

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Richard A. Mallonn II • Auditor, City of Canton



For The Year Ended December 31, 2019



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Members of Council
City of Canton
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Canton, Ohio 44702

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, 2019 through December 31, 2019. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2020

CITY OF CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019

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INTRODUCTORY
City of Canton, Ohio



CANTON, OHIO



RICHARD A. MALLONN II

CANTON CITY AUDITOR

City Hall, Canton, Ohio 44702

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August 15, 2020

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, 2019 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, 2019, 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 2019 population of 70,002 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, firefighting and prevention, EMS services, 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 2019.

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 custodial 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 nineteen 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 (Heartland Behavioral Healthcare Hospital), 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 Park System will seek a renewal levy in 2021.

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 family entertainment 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 70,000 card holders annually and sees more than 2 million visitors a year. The library offers access to over 831,500 items. The collection includes books, audio-visual materials and periodicals. Patrons borrow almost 4 million items annually. In addition, the Library provides programs for attendees and provides 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 it's 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 its self 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. Pro Football was slated to celebrate its centennial class induction ceremonies during the 2020 Hall of Fame enshrinement celebrations. However, due to a world pandemic in 2020, all events were cancelled and rescheduled to occur during the 2021 celebrations.

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 accepted 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 Hall of Fame Village LLC combined with a publicly traded, special – purpose Acquisition Company to help fund the expansion projects by trading common stock and warrants starting July 2, 2020. 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. SARTA had implemented a Transit Asset Management Plan (TAMP) and a Transit Development Plan (2020) (TDPs) which looks at the condition of assets to guide the prioritization of funding transit agencies and help improve their efficiency and effectiveness.

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 .81 million customers in 2019 an 11.53% decrease from the Airport's 2018 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 2020.

Long-Term Financial Planning

During 2019 the City has experienced an increase in overall revenue, excluding other financing sources, for the general fund of \$2,867,337 from 2018. 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 \$9,800,363 from 2018. This provides the City with the eighth straight year of revenue growth for the City as a whole. The City's income tax revenue increased by \$10,232,630 and property tax revenue decreased by \$67,623. Charges for service (program revenue) increased by \$3,350,508 while operating grants and contributions (program revenue) and capital grants and contributions (program revenue) decreased \$5,661,670 and \$649,402, respectively.

The City continues to feel the effects of the 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, \$50,281 in 2018 and \$557,192 in 2019 due to a more aggressive investment portfolio and improved interest rates on investments such as moving some funds into the State Treasury Asset Reserve (STAR Ohio) who is currently offering one of the better rates of return.

The immediate economic future is predicted to be relatively stable with slight declines expected in early 2020 because of the COVID-19 pandemic, but expect 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 in the future. 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 continued to decline in 2019 but is still slightly higher than the state and national averages. The increase in income tax revenue in 2018 has allowed 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 gave a modest cost of living adjustment to employees in 2019 and 2020. 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 2019, 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 2019, 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 2019 but will review this fund to determine if additional funding may be necessary in the future.

Major Initiatives

In 2019, the City annexed approximately 57.672 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. The property will have interactive activities that will be programmed by the Pro Football Hall of Fame with the intention to try to connect the City and the tourist attraction known as Hall Of Fame Village.

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. (CRA) 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 2019 the City expanded the CRA program to include the entire City of Canton.

In 2013, the City established two HUD Neighborhood Revitalization Strategy Areas – the Eastside and Central NRSAs. During 2019, the City expended over \$602,000 in Federal Community Development Block Grant (CDBG) Program funds on NRSA activities, including housing rehabilitation youth enrichment programs, a mobile farmer's market, programs to prepare youth for college and give minority youth exposure to career opportunities in college. Forty-seven housing projects were completed in both the Eastside and Central target areas. The City requested renewal of its two NRSA areas when it submitted its 2019-2023 Consolidated Plan. The renewal was approved for another five year period. Since the NRSA was established in 2013, the City has invested over \$6 million in the NRSA areas.

In 2019, Habitat, in partnership with the City, began a renewal project in the Eastside NRSA. The project will construct new housing, rehab existing housing and demolish abandoned properties to provide land to construct houses or create green spaces.

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.

In 2019, the City worked with Aultman hospital to demolish seven houses to provide parking for a new cancer center. Once construction is completed, the project is expected to create six permanent jobs for low-moderate income persons.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2019, the City completed: \$3.4 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, Ridgewood Phase 1 and Phase 2, 38th St. project, 30th St, 36th Street Road and Storm Sewer and Centennial Plaza. The City have also started a Road Stabilization Project that is being tested as an alternative against regular paving methods.

In 2019, there were \$6.5 million of water projects in progress. There were twelve projects for water lines in varying stages of planning, development and construction including: Ridgewood I and II, Sugarcreek Backwash Project, Edgefield I, 33rd St NW, 44th St Main Replacement Project, Canon South Human Health Waterline Extension and Fairmount Phase I and II.

In 2019, 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 2019 and be completed in 2020. Through December 2019, the City had expended \$81 million of the \$92.0 million project.

Debt Administration

At the end of 2019, the gross indebtedness of the City was \$111,030,138. The gross indebtedness of the City was \$112,192,496 at the end of 2018. During 2019, the City continued drawing down for Canton South Cleveland Ave. Waterline and Waterline Extension construction loan. In 2019, the City received \$129,505 from the 2010 Water Reclamation Facility (WRF) phosphorus/nitrogen removal project loan, and \$1,871,680 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, 2019, the City had \$96,135,224 in; OWDA loans outstanding in the enterprise funds and business-type activities and \$33,017 in OWDA loans outstanding in the governmental activities. During 2019, the City received loan proceeds from the Ohio Public Works Commission (OPWC) to finance various projects. The City received \$553,219 in OPWC loan proceeds in the enterprise funds and business-type activities and \$1,529,697 in OPWC loan proceeds in the governmental activities. At December 31, 2019, the City had \$3,129,394 in OPWC loans outstanding in the enterprise funds and business-type activities and \$3,597,570 in OPWC loans outstanding in the governmental activities. The City had \$1,707,014 in long-term State Infrastructure Bank (SIB) Loans outstanding as of December 31, 2019, 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 \$90,084,981 and an unvoted debt margin of \$47,225,225 as of December 31, 2019.

Awards

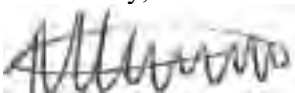
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2018. The Certificate of Achievement is the highest form 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
in Financial
Reporting**

Presented to

**City of Canton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

**CITY OF CANTON
STARK COUNTY, OHIO**

CITY OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2019

Mayor

Thomas M. Bernabei

Council Members

William Sherer II, President

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

Gregory Hawk
Christine Schulman
John Mariol II
Frank Morris
Chris Smith
Brenda Kimbrough

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

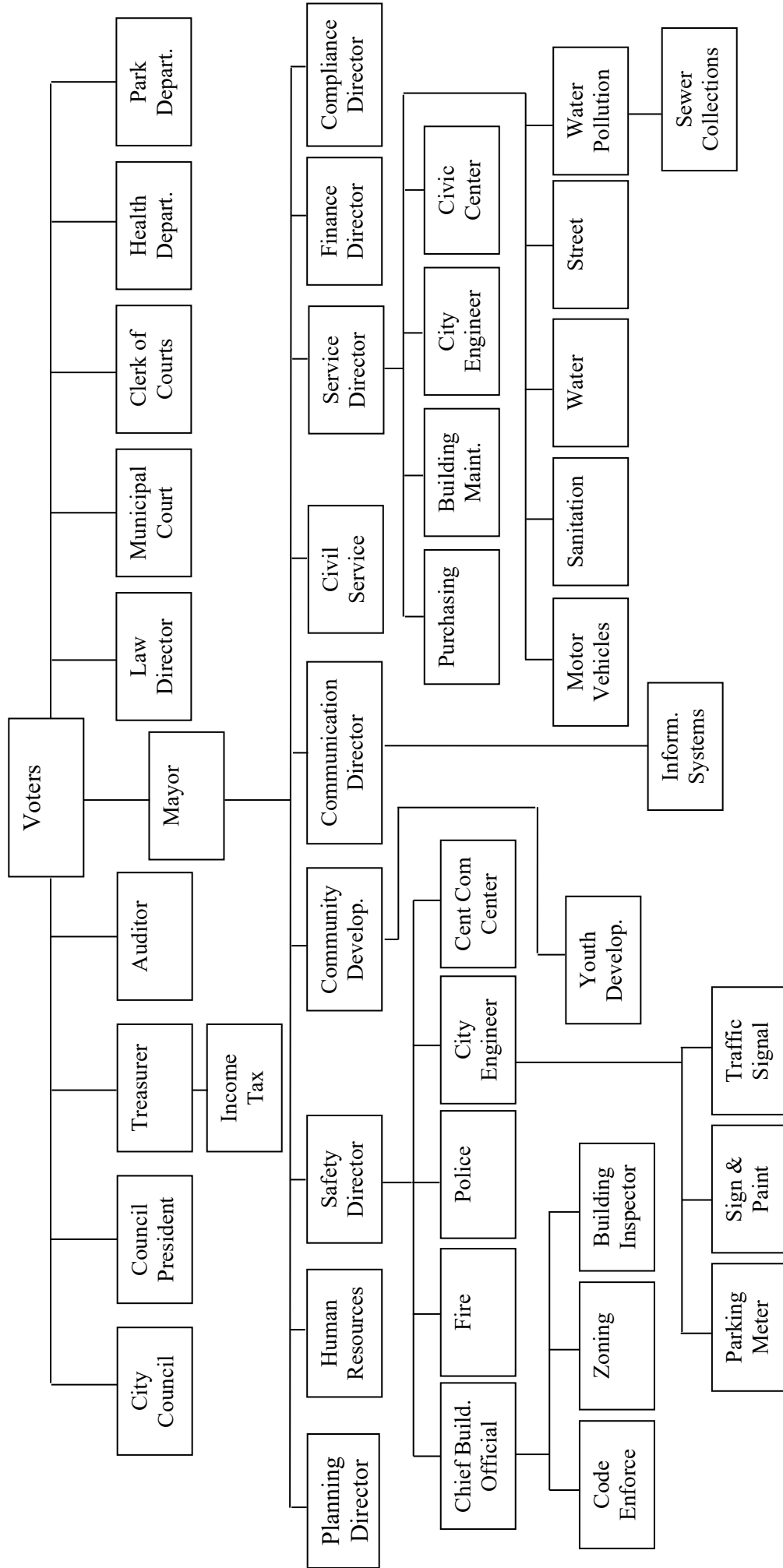
Jack Angelo

City Engineer

Dan Moeglin

CITY OF CANTON
STARK COUNTY, OHIO

ORGANIZATIONAL CHART



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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 units, each major fund, and the aggregate remaining fund information of the City of Canton, Ohio, as of and for the year ended December 31, 2019, 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 units, each major fund, and the aggregate remaining fund information of the City of Canton, Ohio, as of December 31, 2019, 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 Matters

As discussed in Note 3 to the financial statements, during 2019, the City of Canton adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. It was also discussed in Note 25, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City of Canton. We did not modify our opinion regarding these matters.

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 and other post-employment benefit assets and liabilities and pension and other post-employment 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 directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this 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 August 15, 2020, 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." The signature is written in black ink and is positioned above the printed name of the firm.

Julian & Grube, Inc.
August 15, 2020

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CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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, 2019. 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 \$70.4 million as a result of this year's operations and a decrease in the OP&F net OPEB liability. Net position of the business-type activities increased by \$10.0 million from 2018's net position, or 8.25 percent, and net position of governmental activities increased by \$60.4 million, or 161.79 percent from 2018's net position.
- General revenues accounted for \$83.5 million, or 68.86 percent, of total governmental activities revenue. Program specific revenues accounted for \$37.8 million, or 31.14 percent, of total governmental activities revenue.
- The City had \$63.2 million in expenses related to governmental activities; \$37.8 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 \$25.4 million were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$83.5 million.
- The City's business-type activities consist of water, sewer, refuse, and building code operations. The City had \$42.5 million in expenses related to business-type activities. All of these expenses were offset by \$51.9 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 2019. General revenues of the business-type activities were \$0.6 million for 2019. Overall, total revenues of the business-type activities exceeded expenses by \$10.0 million.
- The general fund had revenues and other financing sources of \$69.6 million in 2019. This represents an increase of \$2.8 million from 2018 revenues. The expenditures and other financing uses of the general fund, which totaled \$62.4 million in 2019, decreased \$0.9 million from 2018. The net increase in fund balance for the general fund was \$7.3 million, or 114.60 percent.
- The City received no rating change in 2019; Moody's maintains a stable outlook on the City's debt.
- The City reported an operating loss of \$0.2 million in its compensated absences claim internal service fund. The total liability for compensated absences decreased less than \$0.1 million from \$8.0 million at December 31, 2018 to \$8.0 million at December 31, 2019. During 2019, 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 \$7.5 million at December 31, 2019.

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, 2019
(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 2019?" 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 custodial 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, net OPEB liability and the City's schedule of contributions to OPERS and OP&F. The RSI can be found on pages 130-144 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 128 of this report.

Government-Wide Financial Analysis

The table below (Table 1) provides a summary of the City's net position at December 31, 2019 and 2018.

Table 1
Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2019	Restated 2018	2019	2018	2019	Restated 2018
<u>Assets</u>						
Current and other assets	\$ 84.4	\$ 71.3	\$ 50.8	\$ 53.4	\$ 135.2	\$ 124.7
Capital assets, net	160.4	144.4	210.6	197.4	371.0	341.8
Total assets	244.8	215.7	261.4	250.8	506.2	466.5
Deferred outflows of resources	34.9	20.2	8.0	4.2	42.9	24.4
<u>Liabilities</u>						
Current and other liabilities	\$ 27.6	\$ 25.0	\$ 12.4	\$ 13.7	\$ 40.0	\$ 38.7
Long-term liabilities:						
Due in more than one year	11.6	10.7	91.6	93.7	103.2	104.4
Net pension liability	105.5	77.6	22.9	13.3	128.4	90.9
Net OPEB liability	23.6	66.6	10.8	9.2	34.4	75.8
Total liabilities	168.3	179.9	137.7	129.9	306.0	309.8
Deferred inflows of resources	13.6	18.7	1.1	4.4	14.7	23.1
<u>Net position</u>						
Net investment in capital assets	148.6	134.3	109.8	93.4	258.4	227.7
Restricted	26.1	19.6	-	-	26.1	19.6
Unrestricted	(76.9)	(116.6)	20.8	27.3	(56.1)	(89.3)
Total net position	\$ 97.8	\$ 37.3	\$ 130.6	\$ 120.7	\$ 228.4	\$ 158.0

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

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

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

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

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

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

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

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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/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2019, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$228.4 million. At year-end, net position was \$97.8 million and \$130.6 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 73.28 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, 2019, was \$148.6 million and \$109.8 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.

Long-term liabilities decreased due to an increase in the net pension liability being offset by a decrease in the net OPEB liability. The net OPEB liability decreased substantially due to Ohio Police & Fire Pension Fund (OP&F) replacing its retiree health care model and current self-insured health care plan with a stipend-based health care model. As a result of the change in OPEB models, OP&F reported a significant decrease in the net OPEB liability. The net pension liability and net OPEB liability are outside of the control of the City. The City contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to City employees, not the City. The pension and OPEB liabilities will fluctuate annually due to a number of factors including investment returns, actuarial assumptions used, and the City's proportionate share of net pension and net OPEB costs. As a result, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset. Had the City not applied the requirements of GASB 68 and GASB 75, the total net position for the governmental activities and business-type activities would have been as follows for 2019 and 2018 (in millions):

	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>	Business-Type Activities <u>2019</u>	Business-Type Activities <u>2018</u>
Total net position (with GASB 68/GASB 75)	97.8	37.3	130.6	120.7
GASB 68 calculations:				
Add: Deferred inflows related to pension	4.1	11.1	0.8	3.6
Add: Net pension liability	105.5	77.6	22.9	13.3
Less: Net pension asset	0.1	0.2	0.1	0.1
Less: Deferred outflows related to pension	(28.8)	(13.6)	(7.1)	(3.5)
GASB 75 calculations:				
Add: Deferred inflows related to OPEB	3.4	1.8	0.3	0.8
Add: Net OPEB liability	23.6	66.6	10.8	9.2
Less: Deferred outflows related to OPEB	(6.1)	(6.6)	(0.9)	(0.7)
Total net position (without GASB 68/GASB 75)	<u>199.6</u>	<u>174.4</u>	<u>157.5</u>	<u>143.5</u>

As of December 31, 2019, the City is not able to report positive balances in all three categories of net position for its governmental activities and for the government as a whole (governmental activities and business-type activities). A portion of the City's net position, \$26.1 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 \$56.1 million. Unrestricted net position 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 2019 and 2018.

