 63 & 65 in fiscal year 2012.

Note: The City has implemented GASB Statements No. 75 in fiscal year 2018 and restated fiscal year 2017.

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 106,702,688 | \$ 99,188,330 | \$ 96,544,493 | \$ 97,348,306 | \$ 96,658,405 | \$ 93,997,414 |
| 19,038,897 | 20,669,995 | 25,988,085 | 30,727,668 | 34,583,408 | 38,133,687 |
| 10,069,695 | 8,055,536 | 5,978,878 | 807,948 | (4,901,157) | (3,439,285) |
| <u>\$ 135,811,280</u> | <u>\$ 127,913,861</u> | <u>\$ 128,511,456</u> | <u>\$ 128,883,922</u> | <u>\$ 126,340,656</u> | <u>\$ 128,691,816</u> |
| \$ 70,635,102 | \$ 70,583,131 | \$ 68,382,938 | \$ 64,432,996 | \$ 65,466,731 | \$ 65,271,828 |
| 42,265,775 | 40,577,502 | 37,550,898 | 35,129,231 | 31,989,581 | 24,386,522 |
| <u>\$ 112,900,877</u> | <u>\$ 111,160,633</u> | <u>\$ 105,933,836</u> | <u>\$ 99,562,227</u> | <u>\$ 97,456,312</u> | <u>\$ 89,658,350</u> |
| \$ 177,337,790 | \$ 169,771,461 | \$ 164,927,431 | \$ 161,781,302 | \$ 162,125,136 | \$ 159,269,242 |
| 19,038,897 | 20,669,995 | 25,988,085 | 30,727,668 | 34,583,408 | 38,133,687 |
| 52,335,470 | 48,633,038 | 43,529,776 | 35,937,179 | 27,088,424 | 20,947,237 |
| <u>\$ 248,712,157</u> | <u>\$ 239,074,494</u> | <u>\$ 234,445,292</u> | <u>\$ 228,446,149</u> | <u>\$ 223,796,968</u> | <u>\$ 218,350,166</u> |

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2018 | 2017 | 2016 | 2015 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Expenses | | | | |
| <i>Governmental activities:</i> | | | | |
| General government | \$ 23,835,090 | \$ 20,575,714 | \$ 21,401,267 | \$ 20,813,879 |
| Security of persons and property | 51,177,610 | 42,659,988 | 45,317,984 | 42,879,044 |
| Public health | 9,104,599 | 7,188,358 | 6,627,161 | 6,186,052 |
| Transportation | 13,157,017 | 10,885,075 | 14,177,868 | 14,538,968 |
| Community environment | 6,073,153 | 8,408,420 | 6,829,268 | 12,051,165 |
| Leisure time activities | 5,396,449 | 5,003,179 | 3,703,459 | 3,417,987 |
| Economic development | - | - | - | 263,186 |
| Interest and fiscal charges | 832,149 | 412,469 | 361,969 | 386,900 |
| <i>Total governmental activities expenses</i> | <u>109,576,067</u> | <u>95,133,203</u> | <u>98,418,976</u> | <u>100,537,181</u> |
| <i>Business-type activities:</i> | | | | |
| Water | 18,111,531 | 17,763,510 | 14,639,812 | 14,174,629 |
| Sewer | 17,822,870 | 17,427,064 | 12,423,601 | 14,155,798 |
| Refuse | 6,739,833 | 6,717,023 | 6,892,183 | 6,354,269 |
| Building | 2,222,500 | 1,903,631 | 1,768,265 | - |
| <i>Total business-type activities expenses</i> | <u>44,896,734</u> | <u>43,811,228</u> | <u>35,723,861</u> | <u>34,684,696</u> |
| Total Primary Government Expenses | <u><u>\$ 154,472,801</u></u> | <u><u>\$ 138,944,431</u></u> | <u><u>\$ 134,142,837</u></u> | <u><u>\$ 135,221,877</u></u> |
| Program Revenues | | | | |
| <i>Governmental activities:</i> | | | | |
| Charges for services: | | | | |
| EMS charges | \$ 2,271,759 | \$ 1,879,750 | \$ 1,721,128 | \$ 954,809 |
| Leisure time activities | 183,261 | 196,873 | 46,712 | 45,781 |
| Licenses, permits, and fees | 824,804 | 706,182 | 1,083,886 | 1,499,109 |
| Municipal court revenue | 3,652,096 | 3,527,414 | 3,397,151 | 2,765,518 |
| Other activities | 7,505,583 | 7,762,803 | 4,821,212 | 8,727,538 |
| Operating grants and contributions | 19,621,140 | 16,479,341 | 16,591,905 | 9,787,441 |
| Capital grants and contributions | 8,231,824 | 6,972,483 | 11,438,948 | 13,910,356 |
| <i>Total governmental activities program revenues</i> | <u>42,290,467</u> | <u>37,524,846</u> | <u>39,100,942</u> | <u>37,690,552</u> |
| <i>Business-type activities:</i> | | | | |
| Charges for services: | | | | |
| Water | 19,153,280 | 18,460,579 | 17,025,059 | 17,576,612 |
| Sewer | 15,955,328 | 15,804,202 | 14,340,312 | 14,925,552 |
| Refuse | 5,817,983 | 5,787,333 | 5,849,351 | 5,762,077 |
| Building | 2,413,530 | 1,893,728 | 2,011,319 | - |
| Operating grants and contributions | 75,606 | 78,591 | 47,971 | 121,130 |
| Capital grants and contributions | 6,881,345 | 2,562,096 | 4,854,422 | 9,770 |
| <i>Total business-type activities program revenues</i> | <u>50,297,072</u> | <u>44,586,529</u> | <u>44,128,434</u> | <u>38,395,141</u> |
| Total Primary Government Program Revenues | <u><u>\$ 92,587,539</u></u> | <u><u>\$ 82,111,375</u></u> | <u><u>\$ 83,229,376</u></u> | <u><u>\$ 76,085,693</u></u> |

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|----|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ | 19,609,570 | \$ 16,648,538 | \$ 18,204,815 | \$ 18,507,298 | \$ 17,916,837 | \$ 21,447,525 |
| | 38,759,803 | 37,209,092 | 37,355,205 | 39,761,690 | 38,021,732 | 39,741,822 |
| | 6,196,761 | 5,948,698 | 5,867,708 | 6,371,348 | 6,789,047 | 6,503,089 |
| | 12,065,377 | 13,253,789 | 12,752,256 | 12,218,799 | 12,594,651 | 14,551,954 |
| | 8,106,584 | 6,012,767 | 5,080,295 | 8,563,514 | 9,206,391 | 5,393,621 |
| | 3,549,040 | 3,329,290 | 2,101,343 | 2,361,904 | 2,919,500 | 2,943,691 |
| | - | - | - | - | - | - |
| | 442,388 | 542,745 | 573,423 | 791,471 | 815,188 | 925,828 |
| | <u>88,729,523</u> | <u>82,944,919</u> | <u>81,935,045</u> | <u>88,576,024</u> | <u>88,263,346</u> | <u>91,507,530</u> |
| | 15,387,377 | 13,029,402 | 12,706,700 | 12,478,010 | 10,975,361 | 11,789,359 |
| | 12,796,231 | 12,516,730 | 12,705,127 | 13,239,984 | 11,135,229 | 11,586,485 |
| | 6,257,256 | 5,924,125 | 5,342,650 | 5,532,632 | 4,948,513 | 5,359,103 |
| | - | - | - | - | - | - |
| | <u>34,440,864</u> | <u>31,470,257</u> | <u>30,754,477</u> | <u>31,250,626</u> | <u>27,059,103</u> | <u>28,734,947</u> |
| \$ | <u>123,170,387</u> | <u>\$ 114,415,176</u> | <u>\$ 112,689,522</u> | <u>\$ 119,826,650</u> | <u>\$ 115,322,449</u> | <u>\$ 120,242,477</u> |
| \$ | 2,963,877 | \$ 1,790,137 | \$ 1,989,838 | \$ 1,538,870 | \$ 990,133 | \$ 370,403 |
| | 30,379 | 29,550 | 10,890 | 230,691 | 593,174 | 323,320 |
| | 1,512,407 | 1,510,822 | 2,014,416 | 1,496,552 | 1,540,878 | 1,544,394 |
| | 2,867,661 | 3,401,332 | 3,458,555 | 3,561,424 | 4,091,161 | 3,458,692 |
| | 7,497,735 | 6,496,325 | 8,477,516 | 7,020,751 | 6,949,537 | 7,094,576 |
| | 12,203,279 | 9,361,804 | 6,951,732 | 11,296,786 | 11,304,031 | 15,211,394 |
| | 5,755,827 | 3,956,443 | 759,525 | 5,146,994 | 6,681,818 | 4,334,246 |
| | <u>32,831,165</u> | <u>26,546,413</u> | <u>23,662,472</u> | <u>30,292,068</u> | <u>32,150,732</u> | <u>32,337,025</u> |
| | 15,545,481 | 14,919,158 | 14,564,110 | 13,688,619 | 14,679,276 | 11,602,884 |
| | 13,407,709 | 13,914,466 | 14,487,135 | 13,232,669 | 13,061,066 | 10,696,780 |
| | 5,962,885 | 5,801,598 | 6,002,093 | 6,030,792 | 6,511,534 | 5,360,417 |
| | - | - | - | - | - | - |
| | 69,919 | 67,026 | 140,855 | 189,868 | 87,506 | 119,426 |
| | 600,402 | 1,943,958 | 1,869,089 | 12,655 | 207,969 | 2,942,090 |
| | <u>35,586,396</u> | <u>36,646,206</u> | <u>37,063,282</u> | <u>33,154,603</u> | <u>34,547,351</u> | <u>30,721,597</u> |
| \$ | <u>68,417,561</u> | <u>\$ 63,192,619</u> | <u>\$ 60,725,754</u> | <u>\$ 63,446,671</u> | <u>\$ 66,698,083</u> | <u>\$ 63,058,622</u> |