Table 2
Change in Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2019	Restated 2018	2019	2018	2019	Restated 2018
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 14.3	\$ 14.5	\$ 46.8	\$ 43.3	\$ 61.1	\$ 57.8
Operating grants and contributions	14.0	19.6	0.1	0.1	14.1	19.7
Capital grants and contributions	9.5	8.2	5.0	6.9	14.5	15.1
Total program revenues	<u>37.8</u>	<u>42.3</u>	<u>51.9</u>	<u>50.3</u>	<u>89.7</u>	<u>92.6</u>
General revenues:						
City income taxes	63.7	53.5	-	-	63.7	53.5
Property taxes	5.4	5.5	-	-	5.4	5.5
Intergovernmental (grants and entitlements)	7.1	7.1	-	-	7.1	7.1
PILOTS	1.1	0.1	-	-	1.1	0.1
Other local taxes	0.5	0.7	-	-	0.5	0.7
Interest and investment earnings	1.7	0.7	-	-	1.7	0.7
Other	4.0	6.8	0.6	0.6	4.6	7.4
Total general revenues	<u>83.5</u>	<u>74.4</u>	<u>0.6</u>	<u>0.6</u>	<u>84.1</u>	<u>75.0</u>
Total revenues	<u>121.3</u>	<u>116.7</u>	<u>52.5</u>	<u>50.9</u>	<u>173.8</u>	<u>167.6</u>
<u>Expenses</u>						
Program expenses:						
General government	28.0	23.8	-	-	28.0	23.8
Security of persons and property	8.9	51.2	-	-	8.9	51.2
Public health	1.2	9.1	-	-	1.2	9.1
Transportation	12.6	13.2	-	-	12.6	13.2
Community environment	5.3	6.1	-	-	5.3	6.1
Leisure time activities	6.7	5.4	-	-	6.7	5.4
Interest and fiscal charges	0.5	0.8	-	-	0.5	0.8
Water	-	-	17.0	18.1	17.0	18.1
Sewer	-	-	15.6	17.8	15.6	17.8
Refuse	-	-	7.4	6.7	7.4	6.7
Building	-	-	2.6	2.2	2.6	2.2
Total program expenses	<u>63.2</u>	<u>109.6</u>	<u>42.6</u>	<u>44.8</u>	<u>105.8</u>	<u>154.4</u>
Excess of revenues over expenses	58.1	7.1	9.9	6.1	68.0	13.2
Special item: transfer of operations	2.3	-	-	-	2.3	-
Increase (decrease) in net position	<u>60.4</u>	<u>7.1</u>	<u>9.9</u>	<u>6.1</u>	<u>70.3</u>	<u>13.2</u>
Net position at beginning of year (restated)	37.4	N/A	120.7	114.6	158.1	N/A
Net position at end of year	<u>\$ 97.8</u>	<u>\$ 37.4</u>	<u>\$ 130.6</u>	<u>\$ 120.7</u>	<u>\$ 228.4</u>	<u>\$ 158.1</u>

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Governmental Activities

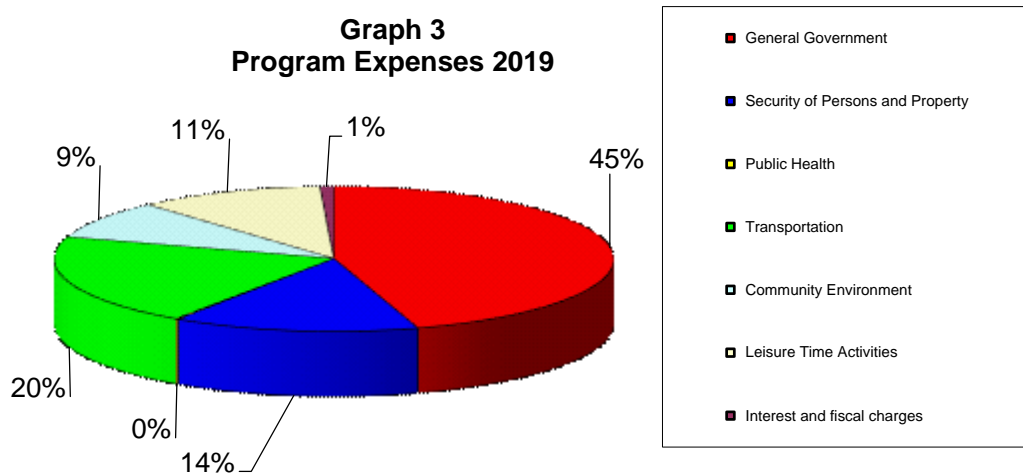
The 2.5 percent income tax is the largest revenue source for the City. Designated by ordinance, the capital projects fund receives 18 percent of net income tax received. In addition, the motor vehicle purchase fund receives 4 percent, the neighborhood fund receives 2 percent and the comprehensive fund 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 11.77 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 25.21 percent. The remaining revenues are primarily generated locally through property taxes (4.48 percent) and income taxes (52.50 percent).

Overall, governmental activities revenues increased \$4.6 million primarily due to collections on the city’s 2.5 percent income tax levy (\$10.2 million) and partially offset by a decrease in operating grants and contributions (\$5.6 million). Income tax revenue increased primarily due a full year of collections on the City’s additional 0.5 percent increase to the income tax rate, which took effect July 1, 2018. Operating grants and contributions decreased due to the City transferring Health District operations to the Health District effective January 9, 2019.

Overall, governmental activities expenses decreased \$46.4 million primarily due to decreases in security of persons and property (\$42.4 million) and public health (\$7.9 million). Security of persons and property decreased as a result of a decrease in OPEB expense related to the OP&F. Beginning January 1, 2019, OP&F replaced its retiree health care model and current self-insured health care plan with a stipend-based health care model. As a result of the change in OPEB models, OP&F reported a significant decrease in OPEB expense. The City reports its proportionate share of OP&F OPEB expense. As a result, the City’s OPEB expense for OP&F for 2019 was (\$38.6 million), a decrease of \$44.0 million from the City’s 2018 OPEB expense. Public health expenses decreased as a result of the transfer of the Board of Health’s operations as a reorganized separate legal entity rather than being reported as a department of the City.

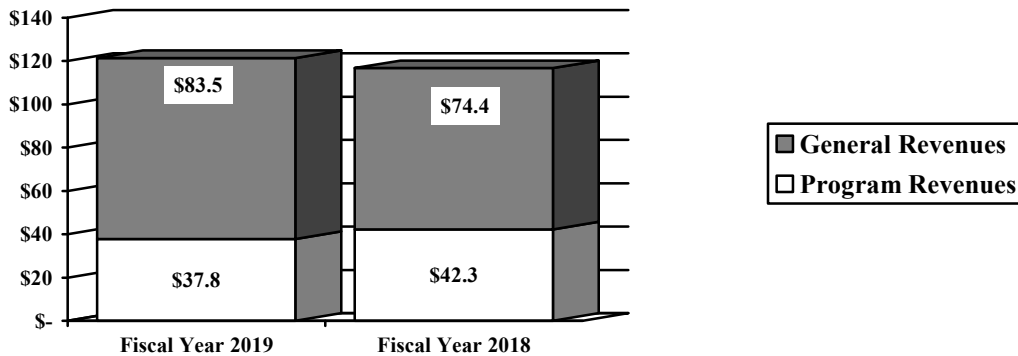
Graph 3 represents the cost of each of the City’s governmental programs: security of persons and property, general government, transportation, public health, leisure time activities, community environment, and interest and fiscal charges. The net cost shows the financial burden that was placed on the 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.



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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 2019 and 2018.

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



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)**

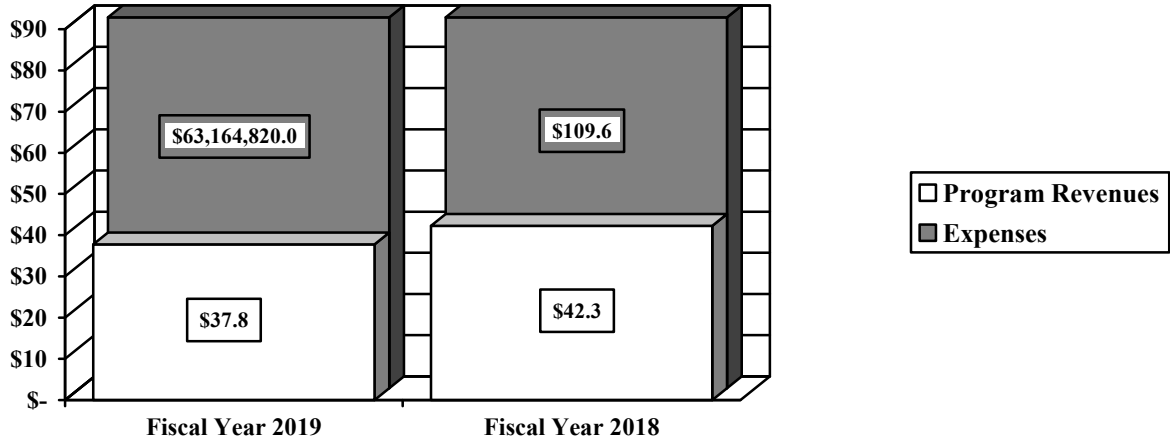
	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Program expenses:				
General government	\$ 28.0	\$ 18.1	\$ 23.8	\$ 12.1
Security of persons and property	8.9	(1.2)	51.2	42.2
Public health	1.2	0.1	9.1	3.5
Transportation	12.6	0.9	13.2	2.9
Community environment	5.3	(0.3)	6.1	0.9
Leisure time activities	6.7	6.3	5.4	4.9
Interest and fiscal charges	0.5	0.4	0.8	0.8
Total	<u>\$ 63.2</u>	<u>\$ 24.3</u>	<u>\$ 109.6</u>	<u>\$ 67.3</u>

The dependence upon general revenues for governmental activities is apparent, with 39.11 percent of expenses supported through taxes and other general revenues.

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The graph below compares the City's governmental activities program revenues and total governmental activities expenses for fiscal year 2019 and 2018.

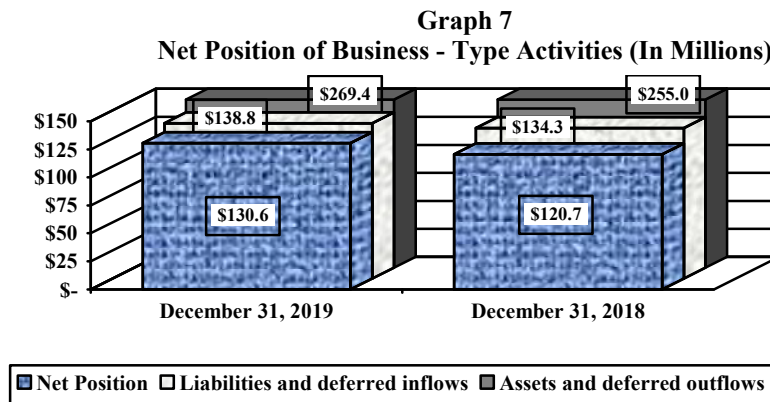
**Graph 6
Governmental Activities – Program Revenues vs. Total Expenses (In Millions)**



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 \$51.9 million and general revenues of \$0.6 million which were sufficient to support the total expenses of \$42.6 million. Total revenues exceeded total expenses by \$9.9 million in 2019. The graph below shows the business-type activities assets, liabilities and deferred inflows and net position at year-end.

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.

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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 \$43.1 million which is \$10.7 million higher than last year's total of \$32.4 million. The schedule below indicates the fund balances as of December 31, 2019 and 2018 for the governmental funds.

Table 8
Fund Balances (deficit) (In Millions)

	12/31/19	Restated 12/31/18	Increase (Decrease)
Major funds:			
General	\$ 13.6	\$ 6.3	\$ 7.3
Community and economic development	1.0	1.1	(0.1)
Capital projects	6.2	6.0	0.2
Motor vehicle purchase	1.0	1.0	-
Nonmajor governmental funds	<u>18.9</u>	<u>18.0</u>	<u>0.9</u>
Total	<u>\$ 40.7</u>	<u>\$ 32.4</u>	<u>\$ 8.3</u>

General Fund

Fund balance of the general fund increased \$7.3 million from 2018 primarily due to an increase of \$3.4 million in income tax revenue and a decrease in public health expense of \$0.7 million. Income tax revenues increased as the City experienced a full year of collections on the additional 0.5 percent levy that went into effect on July 1, 2018. Public Health expense decreased due to the transfer of Health District operations to the Health District effective January 9, 2019. Expenditures of the general fund decreased \$1.5 million from 2018.

Community and Economic Development Fund

Fund balance of the community and economic development fund decreased \$0.1 million from the prior year. Revenues increased \$0.1 million from \$3.9 million in 2018 to \$4.0 million in 2019 primarily due to increased operating grants. Expenditures increased \$0.1 million from \$4.0 million in 2018 to \$4.1 million in 2019 due to increased community environment projects. The community and economic development fund had \$0.5 million in economic development loans receivable at December 31, 2019.

Capital Projects Fund

Fund balance of the capital projects fund increased \$0.2 million from \$6.0 million at December 31, 2018 to \$6.2 million at December 31, 2019. Revenues and other financing sources increased \$2.4 million from \$9.6 million in 2018 to \$12.0 million in 2019. Expenditures increased \$2.5 million from \$9.4 million in 2018 to \$11.9 million in 2019. Debt service payments decreased as debt was paid down from the prior year.

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Motor Vehicle Purchase Fund

Fund balance of the motor vehicle purchase fund increased less than \$0.1 million from \$1.0 million at December 31, 2018 to \$1.0 million at December 31, 2019. Revenues and other financing sources increased \$0.8 million from 2018 levels at \$2.3 million. Expenditures increased \$1.3 million from \$1.8 million in 2018 to \$3.1 million in 2019 due to increased capital purchases made by the City in 2019.

Nonmajor Governmental Funds

Fund balance of the nonmajor governmental funds increased \$0.9 million from \$18.0 million at December 31, 2018 to \$18.9 million at December 31, 2019. Revenues decreased \$2.3 million from \$32.3 million in 2018 to \$30.0 million in 2019 due to a decrease in operating grants of approximately \$6.0 million and was partially offset by an increase in income taxes of \$3.9 million. Expenditures decreased \$1.9 million from \$32.7 million in 2018 to \$30.8 million in 2019 primarily in the area of public health. In addition, the City entered into notes loan agreements with the Ohio Public Works Commission in 2019. Loan proceeds in the amount of \$1.5 million were reported in the nonmajor governmental funds in 2019.

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 custodial 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.

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 \$0.6 million increase to original estimated revenues and other financing sources of \$70.0 million to arrive at the final estimated revenues and other financing sources of \$70.6 million. The primary increase was in the area of transfers in (\$0.6). The actual revenue was more than final budgeted revenue and other financing sources by \$2.0 million.

The general fund variance from original budgeted expenditures and other financing uses to final budgeted expenditures and other financing uses was an increase of \$5.9 million. The primary areas of increase were \$0.9 million in security of persons and property and \$0.3 million in general government. The final budgeted expenditures and other financing uses of \$75.3 million exceeded actual expenditures and other financing uses of \$69.4 million by \$5.9 million. The actual expenditures and other financing uses of \$73.3 million were approximately \$3.9 million higher than the original budgeted expenditures and other financing uses.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

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 refuse operating fund had net position increases of \$4.6 million, \$5.3 million, and less than \$0.1 million, respectively. The building code fund (a nonmajor enterprise fund) had a decrease in net position of \$0.2 million. The water operating fund experienced an increase in operating revenue of 3.48 percent and the sewer operating fund experienced an increase in operating revenue of 7.04 percent, respectively from the prior year. The water operating fund had a decrease in operating expenses of 5.92 percent from the prior year while the sewer operating fund had a decrease in operating expenses of 14.41 percent from the prior year. The Refuse Fund's operating revenue increased 28.20 percent from 2018 while operating expenses increased 9.54 percent from 2018. These two factors caused the refuse operating fund to report a slight increase in net position 2019 versus a decrease in net position of \$0.9 million in 2018. The building code fund's (nonmajor enterprise fund) operating revenues remained consistent with the prior year while operating expenses increased 14.87 percent. These factors caused a decrease in net position of \$0.2 million in 2019 as compared to a increase in net position of \$0.2 million in 2018.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the City had \$371.0 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 2019 and removed from construction in progress as well as projects that remain construction in progress at December 31, 2019. 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

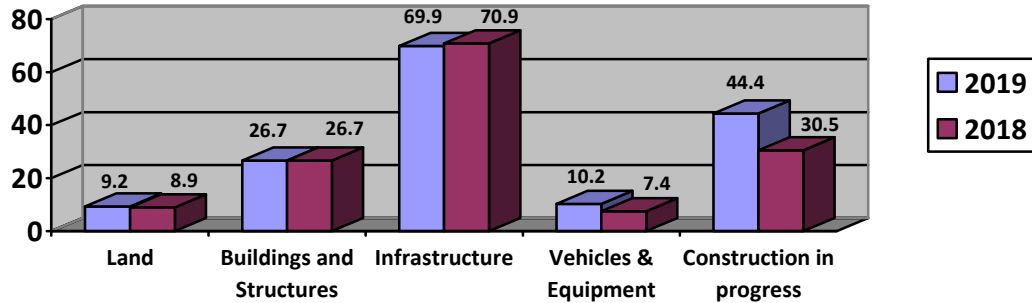
The City's 2019 capital budget anticipates a spending level of \$3.5 million for capital projects. The City will continue to spend the balance remaining of the \$3.4 million generated from the sale of general obligation bonds during 2006 to construct a scaled back version of a scaled back version of 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.