- (Continued)

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2018 | 2017 | 2016 | 2015 |
|---|------------------------|------------------------|------------------------|------------------------|
| Net (Expenses)/Revenues | | | | |
| Governmental Activities | \$ (67,285,600) | \$ (57,608,357) | \$ (59,318,034) | \$ (62,846,629) |
| Business-Type Activities | 5,400,338 | 775,301 | 8,404,573 | 3,710,445 |
| Total Primary Government | | | | |
| Net Expense | <u>\$ (61,885,262)</u> | <u>\$ (56,833,056)</u> | <u>\$ (50,913,461)</u> | <u>\$ (59,136,184)</u> |
| General Revenues and | | | | |
| Other Changes in Net Position | | | | |
| <i>Governmental activities:</i> | | | | |
| Taxes: | | | | |
| Municipal income taxes | \$ 53,456,724 | \$ 50,015,065 | \$ 44,357,696 | \$ 45,014,757 |
| Property and other taxes | 5,503,406 | 5,158,048 | 4,746,457 | 4,463,752 |
| Grants and entitlements not restricted to specific programs | 7,116,496 | 7,470,873 | 6,728,791 | 6,815,424 |
| Payment in lieu of taxes | 144,666 | 101,910 | 120,375 | 43,687 |
| Other local taxes | 661,955 | 89,096 | - | - |
| Interest and investment earnings | 663,771 | 490,540 | 425,963 | 433,892 |
| Other | 6,846,994 | 4,549,880 | 4,057,189 | - |
| Proceeds on sale of capital assets | - | - | - | 4,060,560 |
| Transfers | - | - | (509,135) | - |
| <i>Total governmental activities</i> | <u>74,394,012</u> | <u>67,875,412</u> | <u>59,927,336</u> | <u>60,832,072</u> |
| <i>Business-type activities:</i> | | | | |
| Interest and investment earnings | - | - | - | - |
| Other | 582,975 | 3,635,391 | 652,386 | 877,805 |
| Gain on sale of capital assets | 30,069 | 15,353 | 10,309 | (10,410) |
| Transfers | - | - | 509,135 | - |
| <i>Total business-type activities</i> | <u>613,044</u> | <u>3,650,744</u> | <u>1,171,830</u> | <u>867,395</u> |
| Total Primary Government | <u>\$ 75,007,056</u> | <u>\$ 71,526,156</u> | <u>\$ 61,099,166</u> | <u>\$ 61,699,467</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ 7,108,412 | \$ 10,267,055 | \$ 609,302 | \$ (2,014,557) |
| Business-type activities | 6,013,382 | 4,426,045 | 9,576,403 | 4,577,840 |
| <i>Total Primary Government</i> | <u>\$ 13,121,794</u> | <u>\$ 14,693,100</u> | <u>\$ 10,185,705</u> | <u>\$ 2,563,283</u> |

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-----------|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ | (55,898,358) | \$ (56,398,506) | \$ (58,272,573) | \$ (58,283,956) | \$ (56,112,614) | \$ (59,170,505) |
| | 1,145,532 | 5,175,949 | 6,308,805 | 1,903,977 | 7,488,248 | 1,986,650 |
| <u>\$</u> | <u>(54,752,826)</u> | <u>\$ (51,222,557)</u> | <u>\$ (51,963,768)</u> | <u>\$ (56,379,979)</u> | <u>\$ (48,624,366)</u> | <u>\$ (57,183,855)</u> |
| | | | | | | |
| \$ | 50,699,714 | \$ 45,912,805 | \$ 44,311,327 | \$ 42,597,239 | \$ 38,633,612 | \$ 40,915,298 |
| | 4,916,636 | 2,473,315 | 3,769,181 | 2,691,214 | 3,711,729 | 3,619,130 |
| | 5,040,384 | 5,356,271 | 8,245,851 | 9,021,156 | 8,796,360 | 8,936,287 |
| | 25,948 | 35,312 | - | - | - | - |
| | - | - | - | - | - | - |
| | 206,592 | 58,749 | 56,735 | 88,038 | 235,190 | 662,192 |
| | 2,906,503 | 1,964,459 | 1,503,350 | 6,412,177 | 2,384,563 | 3,911,451 |
| | - | - | 13,663 | 17,398 | - | 111,217 |
| | - | - | - | - | - | - |
| | <u>63,795,777</u> | <u>55,800,911</u> | <u>57,900,107</u> | <u>60,827,222</u> | <u>53,761,454</u> | <u>58,155,575</u> |
| | | | | | | |
| | - | 1 | 3 | 15 | 55 | 196 |
| | 558,770 | 50,847 | 22,840 | 169,404 | 306,861 | 989,811 |
| | 35,942 | - | 39,961 | 32,519 | 2,798 | 8,731 |
| | - | - | - | - | - | - |
| | <u>594,712</u> | <u>50,848</u> | <u>62,804</u> | <u>201,938</u> | <u>309,714</u> | <u>998,738</u> |
| <u>\$</u> | <u>64,390,489</u> | <u>\$ 55,851,759</u> | <u>\$ 57,962,911</u> | <u>\$ 61,029,160</u> | <u>\$ 54,071,168</u> | <u>\$ 59,154,313</u> |
| | | | | | | |
| \$ | 7,897,419 | \$ (597,595) | \$ (372,466) | \$ 2,543,266 | \$ (2,351,160) | \$ (1,014,930) |
| | 1,740,244 | 5,226,797 | 6,371,609 | 2,105,915 | 7,797,962 | 2,985,388 |
| <u>\$</u> | <u>9,637,663</u> | <u>\$ 4,629,202</u> | <u>\$ 5,999,143</u> | <u>\$ 4,649,181</u> | <u>\$ 5,446,802</u> | <u>\$ 1,970,458</u> |

CITY OF CANTON
STARK COUNTY, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | 2018 | 2017 | 2016 | 2015 |
|---------------------------|----------------------|----------------------|-----------------------|-----------------------|
| General Fund | | | | |
| Nonspendable | \$ 464,494 | \$ 459,000 | \$ 471,541 | \$ 409,573 |
| Restricted | - | - | - | - |
| Committed | 1,051,732 | 1,166,310 | 1,091,198 | 836,374 |
| Assigned | 1,637,333 | 1,227,262 | - | - |
| Unassigned | 3,173,724 | - | (3,376,238) | (4,470,003) |
| Reserved | - | - | - | - |
| Unreserved | - | - | - | - |
| Total General Fund | <u>\$ 6,327,283</u> | <u>\$ 2,852,572</u> | <u>\$ (1,813,499)</u> | <u>\$ (3,224,056)</u> |
| All Other | | | | |
| Governmental Funds | | | | |
| Nonspendable | \$ 37,174 | \$ 38,603 | \$ 36,881 | \$ 102,984 |
| Restricted | 16,698,662 | 13,268,417 | 13,633,249 | 12,525,422 |
| Committed | 8,055,997 | 7,485,097 | 6,374,838 | 4,479,326 |
| Unassigned (deficit) | (821,758) | (1,749,678) | (1,917,973) | (938,552) |
| Reserved | - | - | - | - |
| Unreserved, reported in: | | | | |
| Special Revenue | | | | |
| Funds | - | - | - | - |
| Capital Projects | | | | |
| Funds | - | - | - | - |
| Debt Service Funds | - | - | - | - |
| Total All Other | | | | |
| Governmental Funds | <u>\$ 23,970,075</u> | <u>\$ 19,042,439</u> | <u>\$ 18,126,995</u> | <u>\$ 16,169,180</u> |

Note: Fund balance classifications beginning in 2009 reflect the City's implementation of GASB Statement No. 54.