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

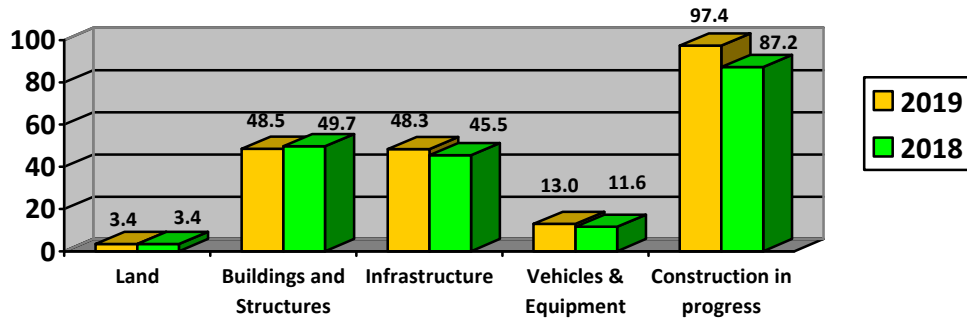
The graph below reflects the City's governmental activities capital assets, net of accumulated depreciation, for December 31, 2019 and 2018:

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



The graph below reflects the City's business-type activities capital assets, net of accumulated depreciation, for December 31, 2019 and 2018:

**Graph 10
Business-Type Capital Assets - Net of Depreciation
(Dollar Value in Millions)**



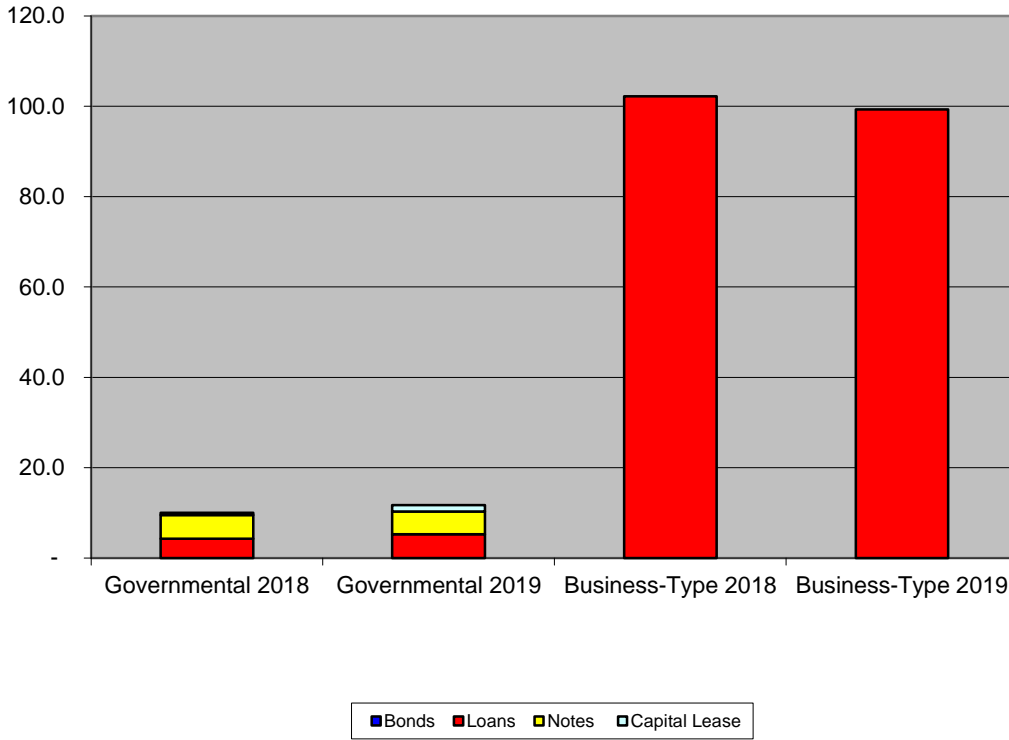
Debt

At December 31, 2019, the City had outstanding long-term debt obligations in the amount of \$18.8 million up from \$17.0 million in 2018 for the governmental activities this represents a 10.75 percent increase. The City's business-type activities debt obligation as of December 31, 2019 was \$100.7 million which is a decrease from \$103.9 million in 2018. This represents a decrease of 3.05 percent.

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

The breakout on debt outstanding, by type, is presented in the graph below.

**Graph 11
Total Debt Outstanding by Type**



During 2019, the City issued \$5.0 million in notes payable and retired \$5.2 million in notes payable. The balance of the City's notes payable at December 31, 2019 is \$5.0 million. See Note 11 to the basic financial statements for more information on the City's note obligations.

In 2019, 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).

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**CITY OF CANTON
STARK COUNTY, OHIO**
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	CCIC	Board of Health
Assets:					
Equity in pooled cash and cash equivalents	\$ 49,732,134	\$ 36,534,439	\$ 86,266,573	\$ 49,432	\$ -
Cash with fiscal agents	3,019	-	3,019	-	4,342,846
Cash in segregated accounts	-	804,064	804,064	-	-
Receivables:					
Income taxes	7,709,438	-	7,709,438	-	-
Property taxes	7,794,755	-	7,794,755	-	-
Accounts	3,421,297	8,982,215	12,403,512	-	76,069
Accrued interest	367,569	-	367,569	-	-
Due from other governments	12,333,995	1,875,324	14,209,319	-	674,068
Loans receivable	2,102,945	-	2,102,945	-	-
Due from component units	169,020	-	169,020	-	-
Materials and supplies inventory	402,488	2,739,185	3,141,673	-	-
Net pension asset	149,243	103,830	253,073	-	23,252
Internal balance	249,564	(249,564)	-	-	-
Real estate held for development	-	-	-	136,000	-
Capital assets:					
Land and construction in progress	53,619,881	100,763,728	154,383,609	-	-
Depreciable capital assets, net	106,757,616	109,809,953	216,567,569	-	33,387
Total capital assets, net	160,377,497	210,573,681	370,951,178	-	33,387
Total assets	244,812,964	261,363,174	506,176,138	185,432	5,149,622
Deferred outflows of resources:					
Pension	28,767,394	7,063,929	35,831,323	-	1,545,768
OPEB	6,162,405	962,728	7,125,133	-	193,883
Total deferred outflows of resources	34,929,799	8,026,657	42,956,456	-	1,739,651
Liabilities:					
Accounts payable	7,666,341	1,408,157	9,074,498	-	282,033
Contracts payable	-	1,482,541	1,482,541	-	-
Accrued wages and benefits payable	2,677,023	808,435	3,485,458	-	192,375
Due to other governments	617,782	143,082	760,864	-	2,792
Due to primary government	-	-	-	-	169,020
Retainage payable	48,459	805,664	854,123	-	-
Accrued interest payable	455,068	-	455,068	-	-
Note payable	5,325,000	-	5,325,000	-	-
Claims payable	2,047,044	-	2,047,044	-	-
Deposits held and due to others	89,159	-	89,159	-	-
Payroll withholding payable	486,283	120,386	606,669	-	-
Long-term liabilities:					
Due within one year	8,151,454	7,655,655	15,807,109	-	133,265
Due greater than one year:					
Net Pension Liability	105,508,427	22,860,096	128,368,523	-	5,119,360
Net OPEB Liability	23,670,289	10,828,910	34,499,199	-	2,425,059
Other amounts due in more than one year	11,613,473	91,608,962	103,222,435	-	377,335
Total liabilities	168,355,802	137,721,888	306,077,690	-	8,701,239
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	6,056,178	-	6,056,178	-	-
Pension	4,112,327	756,095	4,868,422	-	137,404
OPEB	3,418,425	298,001	3,716,426	-	52,035
Total deferred inflows of resources	13,586,930	1,054,096	14,641,026	-	189,439
Net position:					
Net investment in capital assets	148,563,517	109,824,923	258,388,440	-	33,387
Restricted for:					
Community development programs	14,457,660	-	14,457,660	-	-
Street construction, maintenance, and repair	814,994	-	814,994	-	-
Public health service programs	-	-	-	-	4,255,937
Safety and security programs and supplies	725,459	-	725,459	-	-
Court programs	1,699,395	-	1,699,395	-	-
Other purposes	2,561,364	-	2,561,364	-	-
City owned parking decks	212,597	-	212,597	-	-
Debt service	86,113	-	86,113	-	-
Capital projects	5,580,257	-	5,580,257	-	-
Unrestricted (deficit)	(76,901,325)	20,788,924	(56,112,401)	185,432	(6,290,729)
Total net position (deficit)	\$ 97,800,031	\$ 130,613,847	\$ 228,413,878	\$ 185,432	\$ (2,001,405)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<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	\$ 28,025,343	\$ 8,652,706	\$ 1,286,492	\$ -
Security of persons and property	8,837,144	5,431,156	4,639,432	-
Public health	1,232,398	-	-	-
Transportation	12,622,505	15,868	2,257,973	9,479,469
Community environment	5,321,317	-	5,614,344	-
Leisure time activities	6,667,334	183,892	194,962	-
Interest and fiscal charges	458,779	257	16,359	-
Total governmental activities	<u>63,164,820</u>	<u>14,283,879</u>	<u>14,009,562</u>	<u>9,479,469</u>
<i>Business-type activities:</i>				
Water	17,040,979	19,654,394	-	1,736,988
Sewer	15,504,917	17,461,965	-	3,250,310
Refuse	7,391,458	7,399,720	25,514	-
Building Code	2,560,417	2,328,174	-	-
Total business-type activities	<u>42,497,771</u>	<u>46,844,253</u>	<u>25,514</u>	<u>4,987,298</u>
Total primary government	<u>\$ 105,662,591</u>	<u>\$ 61,128,132</u>	<u>\$ 14,035,076</u>	<u>\$ 14,466,767</u>
Component Units:				
CCIC	\$ 245,279	\$ 13,198	\$ 165,000	\$ -
Board of Health	7,106,169	1,212,045	6,135,714	-
Total component units	<u>\$ 7,351,448</u>	<u>\$ 1,225,243</u>	<u>\$ 6,300,714</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	
Increase in fair value of investments	
Gain on sale of capital assets	
Miscellaneous	

Total general revenues

Special item: transfer of operations to Board of Health

Total general revenues and special items

Change in net position

Net position (deficit) at beginning of year (restated)

Net position (deficit) at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	CCIC	Board of Health
\$ (18,086,145)	\$ -	\$ (18,086,145)	\$ -	\$ -
1,233,444	-	1,233,444	-	-
(1,232,398)	-	(1,232,398)	-	-
(869,195)	-	(869,195)	-	-
293,027	-	293,027	-	-
(6,288,480)	-	(6,288,480)	-	-
(442,163)	-	(442,163)	-	-
<u>(25,391,910)</u>	<u>-</u>	<u>(25,391,910)</u>	<u>-</u>	<u>-</u>
-	4,350,403	4,350,403	-	-
-	5,207,358	5,207,358	-	-
-	33,776	33,776	-	-
-	(232,243)	(232,243)	-	-
<u>-</u>	<u>9,359,294</u>	<u>9,359,294</u>	<u>-</u>	<u>-</u>
<u>(25,391,910)</u>	<u>9,359,294</u>	<u>(16,032,616)</u>	<u>-</u>	<u>-</u>
-	-	-	(67,081)	-
-	-	-	-	241,590
<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,081)</u>	<u>241,590</u>
41,872,418	-	41,872,418	-	-
8,484,195	-	8,484,195	-	-
13,332,741	-	13,332,741	-	-
5,435,783	-	5,435,783	-	-
534,451	-	534,451	-	-
1,050,880	-	1,050,880	38,887	-
7,090,245	-	7,090,245	-	20,130
1,229,024	-	1,229,024	-	-
491,569	-	491,569	-	-
-	47,498	47,498	-	-
<u>4,020,169</u>	<u>549,431</u>	<u>4,569,600</u>	<u>7,481</u>	<u>29,453</u>
<u>83,541,475</u>	<u>596,929</u>	<u>84,138,404</u>	<u>46,368</u>	<u>49,583</u>
<u>2,292,578</u>	<u>-</u>	<u>2,292,578</u>	<u>-</u>	<u>-</u>
<u>85,834,053</u>	<u>596,929</u>	<u>86,430,982</u>	<u>46,368</u>	<u>49,583</u>
60,442,143	9,956,223	70,398,366	(20,713)	291,173
37,357,888	120,657,624	158,015,512	206,145	(2,292,578)
<u>\$ 97,800,031</u>	<u>\$ 130,613,847</u>	<u>\$ 228,413,878</u>	<u>\$ 185,432</u>	<u>\$ (2,001,405)</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Assets:				
Equity in pooled cash and cash equivalents	\$ 11,685,141	\$ 207,045	\$ 6,899,051	\$ 811,884
Cash with fiscal agent	-	-	-	-
Receivables:				
Accounts	2,838,412	252,711	-	-
Accrued interest	367,538	-	-	-
Municipal income taxes	4,934,040	-	1,387,699	308,378
Property and other taxes	3,117,101	-	-	-
Due from other funds	3,776,645	-	-	-
Due from other governments	3,346,830	5,468,632	436,941	-
Loans receivable	1,553,121	549,824	-	-
Due from component units	61,960	-	-	-
Materials and supplies inventory	356,293	-	-	-
Total assets	\$ 32,037,081	\$ 6,478,212	\$ 8,723,691	\$ 1,120,262
Liabilities:				
Accounts payable	\$ 990,981	\$ 384,046	\$ 1,709,819	\$ 2,417
Retainage payable	-	-	3,247	-
Accrued wages and benefits payable	2,123,545	7,451	102,993	-
Due to other funds	73,532	120,461	1,446	-
Due to other governments	476,923	3,623	18,549	-
Note payable	5,325,000	-	-	-
Accrued interest payable	239,400	-	-	-
Deposits held and due to others	-	-	-	-
Payroll withholding payable	413,949	1,089	14,649	-
Total liabilities	9,643,330	516,670	1,850,703	2,417
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,392,324	-	-	-
Delinquent property tax revenue not available	724,777	-	-	-
Accrued interest not available	66,873	-	-	-
Other local taxes not available	-	-	-	-
Miscellaneous revenue not available	618,573	-	-	-
Income tax revenue not available	1,307,502	-	367,735	81,719
Charges for services revenue not available	2,262,498	249,205	-	-
Intergovernmental revenue not available	1,443,131	4,754,056	336,828	-
Total deferred inflows of resources	8,815,678	5,003,261	704,563	81,719
Fund balances:				
Nonspendable	510,065	-	-	-
Restricted	-	958,281	-	1,036,126
Committed	741,790	-	6,168,425	-
Assigned	1,524,342	-	-	-
Unassigned (deficit)	10,801,876	-	-	-
Total fund balances	13,578,073	958,281	6,168,425	1,036,126
Total liabilities, deferred inflows of resources and fund balances	\$ 32,037,081	\$ 6,478,212	\$ 8,723,691	\$ 1,120,262

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds		Total Governmental Funds	
\$	24,025,620	\$	43,628,741
	3,019		3,019
	161,844		3,252,967
	31		367,569
	1,079,321		7,709,438
	4,677,654		7,794,755
	-		3,776,645
	3,069,052		12,321,455
	-		2,102,945
	-		61,960
	46,195		402,488
<u>\$</u>	<u>33,062,736</u>	<u>\$</u>	<u>81,421,982</u>
\$	4,053,236	\$	7,140,499
	45,212		48,459
	258,971		2,492,960
	3,660,450		3,855,889
	90,249		589,344
	-		5,325,000
	-		239,400
	89,159		89,159
	33,791		463,478
<u></u>	<u>8,231,068</u>	<u></u>	<u>20,244,188</u>
	3,663,854		6,056,178
	1,013,800		1,738,577
	-		66,873
	88,802		88,802
	8,756		627,329
	286,016		2,042,972
	6,620		2,518,323
	875,154		7,409,169
<u></u>	<u>5,943,002</u>	<u></u>	<u>20,548,223</u>
	46,195		556,260
	17,105,070		19,099,477
	2,172,726		9,082,941
	-		1,524,342
	(435,325)		10,366,551
<u></u>	<u>18,888,666</u>	<u></u>	<u>40,629,571</u>
<u>\$</u>	<u>33,062,736</u>	<u>\$</u>	<u>81,421,982</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Total governmental fund balances		\$	40,629,571
<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.			160,377,497
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	\$	1,738,577	
Income taxes receivable		2,042,972	
Accounts receivable		3,145,652	
Intergovernmental receivable		7,409,169	
Other local taxes receivable		88,802	
Accrued interest receivable		66,873	
Total		66,873	14,492,045
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 \$229,511, are included in governmental activities on the statement of net position.			(4,087,467)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(215,668)
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		28,767,394	
Deferred inflows of resources - pension		(4,112,327)	
Net pension asset		149,243	
Net pension liability		(105,508,427)	
Total		(80,704,117)	(80,704,117)
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 - OPEB		6,162,405	
Deferred inflows of resources - OPEB		(3,418,425)	
Net OPEB liability		(23,670,289)	
Total		(20,926,309)	(20,926,309)
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		(5,337,601)	
Notes payable		(5,025,000)	
Capital lease obligations		(1,402,920)	
Total		(11,765,521)	(11,765,521)
Net position of governmental activities		\$	97,800,031