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 400,706 | \$ 382,303 | \$ 289,197 | \$ 281,811 | \$ 262,064 | \$ 176,964 |
| - | - | 89,191 | 62,514 | 50,320 | 281,200 |
| 772,068 | 950,255 | 1,081,844 | 711,295 | 620,913 | 808,009 |
| 3,471,995 | 550,226 | - | - | - | - |
| 1,435,402 | 6,502,030 | 7,602,998 | 5,235,907 | 3,797,436 | 3,406,438 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 6,080,171</u> | <u>\$ 8,384,814</u> | <u>\$ 9,063,230</u> | <u>\$ 6,291,527</u> | <u>\$ 4,730,733</u> | <u>\$ 4,672,611</u> |

| | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 130,508 | \$ 41,347 | \$ 1,649,712 | \$ 1,726,284 | \$ 1,864,369 | \$ 1,783,687 |
| 10,153,844 | 12,031,197 | 9,947,224 | 11,534,643 | 16,648,605 | 19,478,655 |
| 4,044,125 | 3,395,680 | 3,670,094 | 3,693,165 | 2,744,056 | 3,433,796 |
| (97,954) | (193,112) | (5,810) | (215,388) | - | (3,648) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 14,230,523</u> | <u>\$ 15,275,112</u> | <u>\$ 15,261,220</u> | <u>\$ 16,738,704</u> | <u>\$ 21,257,030</u> | <u>\$ 24,692,490</u> |

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | 2018 | 2017 | 2016 | 2015 |
|--|---------------------|---------------------|---------------------|-----------------------|
| Revenues: | | | | |
| Property and other taxes | \$ 5,269,540 | \$ 5,209,704 | \$ 4,481,612 | \$ 4,316,978 |
| Municipal income taxes | 53,880,960 | 49,666,607 | 45,247,080 | 46,693,386 |
| Charges for services | 11,989,243 | 11,980,318 | 11,607,591 | 11,038,335 |
| Licenses, permits, and fees | 1,245,021 | 1,164,527 | 945,545 | 1,499,109 |
| Fines and forfeitures | 789,067 | 603,176 | 569,407 | 463,574 |
| Intergovernmental | 10,730,164 | 11,059,243 | 10,338,129 | 10,575,834 |
| Interest | 696,345 | 511,078 | 413,629 | 426,685 |
| Rental income | 82,107 | 96,253 | 73,504 | 69,812 |
| Contributions and donations | 199,163 | 35,736 | 267,628 | 29,356 |
| Operating grants | 15,254,021 | 13,051,518 | 12,285,017 | 8,855,961 |
| Capital grants | 9,561,286 | 6,071,653 | 10,405,265 | 13,546,094 |
| Payment in lieu of taxes | 144,666 | 101,910 | 120,375 | 43,687 |
| Other | 3,492,385 | 1,899,292 | 2,064,772 | 1,971,568 |
| Total revenues | 113,333,968 | 101,451,015 | 98,819,554 | 99,530,379 |
| Expenditures: | | | | |
| General government | 20,752,447 | 17,550,219 | 19,467,660 | 19,845,271 |
| Security of persons and property | 41,818,175 | 37,561,425 | 37,688,666 | 40,092,514 |
| Public health | 8,343,159 | 6,288,435 | 6,124,178 | 5,976,475 |
| Transportation | 6,431,466 | 4,358,155 | 5,553,419 | 6,540,963 |
| Community environment | 5,884,420 | 8,182,275 | 6,689,550 | 12,031,983 |
| Leisure time activities | 4,331,273 | 3,894,076 | 2,857,130 | 2,685,847 |
| Capital outlay | 15,302,467 | 18,790,506 | 14,745,973 | 20,336,052 |
| Economic development | - | - | - | 263,186 |
| Debt service | | | | |
| Principal | 7,230,906 | 5,288,125 | 5,893,021 | 3,000,277 |
| Interest and fiscal charges | 652,771 | 403,894 | 370,289 | 375,133 |
| Total expenditures | 110,747,084 | 102,317,110 | 99,389,886 | 111,147,701 |
| Excess (deficiency) of revenues over (under) expenditures | 2,586,884 | (866,095) | (570,332) | (11,617,322) |
| Other financing sources (uses): | | | | |
| Sale of assets | 6,533 | 70,168 | 31,257 | 78,017 |
| Issuance of refunding bonds | - | - | - | - |
| Refunded bonds redeemed | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Bond premiums | - | - | - | - |
| Issuance of notes/loans/capital leases | 6,308,930 | 8,127,442 | 3,907,447 | 4,173,735 |
| Transfers in | 55,335 | 367,442 | 40,000 | 80,000 |
| Transfers out | (555,335) | (2,117,442) | (40,000) | (80,000) |
| Total other financing sources (uses) | 5,815,463 | 6,447,610 | 3,938,704 | 4,251,752 |
| Net change in fund balances | \$ 8,402,347 | \$ 5,581,515 | \$ 3,368,372 | \$ (7,365,570) |
| <i>Debt service as a percentage of noncapital expenditures</i> | 8.25% | 6.79% | 7.18% | 3.63% |

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|----|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| \$ | 4,192,204 | \$ 2,574,747 | \$ 3,392,212 | \$ 2,679,060 | \$ 3,692,536 | \$ 3,710,390 |
| | 48,536,712 | 45,921,847 | 44,401,532 | 42,268,045 | 39,995,514 | 41,105,833 |
| | 11,414,960 | 10,974,528 | 12,025,673 | 11,672,616 | 12,277,821 | 11,428,095 |
| | 1,530,879 | 1,510,822 | 1,558,750 | 1,496,552 | 1,540,878 | 1,544,393 |
| | 427,981 | 1,110,272 | 484,718 | 387,942 | 548,171 | 443,673 |
| | 8,827,418 | 8,321,048 | 8,442,716 | 9,022,823 | 9,246,604 | 9,521,398 |
| | 206,936 | 58,749 | 56,735 | 88,038 | 235,190 | 662,192 |
| | 54,916 | 51,364 | 78,507 | 230,131 | 414,189 | 450,788 |
| | 2,984 | 50,525 | - | - | - | - |
| | 9,381,059 | 8,849,719 | 8,636,489 | 11,768,162 | 11,635,287 | 9,664,268 |
| | 5,514,695 | 2,937,038 | 796,834 | 4,731,620 | 6,639,897 | 4,447,416 |
| | 25,948 | 35,312 | - | - | - | - |
| | 1,860,401 | 902,642 | 3,101,659 | 4,704,783 | 2,200,776 | 1,874,355 |
| | <u>91,977,093</u> | <u>83,298,613</u> | <u>82,975,825</u> | <u>89,049,772</u> | <u>88,426,863</u> | <u>84,852,801</u> |
| | 18,764,120 | 15,873,077 | 17,778,987 | 17,472,868 | 16,961,740 | 18,597,391 |
| | 37,200,157 | 35,303,024 | 35,807,944 | 37,583,710 | 35,892,847 | 35,973,764 |
| | 6,002,662 | 5,756,640 | 5,850,491 | 6,201,749 | 6,631,976 | 6,136,493 |
| | 4,487,506 | 3,726,545 | 3,309,625 | 3,762,830 | 3,730,733 | 3,826,361 |
| | 8,087,672 | 5,998,243 | 5,160,101 | 8,534,770 | 9,176,385 | 5,289,321 |
| | 2,759,895 | 2,629,571 | 1,436,169 | 1,688,857 | 2,243,340 | 2,204,394 |
| | 15,709,827 | 11,532,622 | 9,010,943 | 12,357,459 | 13,286,944 | 13,859,942 |
| | - | - | - | - | - | - |
| | 3,095,171 | 2,681,335 | 2,775,078 | 3,659,941 | 3,159,790 | 3,039,749 |
| | 453,690 | 500,053 | 592,355 | 791,471 | 815,188 | 925,828 |
| | <u>96,560,700</u> | <u>84,001,110</u> | <u>81,721,693</u> | <u>92,053,655</u> | <u>91,898,943</u> | <u>89,853,243</u> |
| | (4,583,607) | (702,497) | 1,254,132 | (3,003,883) | (3,472,080) | (5,000,442) |
| | 97,758 | 37,973 | 40,087 | 46,351 | 40,101 | 223,066 |
| | - | - | - | - | - | 8,575,000 |
| | - | - | - | - | - | (8,560,000) |
| | - | - | - | - | - | (433,203) |
| | - | - | - | - | - | 418,203 |
| | 1,136,617 | - | - | - | 54,641 | 1,415,910 |
| | - | 40,000 | 65,000 | 44,000 | 40,000 | 40,000 |
| | - | (40,000) | (65,000) | (44,000) | (40,000) | (40,000) |
| | <u>1,234,375</u> | <u>37,973</u> | <u>40,087</u> | <u>46,351</u> | <u>94,742</u> | <u>1,638,976</u> |
| \$ | <u>(3,349,232)</u> | <u>(664,524)</u> | <u>1,294,219</u> | <u>(2,957,532)</u> | <u>(3,377,338)</u> | <u>(3,361,466)</u> |
| | 4.28% | 4.21% | 4.38% | 5.36% | 4.82% | 4.89% |