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, 2019

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Revenues:				
Property and other taxes	\$ 2,242,929	\$ -	\$ -	\$ -
Municipal income taxes	41,177,097	-	10,713,039	2,380,685
Charges for services.	10,563,610	-	-	-
Licenses, permits, and fees.	779,435	-	-	-
Fines and forfeitures	272,305	3,500	-	-
Intergovernmental.	7,154,151	-	6,300	-
Interest and investment income	1,230,419	-	-	-
Rental income	-	-	-	-
Contributions and donations.	-	1,000	-	-
Operating grants	1,987,029	3,863,382	-	-
Capital grants	-	-	659,269	-
Payment in lieu of taxes	-	-	-	-
Other local taxes	-	-	-	-
Increase in fair value of investments	491,569	-	-	-
Other	2,112,285	149,580	52,242	-
Total revenues	68,010,829	4,017,462	11,430,850	2,380,685
Expenditures:				
Current:				
General government	18,914,136	-	-	-
Security of persons and property	37,648,427	-	-	-
Public health.	1,133,420	-	-	-
Transportation	1,462,918	-	11,550	-
Community environment	924,591	4,130,658	-	-
Leisure time activities.	353,023	-	-	-
Capital outlay	16,805	-	11,338,935	2,675,449
Debt service:				
Principal retirement.	1,716,805	-	482,182	363,569
Interest and fiscal charges	242,869	-	60,900	38,507
Total expenditures	62,412,994	4,130,658	11,893,567	3,077,525
Excess (deficiency) of revenues over (under) expenditures.	5,597,835	(113,196)	(462,717)	(696,840)
Other financing sources (uses):				
Issuance of notes.	1,525,000	-	-	-
Issuance of loans.	-	-	-	-
Sale of capital assets.	-	-	4,845	36,810
Capital lease transaction.	16,805	-	612,695	669,803
Transfers in	-	-	-	-
Transfers (out).	(12,639)	-	-	-
Total other financing sources (uses)	1,529,166	-	617,540	706,613
Special item:				
Transfer of operations to Board of Health	123,789	-	-	-
Net change in fund balances	7,250,790	(113,196)	154,823	9,773
Fund balances at beginning of year (restated)	6,327,283	1,071,477	6,013,602	1,026,353
Fund balances at end of year	\$ 13,578,073	\$ 958,281	\$ 6,168,425	\$ 1,036,126

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 3,389,339	\$ 5,632,268
8,332,094	62,602,915
2,262,690	12,826,300
101,159	880,594
185,684	461,489
4,065,894	11,226,345
19,979	1,250,398
85,667	85,667
610,324	611,324
1,664,580	7,514,991
7,379,971	8,039,240
1,050,880	1,050,880
548,230	548,230
-	491,569
261,827	2,575,934
<u>29,958,318</u>	<u>115,798,144</u>
4,627,758	23,541,894
4,139,787	41,788,214
-	1,133,420
3,728,155	5,202,623
-	5,055,249
4,989,970	5,342,993
9,643,126	23,674,315
3,513,766	6,076,322
123,625	465,901
<u>30,766,187</u>	<u>112,280,931</u>
<u>(807,869)</u>	<u>3,517,213</u>
3,500,000	5,025,000
1,529,697	1,529,697
3,080	44,735
-	1,299,303
12,639	12,639
-	(12,639)
<u>5,045,416</u>	<u>7,898,735</u>
<u>(3,309,923)</u>	<u>(3,186,134)</u>
927,624	8,229,814
17,961,042	32,399,757
<u>\$ 18,888,666</u>	<u>\$ 40,629,571</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, 2019

Net change in fund balances - total governmental funds	\$	8,229,814
<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	\$ 25,090,200	
Current year depreciation	(8,929,182)	
Total		16,161,018
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(131,486)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. Operating grants are exclusive of \$316,443 related to the special item transfer of Board of Health operations reported below.		
Property and other taxes	(196,485)	
Municipal income taxes	1,086,439	
Intergovernmental revenue	(864,080)	
Operating grants	1,595,766	
Capital grants	586,012	
Charges for services	57,030	
Other local taxes	(13,779)	
Interest	(1,395)	
Total		2,249,508
The issuance of loans, capital leases, 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.		
		(7,854,000)
Repayment of note, 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.		
Loan principal payments	495,948	
Note principal payments	5,200,000	
Capital lease principal payments	380,374	
Total		6,076,322
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
		7,122
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	6,975,621	
OPEB	129,149	
Total		7,104,770
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	(15,818,119)	
OPEB	38,558,584	
Total		22,740,465
The special item for the transfer of the Board of Health operations on the statement of activities differs from the amount reported in the governmental funds due to the transfer of long-term assets, deferred outflows, liabilities, and deferred inflows.		
		5,478,712
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 \$123,277, and excluding the special item for the transfer of Board of Health operations of \$753,998 (reported above) is reported with the governmental activities on the government-wide statement of net position.		
		379,898
Change in net position of governmental activities	\$	60,442,143

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, 2019

	<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	\$ 2,242,929	\$ 292,929
Municipal income taxes	34,972,000	34,972,000	37,592,802	2,620,802
Charges for services	8,312,737	8,312,737	8,550,771	238,034
Licenses, permits, and fees	773,600	773,600	779,220	5,620
Fines and forfeitures	345,250	345,250	277,698	(67,552)
Intergovernmental	6,978,500	6,978,500	7,085,798	107,298
Interest and investment income	420,000	420,000	867,228	447,228
Operating grants	2,065,000	2,065,000	2,107,573	42,573
Other	1,859,413	1,859,413	2,152,617	293,204
Total revenues	<u>57,676,500</u>	<u>57,676,500</u>	<u>61,656,636</u>	<u>3,980,136</u>
Expenditures:				
Current:				
General government:				
Service director support administration	564,819	557,520	416,609	140,911
Service director	66,744	69,240	66,511	2,729
Purchase administration	445,871	459,843	451,552	8,291
Annexation	13,544	13,544	6,400	7,144
Building and maintenance	1,523,075	1,572,661	1,546,460	26,201
Mayor administration	441,599	466,625	427,493	39,132
Planning	238,896	238,946	228,885	10,061
Human resources	195,243	198,407	184,429	13,978
Council	618,361	626,861	611,056	15,805
Judges	2,313,266	2,326,226	2,171,095	155,131
Clerk of Courts	1,552,221	1,611,530	1,551,712	59,818
Law department	1,690,161	1,753,654	1,634,834	118,820
Auditor's office	1,884,955	1,997,622	1,804,239	193,383
Treasurer's office	652,858	947,694	666,480	281,214
Civil service	346,207	363,076	325,296	37,780
Zoning board	8,574	8,574	8,512	62
Management information systems	1,345,480	1,354,463	1,296,807	57,656
Total general government	<u>13,901,874</u>	<u>14,566,486</u>	<u>13,398,370</u>	<u>1,168,116</u>
Security of persons and property:				
Safety director	165,344	187,633	185,496	2,137
Code enforcement	3,030,212	3,194,480	1,265,526	1,928,954
Central communication	1,862,469	1,872,472	1,731,664	140,808
Police	17,617,476	18,551,261	18,268,277	282,984
Fire	15,778,952	16,243,615	16,016,245	227,370
Traffic administration	714,175	723,058	712,187	10,871
Traffic engineer/parking meters	165,022	95,209	92,891	2,318
Total security of persons and property	<u>39,333,650</u>	<u>40,867,728</u>	<u>38,272,286</u>	<u>2,595,442</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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health:				
Administration	-	-	1,133,420	(1,133,420)
Total public health	-	-	1,133,420	(1,133,420)
Transportation:				
Engineering - daily operations	62,547	66,287	63,487	2,800
Street department	1,629,163	1,793,814	1,719,428	74,386
Total transportation	1,691,710	1,860,101	1,782,915	77,186
Community environment:				
Community development administration	1,170,178	1,315,130	985,465	329,665
Community Improvement Corporation	50,000	50,000	50,000	-
Total community environment	1,220,178	1,365,130	1,035,465	329,665
Leisure time activities:				
Civic Center administration	565,650	603,827	513,246	90,581
Total leisure time activities	565,650	603,827	513,246	90,581
Debt service:				
Principal retirement	10,700,000	11,200,000	11,200,000	-
Interest and fiscal charges	302,222	358,075	269,258	88,817
Total debt service	11,002,222	11,558,075	11,469,258	88,817
Total expenditures	67,715,284	70,821,347	67,604,960	3,216,387
Excess of expenditures over revenues	(10,038,784)	(13,144,847)	(5,948,324)	7,196,523
Other financing sources (uses):				
Issuance of notes	8,500,000	8,500,000	6,850,000	(1,650,000)
Issuance of manuscript debt	3,550,000	3,550,000	2,150,000	(1,400,000)
Transfers in	297,600	939,704	1,564,704	625,000
Transfers (out)	(1,672,600)	(2,200,843)	(2,200,843)	-
Advances in	-	-	406,012	406,012
Advances (out)	(30,000)	(3,550,000)	(3,550,000)	-
Total other financing sources (uses)	10,645,000	7,238,861	5,219,873	(2,018,988)
Net change in fund balance	606,216	(5,905,986)	(728,451)	5,177,535
Fund balance at beginning of year	8,313,727	8,313,727	8,313,727	-
Prior year encumbrances appropriated	2,071,383	2,071,383	2,071,383	-
Fund balance at end of year	<u>\$ 10,991,326</u>	<u>\$ 4,479,124</u>	<u>\$ 9,656,659</u>	<u>\$ 5,177,535</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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Operating grants	\$ 6,182,200	\$ 9,323,062	\$ 3,749,167	\$ (5,573,895)
Contributions and donations.	-	-	1,000	1,000
Other	150,948	150,948	149,654	(1,294)
Total revenues	<u>6,333,148</u>	<u>9,474,010</u>	<u>3,899,821</u>	<u>(5,574,189)</u>
Expenditures:				
Current:				
Community environment:				
Community development administration	6,915,037	8,323,759	6,204,877	2,118,882
Federal stimulus funding	44,945	44,945	-	44,945
Community development demolition	346,186	346,186	7,700	338,486
Fair housing administration.	125,175	409,767	190,700	219,067
Total expenditures	<u>7,431,343</u>	<u>9,124,657</u>	<u>6,403,277</u>	<u>2,721,380</u>
Net change in fund balance	(1,098,195)	349,353	(2,503,456)	(2,852,809)
Fund balance (deficit) at beginning of year.	(2,105,388)	(2,105,388)	(2,105,388)	-
Prior year encumbrances appropriated	2,536,001	2,536,001	2,536,001	-
Fund balance (deficit) at end of year	<u>\$ (667,582)</u>	<u>\$ 779,966</u>	<u>\$ (2,072,843)</u>	<u>\$ (2,852,809)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	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	\$ 17,954,691	\$ 16,298,924	\$ 549,162	\$ 1,731,662
Cash in segregated accounts	-	804,064	-	-
Receivables:				
Accounts	3,484,526	3,293,222	2,196,200	8,267
Due from other funds	-	-	-	-
Due from other governments	322,621	1,503,516	12,821	36,366
Due from component unit	-	-	-	-
Materials and supplies inventory	1,025,022	1,714,163	-	-
Total current assets	<u>22,786,860</u>	<u>23,613,889</u>	<u>2,758,183</u>	<u>1,776,295</u>
Non-current assets:				
Net pension asset	39,924	34,962	20,926	8,018
Capital assets:				
Land and construction in progress	8,871,312	91,742,966	149,450	-
Depreciable capital assets, net	71,072,327	36,344,280	1,740,202	653,144
Total capital assets, net	<u>79,943,639</u>	<u>128,087,246</u>	<u>1,889,652</u>	<u>653,144</u>
Total noncurrent assets	<u>79,983,563</u>	<u>128,122,208</u>	<u>1,910,578</u>	<u>661,162</u>
Total assets	<u>102,770,423</u>	<u>151,736,097</u>	<u>4,668,761</u>	<u>2,437,457</u>
Deferred outflows of resources:				
Pension	2,654,081	2,442,256	1,391,130	576,462
OPEB	332,898	361,029	174,487	94,314
Total deferred outflows of resources	<u>2,986,979</u>	<u>2,803,285</u>	<u>1,565,617</u>	<u>670,776</u>
Liabilities:				
Current liabilities:				
Accounts payable	623,286	485,657	217,725	81,489
Contracts payable	1,216,141	266,400	-	-
Retainage payable	-	805,664	-	-
Accrued wages and benefits payable	323,308	263,831	158,482	62,814
Due to other funds	11,970	4,055	3,108	920
Due to other governments	66,850	42,011	24,516	9,705
Payroll withholding payable	45,111	39,208	27,141	8,926
OWDA loans payable	1,850,922	5,587,054	-	-
OPWC loans payable	209,218	8,461	-	-
Compensated absences payable - current	-	-	-	-
Claim payable	-	-	-	-
Total current liabilities	<u>4,346,806</u>	<u>7,502,341</u>	<u>430,972</u>	<u>163,854</u>
Non-current liabilities:				
OWDA loans payable	22,206,676	66,490,571	-	-
OPWC loans payable	2,885,591	26,124	-	-
Compensated absences payable	-	-	-	-
Claims payable	-	-	-	-
Net Pension Liability	8,789,931	7,697,615	4,607,222	1,765,328
Net OPEB Liability	4,163,822	3,646,388	2,182,458	836,242
Total non-current liabilities	<u>38,046,020</u>	<u>77,860,698</u>	<u>6,789,680</u>	<u>2,601,570</u>
Total liabilities	<u>42,392,826</u>	<u>85,363,039</u>	<u>7,220,652</u>	<u>2,765,424</u>
Deferred inflows of resources:				
Pension	358,968	122,305	179,233	95,589
OPEB	164,273	9,894	75,959	47,875
Total deferred inflows of resources	<u>523,241</u>	<u>132,199</u>	<u>255,192</u>	<u>143,464</u>
Net position:				
Net investment in capital assets	51,575,091	55,707,036	1,889,652	653,144
Unrestricted (deficit)	11,266,244	13,337,108	(3,131,118)	(453,799)
Total net position (deficit)	<u>\$ 62,841,335</u>	<u>\$ 69,044,144</u>	<u>\$ (1,241,466)</u>	<u>\$ 199,345</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>
\$ 36,534,439	\$ 6,103,393
804,064	-
8,982,215	168,330
-	99,297
1,875,324	12,540
-	107,060
2,739,185	-
<u>50,935,227</u>	<u>6,490,620</u>
103,830	-
100,763,728	-
109,809,953	-
<u>210,573,681</u>	<u>-</u>
210,677,511	-
<u>261,612,738</u>	<u>6,490,620</u>
7,063,929	-
962,728	-
<u>8,026,657</u>	<u>-</u>
1,408,157	525,842
1,482,541	-
805,664	-
808,435	184,063
20,053	-
143,082	28,438
120,386	22,805
7,437,976	-
217,679	-
-	2,087,818
-	885,208
<u>12,443,973</u>	<u>3,734,174</u>
88,697,247	-
2,911,715	-
-	5,911,588
-	1,161,836
22,860,096	-
10,828,910	-
<u>125,297,968</u>	<u>7,073,424</u>
<u>137,741,941</u>	<u>10,807,598</u>
756,095	-
298,001	-
<u>1,054,096</u>	<u>-</u>
109,824,923	-
21,018,435	(4,316,978)
<u>130,843,358</u>	<u>\$ (4,316,978)</u>
(229,511)	
<u>\$ 130,613,847</u>	

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds			
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 19,626,970	\$ 17,450,831	\$ 7,399,720	\$ 2,328,174
Rental income	27,424	11,134	-	-
Other operating revenues	226,477	159,551	74,523	88,880
Total operating revenues.	19,880,871	17,621,516	7,474,243	2,417,054
Operating expenses:				
Personal services	8,817,847	8,008,796	4,771,953	1,892,791
Contract services.	2,380,989	2,326,996	2,073,578	552,854
Materials and supplies.	1,663,584	346,909	246,304	59,368
Benefit claim expenses	-	-	-	-
Insurance claims and expenses	117,384	517,970	2,291	4,639
Depreciation.	3,364,173	1,967,493	303,449	49,156
Other	34,129	-	16,847	8,917
Total operating expenses.	16,378,106	13,168,164	7,414,422	2,567,725
Operating income (loss)	3,502,765	4,453,352	59,821	(150,671)
Nonoperating revenues (expenses):				
Interest and fiscal charges	(712,174)	(2,372,507)	(1,203)	(2,270)
Gain (loss) on sale of capital assets	44,186	(4,477)	3,312	-
Operating grants	-	-	25,514	-
Total nonoperating revenues (expenses).	(667,988)	(2,376,984)	27,623	(2,270)
Income (loss) before contributions and special items	2,834,777	2,076,368	87,444	(152,941)
Special item: transfer of operations to Board of Health	-	-	-	-
Capital contributions.	1,736,988	3,250,310	-	-
Change in net position	4,571,765	5,326,678	87,444	(152,941)
Net position (deficit) at beginning of year	58,269,570	63,717,466	(1,328,910)	352,286
Net position (deficit) at end of year	\$ 62,841,335	\$ 69,044,144	\$ (1,241,466)	\$ 199,345

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>
\$ 46,805,695	\$ 16,702,254
38,558	-
549,431	1,827,789
<u>47,393,684</u>	<u>18,530,043</u>
23,491,387	340,624
7,334,417	1,260,125
2,316,165	-
-	4,156,194
642,284	12,269,585
5,684,271	-
59,893	340
<u>39,528,417</u>	<u>18,026,868</u>
<u>7,865,267</u>	<u>503,175</u>
(3,088,154)	-
43,021	-
25,514	-
<u>(3,019,619)</u>	<u>-</u>
4,845,648	503,175
-	753,998
<u>4,987,298</u>	<u>-</u>
9,832,946	1,257,173
	<u>(5,574,151)</u>
	<u>\$ (4,316,978)</u>
<u>123,277</u>	
<u>\$ 9,956,223</u>	