CITY OF CANTON
STARK COUNTY, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS
(CASH BASIS OF ACCOUNTING)

| Tax Year | Tax Rate (1) | Total Tax Collected | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes from Corporations | Percentage of Taxes from Corporations | Taxes from Individuals | Percentage of Taxes from Individuals | Taxes From Delinquent Accounts | Percentage of Taxes from Delinquent Accounts |
|----------|--------------|---------------------|------------------------|--------------------------------------|-------------------------|---------------------------------------|------------------------|--------------------------------------|--------------------------------|--|
| 2018 | 2.50% | \$ 54,531,663 | \$ 42,906,957 | 78.68% | \$ 5,531,988 | 10.14% | \$ 3,619,871 | 6.64% | \$ 2,472,847 | 4.53% |
| 2017 | 2.00% | 53,106,892 | 39,776,565 | 74.90% | 5,667,557 | 10.67% | 3,535,200 | 6.66% | 4,127,570 | 7.77% |
| 2016 | 2.00% | 51,223,298 | 38,385,018 | 74.94% | 4,606,635 | 8.99% | 3,352,182 | 6.54% | 4,879,463 | 9.53% |
| 2015 | 2.00% | 46,385,997 | 36,254,046 | 78.16% | 5,122,365 | 11.04% | 3,131,067 | 6.75% | 1,878,519 | 4.05% |
| 2014 | 2.00% | 49,024,719 | 38,010,089 | 77.53% | 6,653,764 | 13.57% | 2,641,532 | 5.39% | 1,719,334 | 3.51% |
| 2013 | 2.00% | 47,631,995 | 38,100,594 | 79.99% | 4,732,915 | 9.94% | 2,402,215 | 5.04% | 2,396,271 | 5.03% |
| 2012 | 2.00% | 45,526,540 | 38,425,049 | 84.40% | 2,937,793 | 6.45% | 2,270,644 | 4.99% | 1,893,054 | 4.16% |
| 2011 | 2.00% | 43,473,316 | 36,650,553 | 84.31% | 2,742,054 | 6.31% | 2,248,487 | 5.17% | 1,832,222 | 4.21% |
| 2010 | 2.00% | 40,464,283 | 34,373,674 | 84.95% | 2,434,182 | 6.02% | 2,315,207 | 5.72% | 1,341,220 | 3.31% |
| 2009 | 2.00% | 42,313,527 | 35,240,263 | 83.28% | 3,341,617 | 7.90% | 2,530,425 | 5.98% | 1,201,222 | 2.84% |

(1) Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

CITY OF CANTON
STARK COUNTY, OHIO
INCOME TAX FILERS BY INCOME LEVEL
TAX YEARS 2018 AND 2009

Tax Year 2018

| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
|--------------------|------------------|-------------------|-----------------------|---------------------------|
| Over \$100,000 | 568 | 5.67% | \$ 89,982,818 | 25.41% |
| \$75,001-\$100,000 | 564 | 5.63% | 48,716,476 | 13.76% |
| \$50,001-\$75,000 | 1,128 | 11.26% | 68,868,551 | 19.45% |
| \$25,001-\$50,000 | 2,629 | 26.24% | 94,401,427 | 26.67% |
| Under \$25,000 | 5,130 | 51.20% | 52,097,436 | 14.71% |
| Total | <u>10,019</u> | <u>100.00%</u> | <u>\$ 354,066,708</u> | <u>100.00%</u> |

Tax Year 2009

| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
|--------------------|------------------|-------------------|-----------------------|---------------------------|
| Over \$100,000 | 706 | 2.65% | \$ 103,237,141 | 14.90% |
| \$75,001-\$100,000 | 984 | 3.70% | 84,514,110 | 12.20% |
| \$50,001-\$75,000 | 2,667 | 10.03% | 161,620,630 | 23.33% |
| \$25,001-\$50,000 | 5,925 | 22.27% | 209,641,720 | 30.26% |
| Under \$25,000 | 16,322 | 61.35% | 133,749,581 | 19.31% |
| Total | <u>26,604</u> | <u>100.00%</u> | <u>\$ 692,763,182</u> | <u>100.00%</u> |

Source: City of Canton Income Tax Department

CITY OF CANTON
STARK COUNTY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

| | Governmental Activities | | | | Business-Type Activities | | |
|------|--------------------------------|--------------|-------------------------------|------------------|--------------------------------|----------------|------------------|
| | General Obligation Bonds | Loans | Long-term Notes Payable | Capital Lease | General Obligation Bonds | Loans | Capital Lease |
| 2018 | \$ - | \$ 4,303,852 | \$ 5,200,000 | \$ 483,991 | \$ - | \$ 102,204,653 | \$ - |
| 2017 | 1,050,000 | 3,625,608 | 5,400,000 | 834,211 | - | 100,968,536 | - |
| 2016 | 2,065,000 | 2,245,869 | 3,500,000 | 259,633 | - | 86,886,192 | - |
| 2015 | 4,142,229 | 2,016,596 | 3,500,000 | 397,251 | 772,770 | 75,025,996 | - |
| 2014 | 6,696,770 | 1,655,482 | - | 530,366 | 1,908,230 | 38,906,893 | - |
| 2013 | 9,164,587 | 1,497,214 | - | 179,371 | 3,000,414 | 30,499,920 | - |
| 2012 | 11,540,165 | 1,784,735 | - | 197,607 | 4,049,322 | 32,620,563 | - |
| 2011 | 13,835,411 | 2,056,306 | - | 424,800 | 5,059,076 | 32,617,686 | - |
| 2010 | 16,714,810 | 2,323,489 | - | 938,159 | 6,029,677 | 23,630,645 | 13,124 |
| 2009 | 19,483,363 | 2,527,704 | - | 1,070,540 | 6,961,124 | 21,736,915 | 24,227 |

(1) Source: US Census Bureau.

| | Total Primary Government | Total Personal Income | Percent of Personal Income | Population (1) | Per Capita |
|----|--------------------------------|-----------------------------|----------------------------------|----------------|---------------|
| \$ | 112,192,496 | \$ 1,861,073,120 | 6.03% | 70,458 | \$ 1,592 |
| | 111,878,355 | 2,165,588,250 | 5.17% | 70,909 | 1,578 |
| | 94,956,694 | 2,086,860,000 | 4.55% | 71,323 | 1,331 |
| | 85,854,842 | 1,969,255,650 | 4.36% | 73,007 | 1,176 |
| | 49,697,741 | 2,032,581,050 | 2.45% | 72,297 | 687 |
| | 44,341,506 | 2,025,140,466 | 2.19% | 72,683 | 610 |
| | 50,192,392 | 2,034,784,650 | 2.47% | 73,007 | 688 |
| | 53,993,279 | 1,834,444,050 | 2.94% | 73,007 | 740 |
| | 49,649,904 | 1,834,444,050 | 2.71% | 73,007 | 680 |
| | 51,803,873 | 2,004,784,350 | 2.58% | 78,362 | 661 |

CITY OF CANTON
STARK COUNTY, OHIO
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING (2)
LAST TEN YEARS

| | General Bonded Debt Outstanding | | | Net Position Restricted for Debt Service | Net General Bonded Debt Outstanding |
|------|---------------------------------|-----------------------------|------------|--|---|
| | Governmental Obligation | Business-Type Obligation | Total | | |
| 2018 | \$ - | \$ - | \$ - | \$ 69,497 | \$ (69,497) |
| 2017 | 1,050,000 | - | 1,050,000 | 34,988 | 1,015,012 |
| 2016 | 2,065,000 | - | 2,065,000 | 28,314 | 2,036,686 |
| 2015 | 4,142,229 | 772,770 | 4,914,999 | 54,923 | 4,860,076 |
| 2014 | 6,696,770 | 1,908,230 | 8,605,000 | 26,856 | 8,578,144 |
| 2013 | 9,164,587 | 3,000,414 | 12,165,001 | 19,617 | 12,145,384 |
| 2012 | 11,540,165 | 4,049,322 | 15,589,487 | 14,349 | 15,575,138 |
| 2011 | 13,835,411 | 5,059,076 | 18,894,487 | 11,760 | 18,882,727 |
| 2010 | 16,714,810 | 6,029,677 | 22,744,487 | 22,586 | 22,721,901 |
| 2009 | 19,483,363 | 6,961,124 | 26,444,487 | 21,245 | 26,423,242 |

(1) Stark County Auditor's Office.