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	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.	\$ 19,281,461	\$ 17,306,511	\$ 6,753,489	\$ 2,328,174
Cash received from rents	27,376	10,871	-	-
Cash received from other operations.	226,492	153,307	74,811	44,247
Cash payments for personal services.	(7,354,495)	(6,480,824)	(4,040,667)	(1,486,177)
Cash payments for contractual services	(2,350,725)	(2,567,544)	(2,076,148)	(491,171)
Cash payments for materials and supplies	(1,536,559)	(845,247)	(243,233)	(50,787)
Cash payments for claims	(117,384)	(517,970)	(2,291)	(4,639)
Cash payments for insurance claims	-	-	-	-
Cash payments for benefits claims	-	-	-	-
Cash payments for other expenses	(46,603)	(177,479)	(30,480)	(8,299)
Net cash provided by operating activities	<u>8,129,563</u>	<u>6,881,625</u>	<u>435,481</u>	<u>331,348</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	-	-	30,786	-
Net cash provided by noncapital financing activities.	<u>-</u>	<u>-</u>	<u>30,786</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets.	(7,830,723)	(10,394,758)	(773,924)	(195,300)
Capital contributions	2,650,022	1,746,794	-	-
Proceeds from sale of capital assets.	44,186	10,274	3,312	-
Proceeds of loans	1,234,068	2,223,018	-	-
Proceeds of capital lease	41,705	60,283	12,257	23,127
Principal paid on capital lease.	(41,705)	(60,283)	(12,257)	(23,127)
Interest paid on capital lease	(4,093)	(5,917)	(1,203)	(2,270)
Principal paid on OPWC loans	(197,652)	(8,461)	-	-
Principal paid on OWDA loans.	(1,818,242)	(4,215,660)	-	-
Interest paid on OWDA loans	(708,081)	(2,366,590)	-	-
Net cash used in capital and related financing activities.	<u>(6,630,515)</u>	<u>(13,011,300)</u>	<u>(771,815)</u>	<u>(197,570)</u>
Net increase (decrease) in cash and cash equivalents . .	1,499,048	(6,129,675)	(305,548)	133,778
Cash and cash equivalents at beginning of year (restated)	<u>16,455,643</u>	<u>23,232,663</u>	<u>854,710</u>	<u>1,597,884</u>
Cash and cash equivalents at end of year	<u>\$ 17,954,691</u>	<u>\$ 17,102,988</u>	<u>\$ 549,162</u>	<u>\$ 1,731,662</u>

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 45,669,635	\$ 16,702,254
38,247	-
498,857	2,329,389
(19,362,163)	(217,291)
(7,485,588)	(1,253,614)
(2,675,826)	-
(642,284)	-
-	(12,390,675)
-	(3,988,791)
<u>(262,861)</u>	<u>(340)</u>
15,778,017	1,180,932
<u>30,786</u>	<u>-</u>
30,786	-
<u>30,786</u>	<u>-</u>
(19,194,705)	-
4,396,816	-
57,772	-
3,457,086	-
137,372	-
(137,372)	-
(13,483)	-
(206,113)	-
(6,033,902)	-
<u>(3,074,671)</u>	<u>-</u>
<u>(20,611,200)</u>	<u>-</u>
(4,802,397)	1,180,932
42,140,900	4,922,461
<u>\$ 37,338,503</u>	<u>\$ 6,103,393</u>

- (Continued)

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	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 by operating activities:				
Operating income (loss)	\$ 3,502,765	\$ 4,453,352	\$ 59,821	\$ (150,671)
Adjustments:				
Depreciation.	3,364,173	1,967,493	303,449	49,156
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable.	(345,542)	(143,133)	(645,943)	(8,267)
(Increase) decrease in materials and supplies inventory	43,558	(523,000)	-	-
Decrease in due from other funds	-	-	-	-
(Increase) decrease in due from other governments	-	-	-	(36,366)
Decrease in due from component units.	-	-	-	-
Increase (decrease) in accounts payable	100,574	(401,332)	(13,221)	64,718
Increase (decrease) in accrued wages and benefits	36,732	17,183	16,754	(411)
Increase (decrease) in due to other funds	(15,313)	(6,652)	(4,675)	920
Increase (decrease) in due to other governments	6,358	2,928	2,589	(64)
Increase in payroll withholding payable	45,111	39,208	27,141	8,926
Decrease in net pension asset	17,161	11,330	8,985	4,009
(Increase) in deferred outflows of resources - pension	(1,348,490)	(1,362,420)	(707,035)	(170,971)
(Increase) decrease in deferred outflows of resources - OPEB	(59,814)	(127,703)	(31,398)	15,834
(Decrease) in deferred inflows of resources - pension	(1,107,414)	(986,296)	(629,838)	(168,846)
(Decrease) in deferred inflows of resources - OPEB	(192,720)	(209,220)	(92,482)	(9,054)
Increase in net pension liability	3,545,746	3,444,895	1,859,405	660,410
Increase in net OPEB liability	536,678	704,992	281,929	72,025
(Decrease) in compensated absences payable.	-	-	-	-
(Decrease) in claims payable	-	-	-	-
Net cash provided by operating activities	<u>\$ 8,129,563</u>	<u>\$ 6,881,625</u>	<u>\$ 435,481</u>	<u>\$ 331,348</u>

Non-Cash Transactions:

As of December 31, 2019, the water operating fund and sewer operating fund had purchased \$1,216,141 and \$1,072,064, in capital assets on account, respectively.

As of December 31, 2018, the water operating fund and sewer operating fund had purchased \$1,488,092 and \$1,141,323, in capital assets on account, respectively.

During 2019, the Water fund reported a \$209,469 receivable for OPWC loan proceeds disbursed by OPWC but not received by the City by year-end.

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.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 7,865,267	\$ 503,175
5,684,271	-
(1,142,885)	681,722
(479,442)	-
-	177,959
(36,366)	54,510
-	1,875
(249,261)	(131,443)
70,258	30,073
(25,720)	-
11,811	4,647
120,386	22,805
41,485	-
(3,588,916)	-
(203,081)	-
(2,892,394)	-
(503,476)	-
9,510,456	-
1,595,624	-
-	(41,426)
-	(122,965)
<u>\$ 15,778,017</u>	<u>\$ 1,180,932</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

	Private-Purpose Trust	Custodial
Assets:		
Equity in pooled cash and cash equivalents.	\$ -	\$ 4,630,302
Cash and cash equivalents in segregated accounts	34,391	51,112
Investments in segregated accounts	122,210	-
Receivables (net of allowances for uncollectibles):		
Accounts	-	82,673
Due from other governments	-	744,617
Total assets	156,601	5,508,704
Liabilities:		
Due to primary government	-	61,960
Due to other governments	-	51,112
Payroll withholding payable	-	26,911
Total liabilities	-	139,983
Net position:		
Restricted for individuals, organizations and other governments .	156,601	5,368,721
Total net position	\$ 156,601	\$ 5,368,721

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANTON
STARK COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Private-Purpose Trust	Custodial
Additions:		
Amounts received as fiscal agent	\$ -	\$ 7,784,334
Fines and forfeitures for other governments	-	1,665,612
Property tax collection for other governments	-	567,113
Earnings on investments	2,140	-
Total additions	2,140	10,017,059
Deductions:		
Distributions as fiscal agent	-	5,868,896
Fines and forfeitures distributions to other governments	-	1,666,036
Property tax distributions to other governments	-	397,444
Total deductions	-	7,932,376
Net change in fiduciary net position	2,140	2,084,683
Net position beginning of year (restated)	154,461	3,284,038
Net position end of year	\$ 156,601	\$ 5,368,721

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, 2019

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, firefighting 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 two component units, the Canton Community Improvement Corporation (CCIC) and the Canton City Board of Health (BOH). 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 appoints all board members of the District and the District is dependent of the City for financial support. The City reports the financial status of the CCIC and District as discretely presented component units in its basic financial statements. A complete copy of the CCIC and District financial statements can be obtained by contacting the City’s Community and Economic Development Department and Health Director, respectively. See Note 17 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. See Notes 15 and 16 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, 2019

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, 2019

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 18 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 4 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, 2019

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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's only trust fund is a private-purpose trust fund established to account for monies donated to assist the poor of the City. The custodial funds account for the Board of Health, building permit fees collected on behalf of the State, municipal court collections that are distributed to various local governments, collection of property taxes to be distributed to the Special Improvement District Board, and the collection and disbursement of JEDD income taxes.

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 and fiduciary 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. For proprietary funds, the statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

In fiduciary funds, a liability to the beneficiaries of the fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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, 2019

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, 2019, but which were levied to finance 2020 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, 2019

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 custodial 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 2019, 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, Negotiable certificates of deposit (Negotiable CDs), Commercial Paper, U.S. Treasury Notes, STAR Ohio, and U.S. Government Money Market Mutual Funds. Except for STAR Ohio and 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.

During 2019, the City invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2019 amounted to \$1,230,419, which includes \$1,029,458, 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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, 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.

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:

Description	Governmental Activities Estimated Lives	Business-Type Activities 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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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.

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).

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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.

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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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 2019, the City recognized capital contributions of \$1,736,988 in the water operating fund related to capital grants funding and \$3,250,310 in the sewer operating fund related to capital grants funding.

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. During 2019, the City has reported a special item for the transfer of the Board of Health's operations from a department of the City to a new and legally separate organization. As a result of the transfer of operations, the City has reported (1) a loss of \$3,186,134 on the governmental funds statement of revenues, expenditures, and changes in fund balances, (2) a gain of \$753,998 on the internal service funds statement of revenues, expenses, and changes in net position, and (3) a gain of \$2,292,578 on the governmental activities statement of activities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

T. Estimates

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

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

For 2019, the City has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the City.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental or proprietary funds. These fund reclassifications resulted in the restatement of the City's financial statements.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the City, however, certain disclosures related to the City's debt have been added.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the City.

B. Restatement of Net Position and Fund Balances

The implementation of GASB Statement No. 84 had the following effect on fund balance as previously reported at December 31, 2018:

	Other Governmental Funds	Total Governmental Funds
Fund balance as previously reported	\$ 15,858,643	\$ 30,297,358
Implementation of GASB Statement No. 84	2,102,399	2,102,399
Restated fund balance at December 31, 2018	\$ 17,961,042	\$ 32,399,757

The implementation of the GASB Statement No. 84 had the following effect on the net position as previously reported at December 31, 2018:

	Governmental Activities
Net position as previously reported	\$ 35,255,489
Implementation of GASB Statement No. 84	2,102,399
Restated net position at December 31, 2018	\$ 37,357,888

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$3,284,038. Also, related to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, agency funds reported assets and liabilities of \$3,010,639.

The beginning cash for the sewer operating fund on the statement of cash flows has been restated from \$22,415,275 to \$23,232,663 to include amounts classified as cash in segregated accounts.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balances

Fund balances at December 31, 2019 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Jobs Ohio	\$ 5,735
Mahoning Road Corridor Project	285,239
11th Street Improvement Project	106,448
3rd Street SE Bridge Project	37,349
Tuscarawas Street West Corridor Safety Project	554

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

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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase 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; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in 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
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

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."

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 \$804,064 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 \$51,112 deposited with a financial institution for monies related to the municipal court custodial 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 \$122,210 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, 2019, the carrying amount of all City deposits was \$44,262,782 and the bank balance of all City deposits was \$44,656,964. Of the bank balance, \$1,139,131 was covered by the Federal Deposit Insurance Corporation, \$22,201,740 was covered by the Ohio Pooled Collateral System and \$21,316,093 was exposed to custodial risk as discussed below because those deposits were uninsured and uncollateralized.

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 2019, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2019, 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	\$ 9,305,794	\$ 549,513	\$ 3,261,255	\$ 500,001	\$ 4,995,025
FHLB	3,008,001	1,375,173	749,623	-	883,205
FHLMC	8,193,121	2,453,970	1,995,341	-	3,743,810
FNMA	4,036,946	2,022,518	1,511,206	503,222	-
Commercial paper	346,605	346,605	-	-	-
U.S. Treasury Notes	3,023,376	2,524,900	498,476	-	-
Negotiable CDs	4,506,817	-	-	1,241,944	3,264,873
U.S. Government Money Market Mutual Funds	171,004	171,004	-	-	-
<i>Amortized Cost:</i>					
STAR Ohio	15,056,225	15,056,225	-	-	-
Total	\$ 47,647,889	\$ 24,499,908	\$ 8,015,901	\$ 2,245,167	\$ 12,886,913

The weighted average of maturity of investments is 1.61 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, negotiable CDs, 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).

Credit Risk: The City's investments in 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 negotiable CD's were fully covered by the FDIC. The U.S. Government Money Market Mutual Funds were rated AAAM by Standard & Poor's. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The City has no policy further restricting credit risk beyond the statutory guidelines, which limit investment choices.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2019:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value</i>		
FFCB	\$ 9,305,794	19.53
FHLB	3,008,001	6.31
FHLMC	8,193,121	17.20
FNMA	4,036,946	8.47
Commercial paper	346,605	0.73
U.S. Treasury Notes	3,023,376	6.35
Negotiable CDs	4,506,817	9.46
U.S. Government Money		
Market Mutual Fund	171,004	0.35
<i>Amortized Costs</i>		
STAR Ohio	<u>15,056,225</u>	<u>31.60</u>
Total	<u>\$ 47,647,889</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, 2019:

Cash and investments per note:

Carrying amount of deposits	\$ 44,262,782
Investments	47,647,889
Cash on hand	<u>1,000</u>
Total	<u>\$ 91,911,671</u>

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

Governmental activities	\$ 49,735,153
Business-type activities	37,338,503
Fiduciary funds	<u>4,838,015</u>
Total	<u>\$ 91,911,671</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - RECEIVABLES

Receivables at December 31, 2019, 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 \$2,019,082 in the general fund, \$249,205 in the community and economic development fund, and \$6,620 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. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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, 2019 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 2019 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, 2019, 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, \$2.0 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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - RECEIVABLES - (Continued)

The assessed values of real and public utility property upon which 2019 property tax receipts were based are as follows:

Real property	\$ 775,230,340
Real and personal public utility	<u>81,964,780</u>
Total assessed value	<u><u>\$ 857,195,120</u></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 126.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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	\$ 1,491,751
Hotel tax	26,230
Charges for services	408,550
Fines and forfeitures	75,556
Casino revenue	1,093,480
Gasoline and excise tax	732,263
\$5 license plate tax	217,349
Motor vehicle tax	254,016
Loan proceeds	101,739
Grants	7,933,061
Total governmental activities	12,333,995
Business-type activities	
Reimbursement	36,366
Loan proceeds	209,469
Grants	1,629,489
Total business-type activities	1,875,324
Grand total	\$ 14,209,319

D. Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$549,824. 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 \$1,553,121. 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, 2019

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 2019 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 2019, 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, 2019, 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
2019	\$ 1,669,140	\$ 1,319,006	\$ 1,319,006	\$ 1,669,140
2018	1,669,140	1,394,270	1,394,270	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 \$500,000,000 limit and a \$100,000 deductible. The City also contracts with Cincinnati Insurance Company through Assured Partners of Ohio LLC 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, 2019

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 \$200,000 specific per family. The third-party administrators, Aultcare and UMR, review all claims, which are then paid by the City.

The claims liability of \$377,904 reported in the Health Insurance Internal Service Fund at December 31, 2019, 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
2019	\$ 500,869	\$ 10,948,704	\$ 11,071,669	\$ 377,904
2018	270,148	12,945,011	12,714,290	500,869

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows.

	Balance 12/31/18	Additions	Deductions	Balance 12/31/19
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 8,932,255	\$ 306,379	\$ -	\$ 9,238,634
Construction in progress	30,468,244	20,498,250	(6,585,247)	44,381,247
Total capital assets, not being depreciated	39,400,499	20,804,629	(6,585,247)	53,619,881
Capital assets, being depreciated:				
Buildings and structures	55,710,708	1,548,240	(238,444)	57,020,504
Vehicles and equipment	35,215,961	4,284,973	(1,986,722)	37,514,212
Infrastructure	410,173,303	5,037,605	(169,875)	415,041,033
Total capital assets, being depreciated	501,099,972	10,870,818	(2,395,041)	509,575,749
Less accumulated depreciation:				
Buildings and structures	(28,998,454)	(1,438,639)	134,766	(30,302,327)
Vehicles and equipment	(27,811,017)	(1,449,808)	1,934,564	(27,326,261)
Infrastructure	(339,315,695)	(6,040,735)	166,885	(345,189,545)
Total accumulated depreciation	(396,125,166)	(8,929,182)	2,236,215	(402,818,133)
Total capital assets, being depreciated, net	104,974,806	1,941,636	(158,826)	106,757,616
Governmental activities capital assets, net	<u>\$ 144,375,305</u>	<u>\$ 22,746,265</u>	<u>\$ (6,744,073)</u>	<u>\$ 160,377,497</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

General government	\$	553,510
Security of persons and property		985,593
Public health		98,978
Transportation		6,470,198
Community environment		24,322
Leisure time activities		<u>796,581</u>
Total depreciation expense	\$	<u><u>8,929,182</u></u>

	Balance 12/31/18	Additions	Deductions	Balance 12/31/19
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 3,371,564	\$ -	\$ -	\$ 3,371,564
Construction in progress	<u>87,234,480</u>	<u>14,940,879</u>	<u>(4,783,195)</u>	<u>97,392,164</u>
Total capital assets, not being depreciated	<u>90,606,044</u>	<u>14,940,879</u>	<u>(4,783,195)</u>	<u>100,763,728</u>
Capital assets, being depreciated:				
Buildings and structures	119,538,711	615,542	-	120,154,253
Vehicles and equipment	23,184,850	3,410,028	(742,741)	25,852,137
Infrastructure	<u>177,322,318</u>	<u>4,670,241</u>	<u>(139,782)</u>	<u>181,852,777</u>
Total capital assets, being depreciated	<u>320,045,879</u>	<u>8,695,811</u>	<u>(882,523)</u>	<u>327,859,167</u>
Less accumulated depreciation:				
Buildings and structures	(69,888,041)	(1,802,161)	-	(71,690,202)
Vehicles and equipment	(11,568,880)	(1,973,319)	727,990	(12,814,209)
Infrastructure	<u>(131,775,794)</u>	<u>(1,908,791)</u>	<u>139,782</u>	<u>(133,544,803)</u>
Total accumulated depreciation	<u>(213,232,715)</u>	<u>(5,684,271)</u>	<u>867,772</u>	<u>(218,049,214)</u>
Total capital assets, being depreciated, net	<u>106,813,164</u>	<u>3,011,540</u>	<u>(14,751)</u>	<u>109,809,953</u>
Business-type activities capital assets, net	<u>\$ 197,419,208</u>	<u>\$ 17,952,419</u>	<u>\$ (4,797,946)</u>	<u>\$ 210,573,681</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Water operating	\$ 3,364,173
Sewer operating	1,967,493
Refuse operating	303,449
Building operating	49,156
Total depreciation expense	<u>\$ 5,684,271</u>

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 3449/2937 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 2019.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 – LONG-TERM OBLIGATIONS

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 and matured in 2019.

An additional SIB loan was entered into in 2014 for the 12th Street North Corridor Safety project. The interest rate for this loan is 3%. The original issue amount of the SIB loan was \$227,046 with a scheduled maturity in 2024.

The SIB loans were a direct placement with terms negotiated directly with the investor and were not offered for public sale.

The annual debt service requirements to maturity for the 2014 SIB loan is as follows:

2014 State Infrastructure Bank Loan		
Year Ending December 31	Governmental Activities	
	Principal	Interest
2020	\$ 359,819	\$ 48,532
2021	370,695	37,656
2022	381,899	26,452
2023	393,442	14,909
2024	201,159	3,017
Total	<u>\$ 1,707,014</u>	<u>\$ 130,566</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 2.88 percent of net revenues for water and 0.013 percent of net revenues for sewer. The total principal remaining to be paid on the debt is \$3,094,809 for water and \$34,585 for sewer. Principal paid for the current year and total net revenues were \$197,652 and \$6,866,938, respectively, for water and \$8,461 and \$6,420,845, respectively, for sewer.

During 2019, the City received OPWC loans proceeds for the following projects: Ridgewood Phase 1 Part 1, the Avondale Phase 2 Water Main Replacement, 38th Street Waterline & Roadway Replacement, Mahoning Road Improvement Phase 2, 47th Street Northwest Storm sewer repair, Citywide Traffic Signal Upgrade, 47th Street/Packard Ave Northwest Storm Sewer and the Ridgewood Phase 1 Part 2 projects.

The Mahoning Road Corridor loan, 30th Street Resurfacing loan, Ridgewood Phase 1 Part 1 loan, Mahoning Road Phase 2 loan, the Citywide Traffic Signal Upgrade loan, the 47th St/Packard Ave Northwest Storm Sewer 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, 2019 and a final amortization schedule is not available.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
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%	542,104
Governmental activities, Mahoning Road corridor	0.00%	900,000 *
Governmental activities, 30th Street Resurfacing	0.00%	765,000 *
Governmental activities, Mahoning Road Improvement Phase 2	0.00%	900,000 *
Governmental activities, 47th Street Northwest Storm Sewer Repair	0.00%	99,383
Governmental activities, Citywide Traffic Signal Upgrade	0.00%	263,628 *
Governmental activities, 47th Street/Packard Ave Northwest Storm Sewer	0.00%	358,708 *
Governmental activities, Ridgewood Pase 1 Part 2	0.00%	482,625
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%	136,567
Business-type activities, Avondale water main replacement Phase 2	0.00%	94,734
Business-type activities, Ridgewood Phase 1 Part 1	0.00%	549,876 *
Business-type activities, Sugar Creek Water Treatment Plant	0.00%	750,000 *
Business-type activities, Westmoreland water main	0.00%	600,000
Business-type activities, 53rd Street water storage reservoir repair	0.00%	182,739
Business-type activities, Faircrest Street waterline extension	0.00%	1,017,576
		\$ 9,457,164

* 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, 2019

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
2020	\$ 158,912	\$ -	\$ 217,679	\$ -
2021	158,912	-	217,678	-
2022	158,912	-	214,523	-
2023	158,912	-	205,973	-
2024	158,912	-	205,973	-
2025 - 2029	655,771	-	633,606	-
2030 - 2034	269,778	-	299,288	-
2035 - 2039	98,806	-	59,857	-
2040 - 2044	61,949	-	-	-
Total	<u>\$ 1,880,864</u>	<u>\$ -</u>	<u>\$ 2,054,577</u>	<u>\$ -</u>

As stated above, for the business-type activities, the schedule above does not include the Ridgewood Phase 1 Part 1 loan and the Sugar Creek Water Treatment Plant as these loans are not closed as of December 31, 2019 and a final amortization schedule is not available. For the governmental activities, the schedule above does not include the Mahoning Road Corridor loan, the Mahoning Road Improvement Phase 2 loan, Citywide Traffic Signal Upgrade loan, 47th Street/Packard Ave Northwest Storm Sewer loan, and 30th Street resurfacing loans as these loans are not closed as of December 31, 2019 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 36.79 percent of net revenues for water and 102.51 percent of net revenues for sewer. The total principal and interest remaining to be paid on the debt is \$28,124,127 for water and \$0 for sewer not including open loans. Principal and interest paid for the current year and total net revenues were \$2,526,323 and \$6,866,938, respectively, for water and \$6,582,250 and \$6,420,845, 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, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

The City has both closed and open OWDA loans at December 31, 2019. 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, South Cleveland Avenue Waterline Ext.	3.25%	37,677
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>\$ 54,976,905</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

During 2019, the phosphorus/nitrogen removal project (sewer fund), the WRF phosphorus - MBR equipment project (sewer fund), the Canton South waterline construction project (water fund), South Cleveland Avenue waterline construction (water fund), and the South Waterline Extension Phase 1 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 12/31/19</u>	<u>Total Permissible Borrowings</u>
Business-type activities, WRF phosphorus/nitrogen removal project	3.38%	\$ 54,125,729	\$ 54,383,258
Business-type activities, WRF phosphorus project - MBR equipment	3.39%	27,389,888	30,234,835
Business-type activities, South Waterline extension project	0.00%	20,450	1,535,245
Business-type activities, Canton South Waterline construction project	0.00%	<u>523,905</u>	<u>523,905</u>
		<u>\$ 82,059,972</u>	<u>\$ 86,677,243</u>

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

Ohio Water Development Authority Loans

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,685	\$ 971	\$ 1,850,922	\$ 657,040
2021	2,773	889	1,910,517	602,317
2022	2,864	805	1,907,754	545,706
2023	2,958	719	1,732,132	492,566
2024	3,055	629	1,768,983	443,640
2025 - 2029	16,844	1,699	9,113,395	1,442,228
2030 - 2034	1,838	28	4,616,479	393,533
2035 - 2037	-	-	632,641	14,274
Total	<u>\$ 33,017</u>	<u>\$ 5,740</u>	<u>\$ 23,532,823</u>	<u>\$ 4,591,304</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2019 were as follows. The long-term obligations in the governmental activities at December 31, 2018 have been restated as described in Note 3.B.

	Outstanding 12/31/18	Additions	Reductions	Outstanding 12/31/19	Due Within One Year
<i>Business-type activities</i>					
OPWC loans (direct borrowing):					
Water operations:					
2012 Harrisburg waterline 0%	\$ 22,086	\$ -	\$ (6,310)	\$ 15,776	\$ 6,310
2014 37th Street waterline project 0%	163,942	-	(23,420)	140,522	23,420
2016 Westmoreland Water Main	600,000	-	(75,000)	525,000	75,000
2016 53rd St Water Storage Reservoir Repair	182,739	-	(21,499)	161,240	21,499
2017 Avondale Water Main Replacement	136,567	-	(6,828)	129,739	13,657
2015 Faircrest Street waterline extension 0%	1,017,576	-	(59,858)	957,718	59,858
2018 Sugar Creek Water treatment plant 0%	616,332	-	-	616,332	-
2019 Ridgewood Phase 1 Part 1 0%	-	458,485	-	458,485	-
2019 Avondale Water Main Replacement 2 0%	-	94,734	(4,737)	89,997	9,474
Sewer operations:					
2014 37th Street sewerline project 0%	21,466	-	(3,066)	18,400	3,066
2003 Harmont pump station 0%	21,580	-	(5,395)	16,185	5,395
Total OPWC loans	2,782,288	553,219	(206,113)	3,129,394	217,679
OWDA loans (direct borrowing):					
Water operations:					
2001 Plain Township waterline extension (55th St) 4.74%	411,145	-	(110,675)	300,470	115,983
2002 Lake School waterline 4.64%	553,046	-	(128,899)	424,147	134,949
2007 Osnaburg water main extension 3.62%	722,003	-	(73,966)	648,037	76,668
2007 SC water plant improvements 3.25%	1,703,132	-	(155,719)	1,547,413	160,821
2008 NW water plant improvements 3.52%	3,492,011	-	(265,015)	3,226,996	274,426
2009 NE water plant improvements 5.39%	9,938,700	-	(655,018)	9,283,682	671,510
2013 water meter planning and design 3.33%	8,366,286	-	(372,968)	7,993,318	385,491
2017 South Cleveland Avenue Waterline Ext	43,615	-	(5,938)	37,677	10,765
2018 S Cleveland Ave Waterline Construction	11,243	512,662	(19,580)	504,325	-
2019 South Waterline Ext 0.00%	-	101,547	(30,464)	71,083	20,309
2019 South Waterline Ext Phase 1 0.00%	-	20,450	-	20,450	-
Sewer operations:					
1997 water pollution system 2.64%	905,130	-	(905,130)	-	-
1999 discharge line (J.L.) 3.81%	58,404	-	(58,404)	-	-
2010 WRF phosphorus/nitrogen removal project 3.38%	49,936,767	240,421	(2,075,776)	48,101,412	3,565,687
2014 WRF phosphorus - MBR equipment 3.39%	23,280,883	1,871,680	(1,176,350)	23,976,213	2,021,367
Total OWDA loans	99,422,365	2,746,760	(6,033,902)	96,135,223	7,437,976
Net pension liability	13,349,640	9,510,456	-	22,860,096	-
Net OPEB liability	9,233,286	1,595,624	-	10,828,910	-
Compensated absences	1,665,381	-	(225,826)	1,439,555	197,775
Capital Lease	-	137,372	(137,372)	-	-
Total business-type activities	\$ 126,452,960	\$ 14,543,431	\$ (6,603,213)	\$ 134,393,178	\$ 7,853,430

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

	Restated Outstanding 12/31/18	Additions	Reductions	Outstanding 12/31/19	Due Within One Year
<i>Governmental activities</i>					
1998 SIB loan 3.0% (direct borrowing)	46,937	-	(46,937)	-	-
2014 SIB loan 3.0% (direct borrowing)	2,056,277	-	(349,263)	1,707,014	359,819
OWDA loan (direct borrowing):					
2010 Harmont Avenue sewer extension 3.25%	35,617	-	(2,600)	33,017	2,685
OPWC loans (direct borrowing):					
2014 55th Street NE storm sewer 0%	351,049	-	(13,767)	337,282	13,767
2015 Mahoning Road Corridor	437,316	-	-	437,316	-
2016 30th Street Resurfacing 0%	383,522	-	-	383,522	-
2004 Market Avenue sewer 0%	97,500	-	(15,000)	82,500	15,000
2014 37th Street road project	77,319	-	(11,046)	66,273	11,046
2017 Overbrook NW Storm Sewer	56,332	-	(3,045)	53,287	3,045
2017 38th Street Waterline roadway replacement project	490,283	51,821	(27,105)	514,999	54,210
2019 Mahoning Road Improvement Ph 2	-	521,001	-	521,001	-
2019 47th St NW Storm Sewer	-	99,383	(2,485)	96,898	4,969
2019 Citywide Traffic Signal Upgrades	-	138,367	-	138,367	-
2019 47th St/Packard Ave Storm Sewer	-	236,500	-	236,500	-
2019 Ridgewood Phase 1 Part 2	-	482,625	-	482,625	32,175
2009 30th Street NE storm sewer 0%	271,700	-	(24,700)	247,000	24,700
Total OPWC loans	<u>2,165,021</u>	<u>1,529,697</u>	<u>(97,148)</u>	<u>3,597,570</u>	<u>158,912</u>
Compensated absences	7,020,514	-	(460,663)	6,559,851	1,890,043
Note payable (direct borrowing)	5,200,000	5,025,000	(5,200,000)	5,025,000	5,025,000
Net pension liability	74,601,523	30,906,904	-	105,508,427	-
Net OPEB liability	64,535,347	2,617,421	(43,482,479)	23,670,289	-
Capital leases	483,991	1,299,303	(380,374)	1,402,920	517,220
<i>Total governmental activities</i>	<u>156,145,227</u>	<u>41,378,325</u>	<u>(50,019,464)</u>	<u>147,504,088</u>	<u>7,953,679</u>
Totals	<u>\$ 282,598,187</u>	<u>\$ 55,921,756</u>	<u>\$ (56,622,677)</u>	<u>\$ 281,897,266</u>	<u>\$ 15,807,109</u>

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, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

A reconciliation of the schedule of long-term obligations to the statement of net position at December 31, 2019 were as follows:

	Governmental Activities	Business-Type Activities	Total
Long-term obligations per schedule above	\$ 147,504,088	\$ 134,393,178	\$ 281,897,266
Consolidation of compensated absences claim internal service fund into governmental activities	<u>1,439,555</u>	<u>(1,439,555)</u>	<u>-</u>
Long-term liabilities on government-wide statement of net position	<u>\$ 148,943,643</u>	<u>\$ 132,953,623</u>	<u>\$ 281,897,266</u>

Of the \$1,439,555 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), \$197,775 is due within one year.

Notes Payable

On April 21, 2019, 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, 2020 and now have a stated maturity of April 21, 2021.

On April 1, 2019, the City issued a \$1,700,000 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, 2020. Of this total, \$175,000 is considered a short-term note payable (see Note 11) and \$1,525,000 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, 2021. The long-term notes are backed by the full faith and credit of the City.

The notes were a direct placement with terms negotiated directly with the investor and were not offered for public sale.

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 \$90,084,981 and an unvoted debt margin of \$47,225,225 at December 31, 2019.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019, the City entered into capital lease agreements for the acquisition of police sedans, a street sweeper, an ambulance, and a phone system. 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 \$2,464,418 in the governmental activities and \$137,372 in the business-type activities, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2019 was \$479,465 and \$13,737, leaving a current book value of \$1,984,953 and \$123,635 in the governmental activities and business-type activities, respectively.

A corresponding liability was recorded on the statement of net position. In 2019, principal payments of \$517,746 are reflected as debt service principal retirement in the general fund, motor vehicle purchase fund, water fund, sewer, fund, refuse fund, and building fund (a nonmajor enterprise 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, 2019.

<u>Year Ending</u>	<u>Governmental Activities</u>
2020	\$ 571,385
2021	319,949
2022	319,949
2023	319,949
Total minimum lease payments	1,531,232
Less: amount representing interest	(128,312)
Present value of minimum lease payments	<u>\$ 1,402,920</u>

NOTE 11 - NOTES PAYABLE

The following is a summary of short-term note transactions for the year ended December 31, 2019 reflected in the general fund on the fund financial statements and in the governmental activities on the government-wide financial statements:

	<u>Balance 12/31/2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2019</u>
Notes Payable:				
Civil Suit Settlement	\$ 1,000,000	\$ 900,000	\$ (1,000,000)	\$ 900,000
Historic Hercules Project	200,000	175,000	(200,000)	175,000
Hall of Fame Village Project	4,750,000	4,250,000	(4,750,000)	4,250,000
	<u>\$ 5,950,000</u>	<u>\$ 5,325,000</u>	<u>\$ (5,950,000)</u>	<u>\$ 5,325,000</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 11 - NOTES PAYABLE - (Continued)

The civil suit settlement note was issued on June 24, 2019 and had an outstanding balance of \$900,000 at December 31, 2019. This note was issued to refinance notes previously issued on June 24, 2018 which matured June 24, 2019. The note was issued at an interest rate of 6% and matures on June 24, 2020. 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.

The Hall of Fame Village project note was issued on December 1, 2019 and had an outstanding balance of \$4,250,000 at December 31, 2019. This note was issued to refinance notes previously issued on December 1, 2018 which matured December 1, 2019. The note was issued at an interest rate of 6% and matures on December 1, 2020. 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, 2019, the City issued a \$1,700,000 Historic Hercules note payable to refinance notes previously issued on April 1, 2018 which matured April 1, 2019. 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, \$175,000 is considered a short-term note payable and \$1,525,000 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, 2020 (see Note 25 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).

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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.

Net Change in Fund Balance

	General Fund	Community and Economic Development Fund
	Fund	Development Fund
Budget basis	\$ (728,451)	\$ (2,503,456)
Net adjustment for revenue accruals	1,088,006	117,641
Net adjustment for expenditure accruals	9,151,084	(6,180)
Net adjustment for other financing sources (uses) accruals	(3,696,918)	-
Funds budgeted elsewhere	(569,613)	-
Encumbrances	2,006,682	2,278,799
GAAP basis	\$ 7,250,790	\$ (113,196)

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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

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 3.00%.