(2) This schedule has been revised in 2016 to include amounts externally restricted for the repayment of the principal of general bonded debt.

| Estimated True Value of Taxable Property (1) | Ratio of Net Bonded Debt to Estimated True Value of Taxable Property | Net Bonded Debt per Capita |
|---|--|-------------------------------------|
| \$ 2,258,567,280 | 0.00% | \$ (0.99) |
| 2,131,095,629 | 0.05% | 14.31 |
| 2,100,573,771 | 0.10% | 28.56 |
| 2,148,602,349 | 0.23% | 66.57 |
| 2,069,026,657 | 0.41% | 118.65 |
| 2,122,120,589 | 0.57% | 167.10 |
| 2,538,698,983 | 0.61% | 213.34 |
| 2,526,352,211 | 0.75% | 258.64 |
| 2,570,000,309 | 0.88% | 311.23 |
| 2,754,356,786 | 0.96% | 337.19 |

CITY OF CANTON
STARK COUNTY, OHIO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018

| | <u>General Obligation Debt Outstanding (1)</u> | <u>Percentage Applicable to City (2)</u> | <u>Amount Applicable to City of Canton</u> |
|-------------------------------|--|--|--|
| Direct | | | |
| City of Canton | \$ 9,987,843 | 100.00% | \$ 9,987,843 |
| Overlapping Debt | | | |
| Stark County | 21,550,001 | 10.31% | 2,221,805 |
| Canton City Schools | 17,890,000 | 90.48% | 16,186,872 |
| Plain Local Schools | 7,380,000 | 21.19% | 1,563,822 |
| Canton Local Schools | 29,909,453 | 8.35% | 2,497,439 |
| Osnaburg Local Schools | 6,629,752 | 5.37% | 356,018 |
| Total Overlapping Debt | <u>83,359,206</u> | | <u>22,825,956</u> |
| Total | <u>\$ 93,347,049</u> | | <u>\$ 32,813,799</u> |

Source: Stark County, Ohio; County Auditor

- (1) Includes general obligation debt except for those payable from enterprise funds
- (2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the assessed valuation of the political subdivision.

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CITY OF CANTON
STARK COUNTY, OHIO
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Overall Debt Limitation (10.5% of Assessed Valuation) | \$ 79,844,609 | \$ 78,317,764 | \$ 76,590,382 | \$ 76,590,382 |
| Net Debt Within 10.5% Limitations | <u>(63,134)</u> | <u>1,021,133</u> | <u>2,042,627</u> | <u>4,093,073</u> |
| Overall Legal Debt Margin Within 10.5% Limitations | <u>\$ 79,907,743</u> | <u>\$ 77,296,631</u> | <u>\$ 74,547,755</u> | <u>\$ 72,497,309</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | -0.08% | 1.30% | 2.67% | 5.34% |
| <hr/> | | | | |
| Unvoted Debt Limitation (5.5% of Assessed Valuation) | \$ 41,823,367 | \$ 41,023,591 | \$ 40,118,772 | \$ 40,118,772 |
| Net Debt Within 5.5% Limitations | <u>(63,134)</u> | <u>1,021,133</u> | <u>2,042,627</u> | <u>4,093,073</u> |
| Unvoted Legal Debt Margin Within 5.5% Limitations | <u>\$ 41,886,501</u> | <u>\$ 40,002,458</u> | <u>\$ 38,076,145</u> | <u>\$ 36,025,699</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | -0.15% | 2.49% | 5.09% | 10.20% |

Note: Under State of Ohio finance law, the City of Canton's outstanding general obligation debt should not exceed 10.5% of total assessed property value. In addition, the outstanding general obligation debt net voted debt should not exceed 5.5% of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 76,036,730 | \$ 75,406,074 | \$ 77,280,680 | \$ 90,978,118 | \$ 91,928,124 | \$ 98,857,297 |
| <u>10,078,532</u> | <u>10,653,423</u> | <u>12,329,784</u> | <u>15,583,224</u> | <u>18,567,954</u> | <u>19,483,363</u> |
| <u>\$ 65,958,198</u> | <u>\$ 64,752,651</u> | <u>\$ 64,950,896</u> | <u>\$ 75,394,894</u> | <u>\$ 73,360,170</u> | <u>\$ 79,373,934</u> |
| 13.25% | 14.13% | 15.95% | 17.13% | 20.20% | 19.71% |
| \$ 39,828,763 | \$ 39,498,420 | \$ 40,480,356 | \$ 47,655,205 | \$ 48,152,827 | \$ 51,782,394 |
| <u>10,078,532</u> | <u>10,653,423</u> | <u>12,329,784</u> | <u>15,583,224</u> | <u>18,567,954</u> | <u>19,483,363</u> |
| <u>\$ 29,750,231</u> | <u>\$ 28,844,997</u> | <u>\$ 28,150,572</u> | <u>\$ 32,071,981</u> | <u>\$ 29,584,873</u> | <u>\$ 32,299,031</u> |
| 25.30% | 26.97% | 30.46% | 32.70% | 38.56% | 37.63% |

CITY OF CANTON
STARK COUNTY, OHIO
PLEDGED REVENUE COVERAGE - WATER
LAST TEN YEARS

| Year | Water Operating Revenues | Water Operating Expenses (1) | Net Available Revenues | Debt Service (2) | | Coverage |
|------|--------------------------------|------------------------------------|------------------------------|------------------|------------|----------|
| | | | | Principal | Interest | |
| 2018 | \$ 19,212,411 | \$ 14,187,213 | \$ 5,025,198 | \$ 1,916,880 | \$ 761,085 | 1.88 |
| 2017 | 18,516,422 | 13,895,418 | 4,621,004 | 1,828,154 | 810,532 | 1.75 |
| 2016 | 17,077,822 | 11,864,387 | 5,213,435 | 1,690,414 | 858,350 | 2.05 |
| 2015 | 17,635,080 | 10,489,977 | 7,145,103 | 1,230,068 | 655,415 | 3.79 |
| 2014 | 15,558,604 | 12,561,631 | 2,996,973 | 1,207,800 | 693,767 | 1.58 |
| 2013 | 14,966,698 | 10,773,779 | 4,192,919 | 1,226,158 | 292,830 | 2.76 |
| 2012 | 14,585,591 | 10,128,499 | 4,457,092 | 1,352,707 | 872,374 | 2.00 |
| 2011 | 13,842,633 | 10,139,601 | 3,703,032 | 872,673 | 518,539 | 2.66 |
| 2010 | 14,722,587 | 8,710,422 | 6,012,165 | 877,648 | 554,061 | 4.20 |
| 2009 | 12,012,071 | 9,739,900 | 2,272,171 | 639,403 | 423,296 | 2.14 |

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

(2) Debt service only includes OWDA and OPWC loans payable solely from net revenues in the water enterprise fund.

CITY OF CANTON
STARK COUNTY, OHIO
PLEDGED REVENUE COVERAGE - SEWER
LAST TEN YEARS

| Year | Sewer Operating Revenues | Sewer Operating Expenses (1) | Net Available Revenues | Debt Service (2) | | Coverage |
|------|--------------------------------|------------------------------------|------------------------------|------------------|--------------|----------|
| | | | | Principal | Interest | |
| 2018 | \$ 16,461,823 | \$ 13,448,984 | \$ 3,012,839 | \$ 4,090,914 | \$ 2,487,139 | 0.46 |
| 2017 | 19,372,303 | 12,979,807 | 6,392,496 | 3,961,951 | 2,603,864 | 0.97 |
| 2016 | 14,905,867 | 10,696,474 | 4,209,393 | 896,391 | 92,616 | 4.26 |
| 2015 | 15,744,326 | 11,804,564 | 3,939,762 | 869,478 | 119,325 | 3.98 |
| 2014 | 13,952,785 | 10,399,217 | 3,553,568 | 846,280 | 142,524 | 3.59 |
| 2013 | 13,914,466 | 9,639,001 | 4,275,465 | 1,370,935 | 234,030 | 2.66 |
| 2012 | 14,490,594 | 9,797,750 | 4,692,844 | 1,324,728 | 273,002 | 2.94 |
| 2011 | 13,371,229 | 10,313,864 | 3,057,365 | 780,387 | 208,417 | 3.09 |
| 2010 | 13,314,535 | 8,234,557 | 5,079,978 | 759,602 | 229,202 | 5.14 |
| 2009 | 11,713,312 | 8,767,929 | 2,945,383 | 762,748 | 249,423 | 2.91 |

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

(2) Debt service only includes OWDAs and OPWC loans payable solely from net revenues in the sewer enterprise fund.

CITY OF CANTON
STARK COUNTY, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

| | <u>Population (1)</u> | <u>Total Personal Income</u> | <u>Per Capita Income</u> | <u>Unemployment Rate (2)</u> |
|------|-----------------------|----------------------------------|----------------------------------|----------------------------------|
| 2018 | 70,458 | \$ 1,861,073,120 | \$ 26,414 | 5.0% |
| 2017 | 70,909 | 2,165,588,250 | 30,540 | 5.1% |
| 2016 | 71,323 | 2,086,860,000 | 29,259 | 5.9% |
| 2015 | 73,007 | 1,969,255,650 | 26,974 | 5.8% |
| 2014 | 72,297 | 2,032,581,050 | 28,114 | 4.7% |
| 2013 | 72,683 | 2,025,140,450 | 27,863 | 6.9% |
| 2012 | 73,007 | 2,034,784,650 | 27,871 | 6.9% |
| 2011 | 73,007 | 1,834,444,050 | 25,127 | 9.3% |
| 2010 | 73,007 | 1,834,444,050 | 25,127 | 11.2% |
| 2009 | 78,362 | 1,888,534,400 | 24,100 | 11.4% |

(1) Source: US Census Bureau.

(2) Source: U.S. Dept. of Labor

CITY OF CANTON
STARK COUNTY, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2018

| Employer | Nature of Activity | Employees | Percentage of Total City Employment |
|--|---|---------------|---|
| Aultman Hospital | Health Service | 7,300 | 16.64% |
| Mercy Medical | Health Service | 2,784 | 6.34% |
| Canton City School | Education | 2,299 | 5.24% |
| Stark County | Government | 1,894 | 4.32% |
| Fresh Mark Inc | Meat processing | 1,744 | 3.97% |
| Timken Steel | Steel | 1,384 | 3.15% |
| City of Canton | Municipal Government | 925 | 2.11% |
| Nationwide | Insurance Provider | 549 | 1.25% |
| MK Morse Co | Saw Blades and Accessories | 537 | 1.22% |
| Republic Engineer | Hot-rolled and cold finisher steel bars and specialty steels | 529 | 1.21% |
| Total | | <u>19,945</u> | <u>45.45%</u> |
| Estimated Total Employment within the City | | <u>43,881</u> | |

2009

| Employer | Nature of Activity | Employees | Percentage of Total City Employment |
|--|---|---------------|---|
| Aultman Hospital | Health Service | 5,220 | 19.62% |
| The Timken Co. | Tapered roller bearings and steel | 2,753 | 10.35% |
| Stark County | County Government | 2,649 | 9.96% |
| Mercy Medical Center | Health Service | 2,624 | 9.86% |
| Canton City School District | Education | 2,177 | 8.18% |
| City of Canton | Municipal Government | 1,086 | 4.08% |
| Fresh Mark Inc. | Meat Processing | 800 | 3.01% |
| Nationwide Insurance | Insurance Provider | 780 | 2.93% |
| Republic Engineered Steels, Inc. | Hot-rolled and cold finished steel bars and specialty steels | 644 | 2.42% |
| United States Postal Service | Federal Government | 435 | 1.64% |
| Total | | <u>19,168</u> | <u>72.05%</u> |
| Estimated Total Employment within the City | | <u>26,604</u> | |

Source: Survey of Employers performed by City Community Development Department
and City Income Tax Department

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CITY OF CANTON
STARK COUNTY, OHIO
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS

| Function/Program | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------------------|------------|------------|------------|------------|------------|------------|
| Governmental Employees | | | | | | |
| General government | 179 | 178 | 182 | 183 | 188 | 183 |
| Security of persons and property | 361 | 347 | 372 | 380 | 379 | 361 |
| Public health | 51 | 47 | 51 | 52 | 53 | 52 |
| Transportation | 46 | 38 | 47 | 47 | 50 | 46 |
| Community development | 15 | 13 | 16 | 16 | 16 | 15 |
| Leisure time activities | 27 | 28 | 17 | 21 | 21 | 14 |
| Total Governmental Employees | 679 | 651 | 685 | 699 | 707 | 671 |
| Business-Type Employees | | | | | | |
| Water | 85 | 89 | 86 | 90 | 85 | 85 |
| Sewer | 80 | 72 | 74 | 75 | 73 | 76 |
| Refuse | 60 | 62 | 61 | 67 | 63 | 61 |
| Building Code | 21 | 23 | - | - | - | - |
| Total Business-Type Employees | 246 | 246 | 221 | 232 | 221 | 222 |
| Total Employees | 925 | 897 | 906 | 931 | 928 | 893 |

Method: Part-time and seasonal employees are not included

Source: City of Canton Auditor's Office

| 2012 | 2011 | 2010 | 2009 |
|------------|------------|------------|------------|
| 175 | 181 | 183 | 181 |
| 367 | 375 | 396 | 409 |
| 49 | 47 | 51 | 50 |
| 44 | 46 | 45 | 50 |
| 14 | 19 | 23 | 23 |
| 14 | 16 | 21 | 21 |
| 663 | 684 | 719 | 734 |
| 84 | 88 | 87 | 91 |
| 75 | 71 | 73 | 80 |
| 56 | 57 | 54 | 58 |
| - | - | - | - |
| 215 | 216 | 214 | 229 |
| 878 | 900 | 933 | 963 |

CITY OF CANTON
STARK COUNTY, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

| Function/Program | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|--------|--------|--------|--------|--------|--------|
| General Government | | | | | | |
| Departmental vehicles | 48 | 43 | 38 | 43 | 38 | 38 |
| Security of Persons and Property | | | | | | |
| Police stations | 5 | 5 | 5 | 5 | 5 | 5 |
| Police department vehicles | 118 | 125 | 132 | 129 | 124 | 122 |
| Fire stations | 7 | 7 | 7 | 7 | 7 | 8 |
| Fire department vehicles | 49 | 46 | 48 | 48 | 46 | 44 |
| Intersections with traffic lights | 199 | 200 | 200 | 200 | 203 | 236 |
| Traffic department vehicles | 17 | 17 | 17 | 16 | 15 | 16 |
| Public Health | | | | | | |
| Departmental vehicles | 27 | 24 | 24 | 24 | 21 | 19 |
| Transportation | | | | | | |
| Area (in square miles) | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 |
| Miles of streets | 414.31 | 414.11 | 413.73 | 413.44 | 413.44 | 414.11 |
| Bridges | 24 | 24 | 24 | 24 | 24 | 24 |
| Miles of storm sewers | 219.35 | 219.35 | 219.15 | 218.96 | 218.96 | 217.48 |
| Departmental vehicles | 98 | 96 | 103 | 108 | 99 | 102 |
| Leisure Time Activities | | | | | | |
| Number of parks | 61 | 61 | 61 | 61 | 61 | 61 |
| Park acreage | 825 | 825 | 825 | 812 | 812 | 812 |
| Number of shelters | 25 | 25 | 25 | 25 | 25 | 24 |
| Number of baseball fields | 41 | 41 | 43 | 43 | 43 | 43 |
| Walking tracks | 4 | 4 | 4 | 4 | 4 | 4 |
| Walking bridges | 17 | 17 | 17 | 17 | 17 | 17 |
| Play equipment sets | 43 | 43 | 43 | 41 | 41 | 39 |
| Restrooms | 20 | 20 | 21 | 20 | 20 | 19 |
| Number of tennis courts | 8 | 8 | 8 | 8 | 8 | 8 |
| Swimming pools | 1 | 1 | 1 | 1 | - | - |
| Community centers | 1 | 1 | 1 | 1 | 1 | 1 |
| Departmental vehicles | 51 | 50 | 50 | 49 | 46 | 45 |
| Water | | | | | | |
| Miles of water mains | 666.28 | 666.65 | 664.23 | 663.99 | 661.24 | 668.32 |
| Water treatment plants | 3 | 3 | 1 | 3 | 3 | 3 |
| Maximum daily capacity in gallons (in millions) | 40,500 | 40,500 | 40,500 | 40,500 | 40,500 | 40,500 |
| Number of fire hydrants | 5,449 | 5,430 | 3,321 | 3,309 | 3,274 | 3,258 |
| Departmental vehicles | 92 | 90 | 89 | 87 | 81 | 81 |
| Sewer | | | | | | |
| Miles of sanitary sewers | 363.25 | 364.25 | 363.00 | 363.00 | 363.00 | 360.00 |
| Sewer treatment plants | 1 | 1 | 1 | 1 | 1 | 1 |
| Maximum daily capacity in gallons (in millions) | | | | | | |
| Wet weather | 88,000 | 88,000 | 67,000 | 67,000 | 67,000 | 67,000 |
| Dry weather | 39,000 | 39,000 | 39,000 | 39,000 | 39,000 | 39,000 |
| Departmental vehicles | 69 | 71 | 69 | 71 | 67 | 68 |
| Refuse | | | | | | |
| Departmental vehicles | 27 | 27 | 26 | 26 | 29 | 28 |
| Building Code | | | | | | |
| Departmental vehicles | 4 | 2 | - | - | - | - |