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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 1.00% 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 3.00% 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
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

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

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$4,281,149 for 2019. Of this amount, \$316,320 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, 2019

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 OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% 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 OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit 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 3.00% 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 3.00% 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, 2019

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>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 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 \$4,450,931 for 2019. Of this amount, \$294,554 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, 2018, 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, 2018 and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.20442200%	0.25229400%	0.16145400%	0.91049900%	
Proportion of the net pension liability/asset current measurement date	<u>0.20344200%</u>	<u>0.18994400%</u>	<u>0.15296900%</u>	<u>0.89002900%</u>	
Change in proportionate share	<u>-0.00098000%</u>	<u>-0.06235000%</u>	<u>-0.00848500%</u>	<u>-0.02047000%</u>	
Proportionate share of the net pension liability	\$ 55,718,639	\$ -	\$ -	\$ 72,649,884	\$ 128,368,523
Proportionate share of the net pension asset	-	(249,671)	(3,402)	-	(253,073)
Pension expense	11,799,370	69,196	(963)	8,777,603	20,645,206

Of the \$20,645,206 reported as pension expense, \$15,818,119 relates to governmental activities and \$4,827,087 relates to business-type activities.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 2,572	\$ -	\$ 15,466	\$ 2,984,895	\$ 3,002,933
Net difference between projected and actual earnings on pension plan investments	7,562,575	53,717	1,232	8,950,408	16,567,932
Changes of assumptions	4,850,444	55,693	1,150	1,926,048	6,833,335
Changes in employer's proportionate percentage/ difference between employer contributions	210,728	-	-	484,315	695,043
Contributions subsequent to the measurement date	4,044,323	136,138	100,688	4,450,931	8,732,080
Total deferred outflows of resources	<u>\$ 16,670,642</u>	<u>\$ 245,548</u>	<u>\$ 118,536</u>	<u>\$ 18,796,597</u>	<u>\$ 35,831,323</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 731,618	\$ 101,845	\$ -	\$ 67,842	\$ 901,305
Changes in employer's proportionate percentage/ difference between employer contributions	447,710	-	-	3,519,407	3,967,117
Total deferred inflows of resources	<u>\$ 1,179,328</u>	<u>\$ 101,845</u>	<u>\$ -</u>	<u>\$ 3,587,249</u>	<u>\$ 4,868,422</u>

\$8,732,080 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, 2020. Of the amount reported as contributions subsequent to the measurement date, \$6,975,621 relates to governmental activities and \$1,756,459 relates to business-type activities.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:					
2020	\$ 4,860,850	\$ 8,422	\$ 2,571	\$ 3,410,753	\$ 8,282,596
2021	2,367,405	(2,305)	2,352	1,457,371	3,824,823
2022	701,582	(1,175)	2,390	1,809,947	2,512,744
2023	3,517,154	15,639	2,881	3,858,357	7,394,031
2024	-	(6,442)	2,133	221,989	217,680
Thereafter	-	(6,574)	5,521	-	(1,053)
Total	<u>\$ 11,446,991</u>	<u>\$ 7,565</u>	<u>\$ 17,848</u>	<u>\$ 10,758,417</u>	<u>\$ 22,230,821</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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2018, 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	
Current measurement date	7.20%
Prior measurement date	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.

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

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

During 2018, 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 a loss of 2.94% for 2018.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 2018 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 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 82,312,633	\$ 55,718,639	\$ 33,618,790
Combined Plan	(82,508)	(249,671)	(370,171)
Member-Directed Plan	(1,630)	(3,402)	(6,522)

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, 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, 2018, are presented below.

Valuation date	1/1/18 with actuarial liabilities rolled forward to 12/31/18
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%, plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

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

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

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

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

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OP&F’s Board and were effective beginning with the January 1, 2018 actuarial valuation.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 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	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
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.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 95,493,266	\$ 72,649,884	\$ 53,560,940

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.

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 due to other governments on both the accrual and modified accrual basis of accounting.

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STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$40,275 for 2019. Of this amount, \$2,976 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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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 2019, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 changed 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 City's contractually required contribution to OP&F was \$105,398 for 2019. Of this amount, \$6,975 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, 2017, rolled forward to the measurement date of December 31, 2018, 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, 2018 and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. 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	0.20425900%	0.91049900%	
Proportion of the net OPEB liability current measurement date	<u>0.20244600%</u>	<u>0.89002900%</u>	
Change in proportionate share	<u>-0.00181300%</u>	<u>-0.02047000%</u>	
Proportionate share of the net OPEB liability	\$ 26,394,120	\$ 8,105,079	\$ 34,499,199
OPEB expense	\$ 2,342,772	\$ (39,995,765)	\$ (37,652,993)

Of the (\$37,652,993) reported as OPEB expense, (\$38,558,584) relates to governmental activities and \$905,591 relates to business-type activities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 8,938	\$ -	\$ 8,938
Net difference between projected and actual earnings on OPEB plan investments	1,210,015	274,366	1,484,381
Changes of assumptions	850,978	4,201,282	5,052,260
Changes in employer's proportionate percentage/difference between employer contributions	104,330	329,551	433,881
Contributions subsequent to the measurement date	40,275	105,398	145,673
Total deferred outflows of resources	<u>\$ 2,214,536</u>	<u>\$ 4,910,597</u>	<u>\$ 7,125,133</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 71,616	\$ 217,152	\$ 288,768
Changes of assumptions	-	2,243,870	2,243,870
Changes in employer's proportionate percentage/difference between employer contributions	273,776	910,012	1,183,788
Total deferred inflows of resources	<u>\$ 345,392</u>	<u>\$ 3,371,034</u>	<u>\$ 3,716,426</u>

\$145,673 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, 2020. Of the amount reported as contributions subsequent to the measurement date \$129,149 relates to governmental activities and \$16,524 relates to business-type activities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Year Ending December 31:	OPERS	OP&F	Total
2020	\$ 849,525	\$ 266,046	\$ 1,115,571
2021	172,552	266,046	438,598
2022	197,227	266,048	463,275
2023	609,565	349,031	958,596
2024	-	218,204	218,204
Thereafter	-	68,790	68,790
Total	\$ 1,828,869	\$ 1,434,165	\$ 3,263,034

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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of health care costs 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, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
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 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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

During 2018, 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 a loss of 5.60% for 2018.

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 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	<u>100.00 %</u>	<u>5.16 %</u>

Discount Rate - A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

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STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 3.96%, 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 (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 33,767,918	\$ 26,394,120	\$ 20,530,004

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost

Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. 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% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 25,370,477	\$ 26,394,120	\$ 27,573,084

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, 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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

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

<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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2018, 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	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	120.00 %		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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

Discount Rate - The total OPEB liability was calculated using the discount rate of 4.66%. A discount rate of 3.24% was used to measure the total OPEB liability at December 31, 2017. 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 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 9,874,199	\$ 8,105,079	\$ 6,620,056

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Due to the change from a self-funded plan to the stipend plan, disclosure of the healthcare cost trend rate for OP&F is no longer available.

Changes Between Measurement Date and Report Date - 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 will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). 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. As a result of changing from the current healthcare model to the stipend-based healthcare model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Although the exact amount of these changes is not known, the overall decrease to the City's net OPEB liability is expected to be significant.

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 2019, the grant was for \$163,887. 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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - JOINT VENTURES – (Continued)

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 2019, the City contributed \$185,172 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 - 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 2019. 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 \$423,675 from the general fund for 2019 for the operation of SCOG. Complete financial statements may be obtained from the Stark Council of Governments.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS – (Continued)

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 2019, the City contributed \$14,864 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS

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

A. 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.

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.

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.

Real Estate Held for Development - Real Estate Held for Development represents property donated or transferred to CCIC by the City to be used in future economic development projects as well as land currently being utilized for an economic development project. The property held for development is reported at cost and depreciation is not recognized. The balance is reported as a non-current asset, as the CIC does not intend to distribute the property in the subsequent year.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

Contributions - During 2019, the CCIC received \$125,000 from the City. The funds received provide economic development loans and facade improvement grants, as well as administrative expenses of CCIC.

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 and liabilities on the statement of net position. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to build or acquire the capital assets. Net position is reported as restricted in the combined financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations. There was no restricted balance for economic development as of December 31, 2019.

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.

Cash and Investments

At December 31, 2019, the carrying amount of the CCIC’s deposits was \$49,432. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2019, the entire bank balance of \$69,932 was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

At December 31, 2019, CCIC had no investments.

Real Estate Held for Development

Real Estate Held for Development activity year ended December 31, 2019 was as follows:

	*Reclassified			Balance
	Balance			Balance
	<u>12/31/18</u>	<u>Addition</u>	<u>Deletion</u>	<u>12/31/19</u>
Real Estate Held for Development	\$ 136,000	\$ -	\$ -	\$ 136,000
Total Cost	<u>\$ 136,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,000</u>

* Amounts were reclassified from capital assets (land, land improvements, and buildings).

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

Community Development Loans

CCIC awards loans through the Community Development Block Grant program provided by the City. If the business has been awarded a Performance Loan (Deferred 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 retains the loans and is responsible for the collection of these loans and are therefore not recorded in the financial statements of CCIC.

Commitments

In 2019, there were no loans or grants committed to or approved by the Board of Directors

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 2019.

Restatement of Net Position

Adjustments made for prior capital asset acquisition, deletions or transfers and the associated accumulated depreciation resulted in the following changes to the beginning balances of the Net Position at December 31, 2018.

Net Position at December 31, 2018	\$ 932,732
Capital Assets, Net	<u>(726,587)</u>
Restated Net Position at December 31, 2018	<u>\$ 206,145</u>

Risk Management

For 2019, the CCIC's properties were covered under the City's property insurance policy, except for Lehman HS which has its own \$1,000,000 liability insurance policy.

Leases

During 2019, the CCIC continued its monthly lease with D&J Promotions, Inc. (Jeffco Metals Division) for the Scales property at 11th Street SE, Canton, Ohio. The CCIC received \$4,198 in rental income for 2019.

During 2019, the CCIC subleased to Strat2G Acquisitions, Inc. to provide commercial office space at 309 Court Avenue NW, Canton, Ohio. The CCIC received \$9,000 in rental income for 2019.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

B. Canton City Board of Health

The constitution and laws of the State of Ohio establish the rights and privileges of the City of Canton Board of Health (the "Board of Health") as a body corporate and politic. Consistent with the provisions of the Ohio Revised Code Section 3709.36, the Board of Health is a legally separate organization. The Board of Health's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates.

The Board of Health is governed by a six-member Governing Board (the "Board") and a Health Commissioner. Board members are appointed by the Mayor of the City of Canton (the "City") and confirmed by City Council, according to the Ohio Revised Code. The Mayor serves as president of the Board by virtue of the office. In addition, the City provides funding to the Board of Health, thus the City can impose will on the Board of Health, and the Board of Health imposes a financial burden to the City. Therefore, the Board of Health is considered a discretely presented component unit of the City of Canton.

Summary of Significant Accounting Policies

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

Basis of Presentation - Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Board of Health as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Board of Health has no fiduciary funds. The statements distinguish between those activities of the Board of Health that are governmental and those that are considered business-type activities. The Board of Health has no business-type activities.

The statement of net position presents the financial condition of the governmental activities and business-type activities for the Board of Health at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Board of Health's governmental activities and for the business-type activities of the Board of Health. 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 operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board of Health, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Board of Health.

Measurement Focus - Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Board of Health are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

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

Revenues-Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the Board of Health receives value without directly giving equal value in return, include intergovernmental contractual allocations from participating local governments, grants, entitlements, and donations. Revenue from intergovernmental contractual allocations, grants, entitlements and donations is recognized in the fiscal 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 Board of Health must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board of Health on a reimbursement basis.

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 Board of Health, deferred outflows of resources are related to the Board of Health's net pension liability and net OPEB liability, respectively.

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 Board of Health, deferred inflows of resources include unavailable revenue. 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 Board of Health, unavailable revenue includes, but is not limited to intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the Board of Health, deferred inflows of resources are related to the Board of Health's net pension liability and net OPEB liability, respectively.

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

Accounts Receivable - Accounts receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Board of Health provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts and other circumstances, which may affect the ability of patients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Board of Health's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

Capital Assets - Capital assets are reported in the applicable governmental activities columns in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are defined by the Board of Health as assets with initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Equipment	10 years
Vehicles	10 years

Net Position - Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The Board of Health’s 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. The Board of Health did not have any capital related debt. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Board of Health’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Net position restricted for other purposes are restricted by grantors and regulations of other governments.

Interfund transactions and balances - Transfers within governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. On the fund financial statements, outstanding interfund loans are reported as “interfund receivables/payables”. The Board of Health had no interfund receivables/payables at December 31, 2019.

Compensated Absences - The Board of Health 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 Board of Health records a liability for accumulated unused vacation time when earned for all eligible employees with more than one year of service.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

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 Board of Health's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements as a component of due to primary government.

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

Pensions/Other Postemployment Benefits (OPEB) - For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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.

Cash with Fiscal Agent

As required by the Ohio Revised Code, the Canton City Auditor is the fiscal agent of the Board of Health. The Board of Health's cash pool, used by all funds, is deposited with the Canton City Treasurer. The cash pool is commingled with the City of Canton's cash and investment pool and is not identifiable as to demand deposits or investments. All collections are remitted to the Canton City Treasurer for deposit and all disbursements are made by warrants prepared by the Canton City Auditor drawn on deposits held in the name of the City of Canton. GASB 3 and GASB 40 requirements for the City of Canton are presented in the December 31, 2019 Comprehensive Annual Financial Report. The fund balances are expressed in cash equivalents. Cash equivalents are available for immediate expenditure or liquid investments which are immediately marketable, have negligible credit risk, and mature within three months. The carrying amount of cash on deposit with the Canton City Treasurer at December 31, 2019 was \$4,342,846.

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

Receivables

Receivables at December 31, 2019 consisted of charges for services (primarily billings from clinic services) and intergovernmental receivables arising from grants. Receivables have been recorded to the extent that they are measurable at December 31, 2019. All receivables are expected to be collected in the subsequent year. Amounts due from other governments consisted of the following at year end:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
<u>Governmental</u>		
General	Grant - state	\$ 13,696
Infant Mortality Reduction	Grant - federal	267,377
HIV Prevention	Grant - federal	289,768
Early Intervention Services	Grant - federal	26,191
Air Pollution	Grant - federal	12,463
Nonmajor Governmental	Grants - federal	<u>64,573</u>
Total due from other governments		<u>\$ 674,068</u>

Capital Assets

Capital asset activity for the governmental activities for the year ended December 31, 2019, was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>01/09/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/19</u>
<i>Capital assets, being depreciated:</i>				
Equipment	\$ 15,795	\$ 10,264	\$ -	\$ 26,059
Vehicles	<u>21,240</u>	<u>-</u>	<u>-</u>	<u>21,240</u>
Total capital assets, being depreciated	<u>37,035</u>	<u>10,264</u>	<u>-</u>	<u>47,299</u>
<i>Less: accumulated depreciation:</i>				
Equipment	(2,261)	(2,093)	-	(4,354)
Vehicles	<u>(7,434)</u>	<u>(2,124)</u>	<u>-</u>	<u>(9,558)</u>
Total accumulated depreciation	<u>(9,695)</u>	<u>(4,217)</u>	<u>-</u>	<u>(13,912)</u>
Total capital assets being depreciated, net	<u>27,340</u>	<u>6,047</u>	<u>-</u>	<u>33,387</u>
Governmental activities capital assets, net	<u>\$ 27,340</u>	<u>\$ 6,047</u>	<u>\$ -</u>	<u>\$ 33,387</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

Depreciation expense was charged to governmental activities as follows:

Governmental activities:

Public Health \$ 4,217

Long-term Obligations

During 2019, the following activity occurred in the Board of Health's governmental and business-type long-term obligations.

<u>Governmental Activities:</u>	<u>Balance 1/9/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/19</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 645,063	\$ -	\$ (134,463)	\$ 510,600	\$ 133,265
Net pension liability	2,964,337	2,155,023	-	5,119,360	-
Net OPEB liability	<u>2,050,285</u>	<u>374,774</u>	<u>-</u>	<u>2,425,059</u>	<u>-</u>
Total	<u>\$ 5,659,685</u>	<u>\$ 2,529,797</u>	<u>\$ (134,463)</u>	<u>\$ 8,055,019</u>	<u>\$ 133,265</u>

The Board of Health's compensated absences will be paid from the City's compensated absences internal service fund. The Board of Health reports a compensated absences liability for its share of the liability in this fund.

The Board of Health pays obligations (net pension liability/net OPEB liability) related to employee compensation from the fund benefitting from their services.

Due to City of Canton

The City pays various liabilities of the Board of Health through the City's internal service funds. The Board of Health makes payments to the City to support its share of the City's internal service funds and reports its share of liabilities for medical and workers' compensation claims at year-end. The City has also advanced (loaned) monies to the Board of Health to fund short-term deficits while the Board of Health awaits reimbursement for programs. The Board of Health owes these advanced/loaned monies back to the City at year-end. The following are amounts due to the City at December 31, 2019:

	<u>Due to City of Canton</u>
Medical Claims	\$ 19,764
Worker's Compensation Claims	87,296
Loans	<u>61,960</u>
Total	<u>\$ 169,020</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

Risk Management

The Board of Health is exposed to various risks of casualty losses and injuries to employees.