Source: Various City of Canton Departments

| 2012 | 2011 | 2010 | 2009 |
|--------|--------|--------|--------|
| 22 | 22 | 22 | 22 |
| 5 | 5 | 5 | 5 |
| 123 | 123 | 124 | 129 |
| 8 | 8 | 8 | 8 |
| 39 | 39 | 40 | 40 |
| 213 | 213 | 224 | 226 |
| 17 | 17 | 17 | 19 |
| 12 | 12 | 12 | 14 |
| 25.70 | 25.70 | 25.70 | 25.50 |
| 414.11 | 414.11 | 414.30 | 414.40 |
| 23 | 23 | 23 | 23 |
| 217.48 | 217.48 | 217.40 | 214.56 |
| 110 | 110 | 112 | 114 |
| 61 | 61 | 61 | 61 |
| 812 | 812 | 812 | 812 |
| 23 | 23 | 23 | 22 |
| 43 | 43 | 43 | 43 |
| 4 | 4 | 4 | 4 |
| 16 | 16 | 16 | 14 |
| 39 | 39 | 37 | 37 |
| 19 | 19 | 19 | 19 |
| 8 | 8 | 8 | 8 |
| - | - | - | - |
| 1 | 1 | 1 | 1 |
| 45 | 45 | 46 | 47 |
| 660.03 | 660.03 | 658.80 | 658.69 |
| 3 | 3 | 3 | 3 |
| 40,500 | 40,500 | 40,500 | 40,500 |
| 3,258 | 3,258 | 3,252 | 3,252 |
| 71 | 71 | 68 | 62 |
| 360.00 | 360.00 | 363.00 | 362.83 |
| 1 | 1 | 1 | 1 |
| 67,000 | 67,000 | 67,000 | 67,000 |
| 39,000 | 39,000 | 39,000 | 39,000 |
| 63 | 63 | 63 | 52 |
| 20 | 20 | 23 | 25 |
| - | - | - | - |

CITY OF CANTON
STARK COUNTY, OHIO
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN YEARS

| Function/Program | 2018 | 2017 | 2016 | 2015 |
|--|-----------|-----------|-----------|-----------|
| General Government | | | | |
| Auditor | | | | |
| Purchase orders issued | 6,974 | 6,182 | 6,677 | 7,754 |
| Checks issued | 14,830 | 14,430 | 15,420 | 16,682 |
| Payroll checks issued | 34,193 | 34,407 | - | 27,952 |
| Civil service | | | | |
| Tests administered | 31 | 31 | 21 | 27 |
| Courts | | | | |
| Cases heard | 28,372 | 29,582 | 27,066 | 27,051 |
| Trials held | 108 | 122 | 162 | 169 |
| Probation cases | 285 | 362 | 381 | 425 |
| Community service | | | | |
| Cases | 2,215 | 2,108 | 2,166 | 2,250 |
| House arrest cases | - | - | - | - |
| Income tax | | | | |
| Refunds issued | 1,811 | 1,606 | 2,652 | 2,526 |
| Tax notifications mailed | 39,160 | 36,685 | 36,681 | 33,978 |
| Law department | | | | |
| Claims | 306 | 214 | 115 | 422 |
| Trials conducted | 137 | 73 | 68 | 284 |
| Pretrials conducted | 5,114 | 9,474 | 7,660 | 7,961 |
| Prosecutor hearings | 101 | 323 | 132 | 212 |
| Criminal intakes | 1,677 | 430 | 1,772 | 1,190 |
| Security of Persons and Property | | | | |
| Code enforcement | | | | |
| Building permits issued | 899 | 903 | 3,131 | 641 |
| Building permits estimated value (in millions) | \$39,526 | \$23,256 | \$164,796 | \$107,339 |
| Police | | | | |
| Physical arrests | 3,594 | 2,544 | 2,191 | - |
| Traffic violations | 7,827 | 5,545 | 3,065 | - |
| Parking violations | 7,891 | 7,116 | - | 9,800 |
| Fire | | | | |
| Calls answered | 15,175 | 16,681 | 15,529 | 15,350 |
| Public Health | | | | |
| Birth certificates issued | 9,280 | 9,723 | 9,650 | 9,411 |
| Death certificates issued | 6,881 | 6,492 | 6,667 | 6,653 |
| Nursing | | | | |
| Home visits | 329 | 266 | - | 329 |
| Air pollution complaints | | | | |
| Investigated | 258 | 274 | 199 | 266 |
| Food service inspections | 1,159 | 1,309 | 553 | 2,019 |
| Transportation | | | | |
| Road salt expense | \$389,807 | \$354,748 | \$528,478 | \$590,690 |
| Leisure Time Activities | | | | |
| Shelter/building permits issued | 738 | 746 | 858 | 879 |
| Water | | | | |
| Number of service connections | 44,543 | 44,509 | 44,480 | 44,431 |
| Daily average consumption in gallons (in millions) | 21.869 | 19.467 | 21.988 | 21.147 |
| Sewer | | | | |
| Number of active sewer accounts | 25,981 | 25,981 | 26,433 | 26,510 |
| Daily average treatment in gallons (in millions) | 30.06 | 29.06 | 28.46 | 30.04 |

Source: Various City of Canton Departments

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 7,143 | 6,924 | 6,608 | 6,666 | 7,228 | 6,988 |
| 16,953 | 15,946 | 16,156 | 16,542 | 16,431 | 16,817 |
| 28,402 | 27,335 | 26,963 | 28,285 | 29,027 | 30,031 |
| 34 | 30 | 28 | 15 | 12 | 12 |
| 26,761 | 25,745 | 27,027 | 30,649 | 39,557 | 32,403 |
| 198 | 180 | 180 | 215 | 290 | 217 |
| 465 | 442 | 427 | 418 | 395 | 423 |
| 2,171 | 1,971 | 2,021 | 2,080 | 2,681 | 2,578 |
| 109 | 107 | 216 | 164 | 120 | 183 |
| 2,564 | 2,718 | 2,934 | 2,935 | 2,870 | 3,182 |
| 30,604 | 31,650 | 40,471 | 34,908 | 32,693 | 35,484 |
| 487 | 180 | 139 | 245 | 176 | 127 |
| 299 | 119 | 83 | 84 | 22 | 44 |
| 6,489 | 7,218 | 6,572 | 6,829 | 7,735 | 7,428 |
| 67 | 76 | 103 | 55 | 121 | 109 |
| 1,872 | 1,919 | 1,952 | 1,966 | 2,107 | 2,241 |
| 638 | 685 | 706 | 1,071 | 819 | 4,097 |
| \$47,834 | \$75,616 | \$42,528 | \$68,127 | \$42,510 | \$73,781 |
| 2,390 | 2,013 | 2,613 | 3,471 | 4,201 | 4,466 |
| 3,086 | 2,074 | 3,726 | 8,850 | 15,328 | 6,162 |
| 9,145 | 10,100 | 10,104 | 8,556 | 10,422 | 10,789 |
| 13,835 | 14,276 | 13,789 | 13,429 | 20,687 | 12,602 |
| 9,553 | 9,619 | 3,950 | 10,263 | 12,413 | 14,859 |
| 6,678 | 6,798 | 1,822 | 8,144 | 7,875 | 9,715 |
| 322 | 307 | 350 | 395 | 408 | 425 |
| 276 | 249 | 220 | 282 | 63 | 167 |
| 2,278 | 2,539 | 878 | 946 | 971 | 1,240 |
| \$270,154 | \$500,693 | \$465,348 | \$817,201 | \$516,835 | \$681,366 |
| 708 | 450 | 529 | 473 | 453 | 520 |
| 44,367 | 44,360 | 44,292 | 44,184 | 44,171 | 44,179 |
| 20,089 | 17,897 | 19,150 | 19,106 | 19,970 | 19,983 |
| 26,514 | 27,763 | 26,815 | 26,804 | 27,000 | 27,178 |
| 30.14 | 27.18 | 27.82 | 34,030 | 30,326 | 27,800 |

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

CANTON, OHIO



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**CITY OF CANTON
STARK COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

**CITY OF CANTON
STARK COUNTY, OHIO**

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CITY OF CANTON
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE | CFDA NUMBER | PASS-THROUGH ENTITY IDENTIFYING NUMBER | (B) PASSED THROUGH TO SUBRECIPIENTS | (A)(E) CASH FEDERAL DISBURSEMENTS |
|--|----------------|--|--|--|
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| <i>Passed through Ohio Department of Health:</i> | | | | |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | 76-2-0011-WA0916 | \$ 639,169 | \$ 1,324,674 |
| Total U.S. Department of Agriculture | | | 639,169 | 1,324,674 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| <i>Passed Through N/A:</i> | | | | |
| (C) CDBG- Entitlement Grants Cluster: | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | N/A | | 3,186,842 |
| Total CDBG- Entitlement Grants Cluster | | | | 3,186,842 |
| Emergency Solutions Grants Program | 14.231 | N/A | | 181,525 |
| Home Investment Partnerships Program | 14.239 | N/A | | 397,588 |
| Fair Housing Assistance Program State and Local: | | | | |
| Fair Housing Assistance Program_State and Local | 14.401 | N/A | | 41 |
| Fair Housing Assistance Program_State and Local | 14.401 | N/A | | 68,858 |
| Fair Housing Assistance Program_State and Local | 14.401 | N/A | | 97,840 |
| Total Fair Housing Assistance Program State and Local | | | | 166,739 |
| Total U.S. Department of Housing and Urban Development | | | | 3,932,694 |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| <i>Passed Through N/A:</i> | | | | |
| Violence Against Women Formula Grants | 16.588 | N/A | | 80,233 |
| Public Safety Partnership and Community Policing Grants | | | | |
| 2012 Public Safety Partnership and Community Policing Grants | 16.710 | N/A | | 111,842 |
| 2013 Public Safety Partnership and Community Policing Grants | 16.710 | N/A | | 165,480 |
| 2014 Public Safety Partnership and Community Policing Grants | 16.710 | N/A | | 326,082 |
| 2015 Public Safety Partnership and Community Policing Grants | 16.710 | N/A | | 370,624 |
| 2016 Public Safety Partnership and Community Policing Grants | 16.710 | N/A | | 17,880 |
| Total Public Safety Partnership and Community Policing Grants | | | | 991,908 |
| Edward Byrne Memorial Justice Assistance Grant Program: | | | | |
| (H) Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2015-DJ-BX-0032 | | 50,199 |
| (H) Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2016-DJ-BX-0834 | | 29,906 |
| (H) Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2017-DJ-BX-0135 | | 37,296 |
| Total Edward Byrne Memorial Justice Assistance Grant Program | | | | 117,401 |
| Total U.S. Department of Justice | | | | 1,189,542 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | |
| <i>Passed Through Ohio Department of Transportation:</i> | | | | |
| Highway Planning and Construction Cluster: | | | | |
| Highway Planning and Construction | 20.205 | PID-85299 | | 145,350 |
| Highway Planning and Construction | 20.205 | PID-91594/ PID - 90365 | | 1,417,064 |
| Highway Planning and Construction | 20.205 | PID-90268/PID - 90361 | | 75,611 |
| Highway Planning and Construction | 20.205 | PID-90671 | | 4,917,275 |
| Highway Planning and Construction | 20.205 | PID-90465 | | 364 |
| Highway Planning and Construction | 20.205 | PID-92562 | | 79,209 |
| Highway Planning and Construction | 20.205 | PID-99897 | | 337,628 |
| Total Highway Planning and Construction Cluster | | | | 6,972,501 |
| Highway Safety Cluster: | | | | |
| State and Community Highway Safety | 20.600 | 2009-SC-N/I | | 28,793 |
| Total Highway Safety Cluster | | | | 28,793 |
| Total U.S. Department of Transportation | | | | 7,001,294 |
| U.S. ENVIRONMENTAL PROTECTION AGENCY | | | | |
| <i>Passed Through the Ohio Environmental Protection Agency:</i> | | | | |
| Air Pollution Control Program Support | 66.001 | AP-19-91-76-020007 | | 233,679 |
| Total U.S. Environmental Protection Agency | | | | 233,679 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| <i>Passed Through Ohio Department of Health:</i> | | | | |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | 93.074 | 76-2-001-2-PH0110 | | 95,956 |
| Affordable Care Act (ACA) Personal Responsibility Education Program | 93.092 | 76-2-001-2-PR0112 | | 142,576 |
| Immunization Cooperative Agreements | 93.268 | 76-2-001-2-GV0119 | 21,427 | 58,353 |
| PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds | 93.539 | 76-2-001-2-IM1017 | 43,868 | 48,119 |
| Medicaid Cluster: | | | | |
| (D) Medical Assistance Program | 93.778 | N/A | | 51,102 |
| Total Medicaid Cluster | | | | 51,102 |
| (D) Head Start | 93.600 | N/A | | 5,013 |
| HIV Prevention Activities - Health Department Based | 93.940 | 76-2-0012-HP0916 | 155,073 | 252,273 |
| Sexually Transmitted Diseases (STD) Prevention and Control Grants | 93.977 | 76-2-0012-ST0816 | 9,025 | 26,741 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 76-2-001-1-DS0916 | | 50,092 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 76-001-1-MC0916 | | 120,577 |
| Total Maternal and Child Health Services Block Grant to the States | | | | 170,669 |
| Total U.S. Department of Health and Human Services | | | 229,393 | 850,802 |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | |
| <i>Passed Through N/A:</i> | | | | |
| Staffing for Adequate Fire and Emergency Response (SAFER) | 97.083 | N/A | | 624,209 |
| Assistance to Firefighters Grant | 97.044 | N/A | | 127,468 |
| Total U.S. Department of Homeland Security | | | | 751,677 |
| Total Federal Financial Assistance | | | \$ 868,562 | \$ 15,284,362 |

-continued

CITY OF CANTON
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

(A) This schedule includes the federal award activity of the City of Canton under programs of the federal government for the year ended December 31, 2018 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Canton, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Canton.

(B) The City passes certain federal awards received from various agencies to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

(C) The City has a revolving loan program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. This schedule reports loans made and administrative costs as disbursements. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans, however are not included as disbursements on this schedule.

These loans are collateralized by mortgages on the property or asset acquired.

Activity in the Community Development Block Grant revolving loan fund during 2018 is as follows:

| | |
|---|-------------------|
| Beginning loans receivable balance as of January 1, 2018 | \$ 662,219 |
| Loans Disbursed | - |
| Loans Repaid | <u>194,779</u> |
| Ending loans receivable balance as of December 31, 2018 | <u>\$ 467,440</u> |
| | |
| Cash balance on hand in the revolving loan fund as of December 31, 2018 | \$ 73,501 |

(D) Pass-through grant numbers were unable to be obtained for these grants.

(E) Certain federal programs require the City contribute non-federal funds (matching funds) to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds are not included on this schedule.

(F) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimus rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimus indirect cost rate.

(G) Passed through Stark County Family Council

(H) Passed through the State of Ohio Office of Criminal Justice Services



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**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Required by *Government Auditing Standards***

City of Canton
Stark County
218 Cleveland Avenue SW
Canton, Ohio 44702

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Canton's basic financial statements and have issued our report thereon dated June 25, 2019, wherein we noted as discussed in Note 3, the City of Canton adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Canton's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Canton'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 of Canton's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of reasonably assuring whether the City of Canton'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 of Canton's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Canton's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
June 25, 2019



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**Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Federal Program and on Internal Control Over Compliance and the Schedule of
Expenditures of Federal Awards Required by the *Uniform Guidance***

City of Canton
Stark County
218 Cleveland Avenue SW
Canton, Ohio 44702

To the Members of Council and Mayor:

Report on Compliance for Each Major Federal Program

We have audited the City of Canton's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the City of Canton's major federal programs for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Canton's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the City of Canton's compliance for each of the City of Canton's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Canton'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 each of the City of Canton's major programs. However, our audit does not provide a legal determination of the City of Canton's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Canton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

The City of Canton'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 of Canton'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 the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Canton's internal control over compliance.

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

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

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

City of Canton

Stark County

Independent Auditor's Report on Compliance with Requirements Applicable

to Each Major Federal Program and on Internal Control Over Compliance and the Schedule of

Expenditures of Federal Awards Required by the *Uniform Guidance*

Page 3

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

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Canton as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Canton's basic financial statements. We issued our unmodified report thereon dated June 25, 2019. Our opinion also explained that the City of Canton adopted Governmental Accounting Standard No. 75 during the year. We conducted our audit to opine on the City of Canton's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.

June 25, 2019

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**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

| 1. SUMMARY OF AUDITORS' RESULTS | | |
|--|---|--|
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinion</i> | Unmodified |
| <i>(d)(1)(ii)</i> | <i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(ii)</i> | <i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iii)</i> | <i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any material internal control weaknesses reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any significant deficiencies in internal control reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Programs' Compliance Opinion</i> | Unmodified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under 2 CFR § 200.516(a)?</i> | No |
| <i>(d)(1)(vii)</i> | <i>Major Programs:</i> | Public Safety Partnership and Community Policing Grants, CFDA #16.710; Highway Planning and Construction Cluster |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A: >\$750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee under 2 CFR § 200.520?</i> | No |

| |
|--|
| 2. FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

None

| |
|---------------------------------------|
| 3. FINDINGS FOR FEDERAL AWARDS |
|---------------------------------------|

None



RICHARD A. MALLONN II

CANTON CITY AUDITOR

City Hall, Canton, Ohio 44702
Phone: (330) 489-3226

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR § 200.515 DECEMBER 31, 2018

| Finding Number | Year Initially Occurred | Finding Summary | Status | Additional Information |
|----------------|-------------------------|---|---------------------|----------------------------|
| 2017-001 | 2014 | <u>Noncompliance - Reporting/Significant Deficiency</u> - Office of Management and Budget No. 0348-0061 indicates recipients should submit interim SF-425 Federal Financial Reports (FFRs) on a quarterly, semi-annual or annual basis as directed by the federal awarding agency. The City did not complete the SF-425 Federal Financial Reports for the CDBG grant program during 2017. | Partially Corrected | Moved to Management Letter |

OHIO AUDITOR OF STATE KEITH FABER



CITY OF 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
SEPTEMBER 24, 2019**