Property and Liability - The Board of Health belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc., a Sedgwick Company, (York) functions as the administrator of PEP and provides program management, underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage - APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. (At December 31, 2019, the Pool retained \$500,000 for casualty claims and \$250,000 for property claims). The Board of Directors and York periodically review the financial strength of PEP and other market conditions to determine the appropriate level of risk PEP will retain. There has been no significant reduction in coverage from last year.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

Financial Position - PEP's financial statements (for which an independent audit is still ongoing) conform to generally accepted accounting principles, and preliminarily show the following assets, liabilities and net position at December 31, 2019 and 2018:

<u>Casualty and Property Coverage</u>	<u>2019</u>	<u>2018</u>
Assets	\$ 54,973,597	\$ 49,921,998
Liabilities	<u>16,440,940</u>	<u>14,676,199</u>
Net Position - Unrestricted	<u>\$ 38,532,657</u>	<u>\$ 35,245,799</u>

At December 31, 2019 and 2018, the liabilities in the preceding table include unknown amounts of estimated incurred claims payable. The casualty coverage assets and net position in the preceding table include approximately \$13.7 million and \$11.8 million of unpaid claims to be billed to approximately 553 member governments in the future, as of December 31, 2019 and 2018, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are expected to increase slightly from those used to determine the historical contributions detailed as follows. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership. The Board of Health's contributions for 2019 totaled \$8,101.

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STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

After completing one year of membership, members may withdraw on each anniversary date of the date they joined PEP, provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members may receive a partial refund of their capital contributions as defined by the contract. Withdrawing members have no other future obligations to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

Contingencies

Grants - The Board of Health received financial assistance from federal and state agencies in the form of grants. The expenditure 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 Board of Health at December 31, 2019.

Litigation - The Board of Health is not currently involved in litigation for which the Board of Health's legal counsel anticipates a loss.

Defined Benefit Pension Plans

Plan descriptions and actuarial information for the Health Board of Health's defined benefit pension plans are the same as the City's (see Note 13).

The Board of Health's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$393,346 for 2019. Of this amount, \$26,618 is reported as due to other governments.

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, 2018, 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. The Board of Health's proportion of the net pension liability or asset was based on the Board of Health's share of contributions to the pension plan relative to the contributions of all participating entities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Proportion of the net pension liability/asset prior measurement date	0.01889500%	0.02332100%	0.01492400%	
Proportion of the net pension liability/asset current measurement date	<u>0.01869200%</u>	<u>0.05353900%</u>	<u>0.02506000%</u>	
Change in proportionate share	<u>-0.00020300%</u>	<u>0.03021800%</u>	<u>0.01013600%</u>	
Proportionate share of the net pension liability	\$ 5,119,360	\$ -	\$ -	\$ 5,119,360
Proportionate share of the net pension asset	-	(22,939)	(313)	(23,252)
Pension expense	1,101,843	6,358	(88)	1,108,113

At December 31, 2019, the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Member- Directed	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 236	\$ -	\$ 1,421	\$ 1,657
Net difference between projected and actual earnings on pension plan investments	694,841	4,935	113	699,889
Changes of assumptions	445,653	5,117	106	450,876
Contributions subsequent to the measurement date	371,587	12,508	9,251	393,346
Total deferred outflows of resources	<u>\$ 1,512,317</u>	<u>\$ 22,560</u>	<u>\$ 10,891</u>	<u>\$ 1,545,768</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Deferred inflows of resources				
Differences between expected and actual experience	\$ 67,221	\$ 9,357	\$ -	\$ 76,578
Changes in employer's proportionate percentage/ difference between employer contributions	60,826	-	-	60,826
Total deferred inflows of resources	<u>\$ 128,047</u>	<u>\$ 9,357</u>	<u>\$ -</u>	<u>\$ 137,404</u>

\$393,346 reported as deferred outflows of resources related to pension resulting from Board of Health contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2020.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Year Ending December 31:				
2020	\$ 430,026	\$ 774	\$ 236	\$ 431,036
2021	209,438	(212)	216	209,442
2022	62,067	(108)	220	62,179
2023	311,152	1,437	265	312,854
2024	-	(592)	196	(396)
Thereafter	-	(604)	507	(97)
Total	<u>\$ 1,012,683</u>	<u>\$ 695</u>	<u>\$ 1,640</u>	<u>\$ 1,015,018</u>

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Board of Health's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 7,562,783	\$ 5,119,360	\$ 3,088,853
Combined Plan	(7,584)	(22,939)	(34,011)
Member-Directed Plan	(150)	(313)	(599)

Defined Benefit OPEB Plans

Plan descriptions and actuarial information for the Health Board of Health's defined benefit OPEB plans are the same as the City's (see Note 14).

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board of Health's contractually required contribution was \$3,700 for 2019. Of this amount, \$250 is reported as due to other governments.

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Board of Health's proportion of the net OPEB liability was based on the Board of Health'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>
Proportion of the net OPEB liability prior measurement date	0.01888100%
Proportion of the net OPEB liability current measurement date	<u>0.01860000%</u>
Change in proportionate share	<u>-0.00028100%</u>
Proportionate share of the net OPEB liability	\$ 2,425,059
OPEB expense	\$ 191,392

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

At December 31, 2019, the Board of Health reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred outflows of resources	
Differences between expected and actual experience	\$ 821
Net difference between projected and actual earnings on OPEB plan investments	111,175
Changes of assumptions	78,187
Contributions subsequent to the measurement date	3,700
Total deferred outflows of resources	\$ 193,883

	OPERS
Deferred inflows of resources	
Differences between expected and actual experience	\$ 6,580
Changes in employer's proportionate percentage/difference between employer contributions	45,455
Total deferred inflows of resources	\$ 52,035

\$3,700 reported as deferred outflows of resources related to OPEB resulting from Board of Health contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

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

	OPERS
Year Ending December 31:	
2020	\$ 64,171
2021	13,034
2022	14,898
2023	46,045
Total	\$ 138,148

**CITY OF CANTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS - (Continued)

Sensitivity of the Board of Health's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the Board of Health's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the Board of Health's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Board of Health's proportionate share of the net OPEB liability	\$ 3,102,555	\$ 2,425,059	\$ 1,886,271

Sensitivity of the Board of Health's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. 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% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
Board of Health's proportionate share of the net OPEB liability	\$ 2,331,008	\$ 2,425,059	\$ 2,533,381

Other Employee Benefits

Compensated Absences - Employees earn between 10 and 30 days of vacation time per year depending upon service with the Board of Health. Up to 5 vacation days (40 hours) may be carried over into the next calendar year subject to approval by the Board of Health for extenuating circumstances. Vacation hours carried forward must be used by March 31. At no time may the vacation credit exceed the vacation time plus 5 days. Vacation time in excess of this total will be forfeited by the employee.

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 or 1,200 hours of accumulated, unused sick leave.

Employee Medical, Dental, Vision, and Prescription Drug - The Board of Health provides employee medical benefits through participation in the City's major medical, hospitalization, prescription and dental and vision 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 \$200,000 specific per family. The third-party administrators, Aultcare and UMR, review all claims, which are then paid by the City.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 18 - 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 19 - 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. 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 12/31/19
Major Funds	
General Fund	\$ 1,477,332
Community and Economic Development Fund	1,892,280
Capital Project Fund	5,010,586
Motor Vehicle Purchase Fund	236,457
Nonmajor Governmental Funds	<u>11,562,720</u>
<i>Total</i>	<u><u>\$ 20,179,375</u></u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 19 - COMMITMENTS - (Continued)

As of December 31, 2019, the City had significant contractual commitments as follows:

Company	Project	Amount Remaining On Contract
Dominion	Mahoning Road Phase II	\$ 380,711
Michael Baker, Jr.	Mahoning Road Phase II	95,687
Charter Comm	Mahoning Road Phase II	54,122
ATT	Mahoning Road Phase II	620,680
AEP	Mahoning Road Phase II	1,399,225
S.E.T. Inc.	Mahoning Road Phase II	1,794,127
SET Inc	Cleveland Ave Paving	268,726
Northstar	Paving Chip& Seal	1,235,152
Northstar	13th Street Reconstruction	375,657
Northstar	30th Street NW Resurfacing	437,627
Central Allied	Paving Chip& Seal and Stabilization	1,276,462
AECOM Technical Services	11th Street Roadway	652,635
Hobs Industrial Roofing	Roof Repairs Buildings	8,044
Hobbs	WRF Roof Repair	114,000
MKSK	Centennial Plaza	95,101
Dunlop & Johnston	Centennial Plaza	9,511,903
Wenger	Avondale Waterline Phase II	988,019
Wenger	Fairmont Area Phase II	79,909
Wenger	Woodland St Wtr Main	78,660
CT Consultants	Avondale Water Main Replacement Phase II	72,728
Arcadis	Edgefield Water Main Replacement	76,752
Arcadis	Edgefield Water Main Replacement Phase II	88,841
Arcadis	3rd Street SE Engineering	20,599
Stanley Miller	Sugarcreek WT Backwash Sludge	125,385
Burgess and Nipples	AM & CMOM Plan Development Project	747,934
Stanley Miller	3rd Street Bridge	582,777
Thrasher Group	3rd Street Bridge	66,003
Kokosing Industrial Inc	Sludge Processing Modification Project	115,302
GDP Group	36th St NW Storm Sewer & Roadwork	271,768
Wenger	34th Street Storm Sewer Repair	24,913
Wenger	Ridgewood East Water Pain Phase I	156,886
Wenger	Ridgewood East Water Pain Phase II	170,304
Omni Pro Services	Fairmont Area Phase I	161,003
Wenger	Fairmont Area Phase I	1,269,613
Wenger	44th St Water Main Road Reconstruction	1,802,551
Osborn ENG	44th St Water Main Road Reconstruction	158,333
CT Consultants	Fairmont Area Phase II	26,101
CT Consultants	Canton South Cleveland Ave Water Line Ext	165,366
Central Allied	Canton South Cleveland Ave Water Line Ext	2,657,529
Omni Pro Services	Fairmont Main Replacement	51,917
IBI Group	Colonial Blvd Reconstruction	271,645
Liberta Construction	38th Street Improvement	325,914
Total		<u>\$ 28,876,611</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 20 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2019, consisted of the following, as reported on the fund financial statements:

<u>Transfers Out</u>	<u>Transfer In</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 12,639</u>

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, 2019, as reported on the fund financial statements:

On April 1, 2019, the general fund issued \$650,000 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 mature on April 1, 2020.

On August 1, 2019, the general fund issued \$1,500,000 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 mature on August 1, 2020.

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.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 20 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES - (Continued)

C. Interfund Balances

<u>Due To Other Funds (Payable)</u>	Due From Other Funds (Receivable)		
	General Fund	Internal Service Funds	Total
General fund	\$ -	\$ 73,532	\$ 73,532
Community and economic development fund	120,461	-	120,461
Capital projects fund	-	1,446	1,446
Water operating fund	-	11,970	11,970
Sewer operating fund	-	4,055	4,055
Refuse operating fund	-	3,108	3,108
Nonmajor governmental funds	3,655,264	5,186	3,660,450
Nonmajor enterprise funds	920	-	920
Total	<u>\$ 3,776,645</u>	<u>\$ 99,297</u>	<u>\$ 3,875,942</u>

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, 2019

NOTE 21 - 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	\$ 356,293	\$ -	\$ -	\$ -	\$ 46,195	\$ 402,488
Unclaimed monies	153,772	-	-	-	-	153,772
<i>Total nonspendable</i>	<u>510,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,195</u>	<u>556,260</u>
<i>Restricted for:</i>						
Road improvements	-	-	-	-	1,844,376	1,844,376
Community development grants & programs	-	958,281	-	-	8,336,037	9,294,318
Other purposes	-	-	-	-	2,169,316	2,169,316
Police department grants, donations & programs	-	-	-	-	584,683	584,683
Fire department grants, donations & programs	-	-	-	-	50,464	50,464
Judicial system grants & programs	-	-	-	-	2,361,904	2,361,904
Market square	-	-	-	-	9,242	9,242
Cornerstone parking deck operations	-	-	-	-	657,184	657,184
Youth development donations & programs	-	-	-	-	5,332	5,332
Employee recognition program	-	-	-	-	143	143
Debt service payments	-	-	-	-	79,493	79,493
Park donations	-	-	-	-	19,818	19,818
Infrastructure improvements	-	-	-	-	399,918	399,918
Recreational facility improvements	-	-	-	-	450,300	450,300
Construction projects	-	-	-	-	122,301	122,301
City hall renovations	-	-	-	-	1,744	1,744
Canton merchandising	-	-	-	-	12,815	12,815
Motor vehicle purchases	-	-	-	1,036,126	-	1,036,126
<i>Total restricted</i>	<u>\$ -</u>	<u>\$ 958,281</u>	<u>\$ -</u>	<u>\$ 1,036,126</u>	<u>\$ 17,105,070</u>	<u>\$ 19,099,477</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 21 - 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	\$ 643,494	\$ -	\$ -	\$ -	\$ -	\$ 643,494
Motor vehicle maintenance	64,833	-	-	-	-	64,833
Information systems	33,463	-	-	-	-	33,463
Park department operations	-	-	-	-	1,953,250	1,953,250
Community environment	-	-	-	-	-	-
Capital improvements	-	-	6,168,425	-	-	6,168,425
Other purposes	-	-	-	-	219,476	219,476
<i>Total committed</i>	<u>741,790</u>	<u>-</u>	<u>6,168,425</u>	<u>-</u>	<u>2,172,726</u>	<u>9,082,941</u>
<i>Assigned to:</i>						
General government operations	395,751	-	-	-	-	395,751
Security of persons and property programs	574,875	-	-	-	-	574,875
Transportation projects	317,816	-	-	-	-	317,816
Community environment projects	1,037	-	-	-	-	1,037
Leisure time activities	234,863	-	-	-	-	234,863
<i>Total assigned</i>	<u>1,524,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,524,342</u>
Unassigned (deficit)	10,801,876	-	-	-	(435,325)	10,366,551
Total fund balances	<u><u>\$ 13,578,073</u></u>	<u><u>\$ 958,281</u></u>	<u><u>\$ 6,168,425</u></u>	<u><u>\$ 1,036,126</u></u>	<u><u>\$ 18,888,666</u></u>	<u><u>\$ 40,629,571</u></u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 22 - TAX ABATEMENTS

As of December 31, 2019, 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 2019, 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	\$ 14,884
Ezone	<u>37,749</u>
Total	<u>\$ 52,633</u>

During 2019, the City did not incur a reduction in taxes by agreements entered into by other governments that reduced the City's taxes.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 23 – DUE FROM COMPONENT UNIT

During 2019, the City of Canton Board of Health became a legally separate entity and as a result a component unit of the City. The City still pays certain obligations related to the Board of Health. The table below presents the amounts owed to the City by the Board of Health at year-end.

	Amount
Due from component unit:	
Loan	\$ 61,960
Medical Claims	19,764
Workers Compensation Claims	87,296
<i>Total</i>	\$ 169,020

NOTE 24 – TRANSFER OF OPERATIONS

Consistent with the provisions of Ohio Revised Code Section 3709.36, the City of Canton’s health department was reorganized as a legally separate organization (City of Canton Board of Health) rather than continuing to operate as a department of the City. This change was effective January 9, 2019 and is being accounted for by the City as a transfer of operations. The Board of Health is reported as a discretely presented component unit of the City of Canton. For 2019, the City has reported a special item of (\$3,186,134) on the governmental funds statement of revenues, expenditures, and changes in fund balances, a special item of \$753,998 on the internal service funds statement of revenues, expenses, and changes in net position, and a special items \$2,292,578 on the governmental activities statement of activities for the transfer of operations. Other than the special item, the City did not report any revenues or expenditures/expenses related to the Board of Health operations.

NOTE 25 - SIGNIFICANT SUBSEQUENT EVENTS

A. Note Refinance

On April 1, 2020, the Village retired the \$1,700,000 Historic Hercules Note through the issuance of a \$1,525,000 Historic Hercules Refunding Note. The Historic Hercules Refunding Note bears an interest rate of 5.00% and matures April 1, 2021.

On April 21, 2020, 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, 2021.

B. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City’s investment portfolio and the investments of the pension and other employee benefit plan in which the City participates may incur a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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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 SIX YEARS

	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.203442%	0.204422%	0.224478%	0.239094%
City's proportionate share of the net pension liability	\$ 55,718,639	\$ 32,069,771	\$ 50,975,135	\$ 41,414,095
City's covered payroll	\$ 27,495,850	\$ 29,602,038	\$ 29,259,467	\$ 29,866,883
City's proportionate share of the net pension liability as a percentage of its covered payroll	202.64%	108.34%	174.22%	138.66%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.08%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.189944%	0.252294%	0.316472%	0.327300%
City's proportionate share of the net pension asset	\$ 249,671	\$ 343,454	\$ 176,139	\$ 159,271
City's covered payroll	\$ 953,243	\$ 1,128,777	\$ 1,231,883	\$ 1,182,483
City's proportionate share of the net pension asset as a percentage of its covered payroll	26.19%	30.43%	14.30%	13.47%
Plan fiduciary net position as a percentage of the total pension asset	126.64%	137.28%	116.55%	116.90%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.152969%	0.161454%	0.174190%	0.181591%
City's proportionate share of the net pension asset	\$ 3,402	\$ 5,635	\$ 726	\$ 694
City's covered payroll	\$ 942,580	\$ 966,700	\$ 715,867	\$ 1,011,317
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.36%	0.58%	0.10%	0.07%
Plan fiduciary net position as a percentage of the total pension asset	113.42%	124.46%	103.40%	103.91%

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

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

(1) Amounts for 2018 have been restated to reflect the removal of the Health Districts's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>	<u>2014</u>
	0.238157%	0.238157%
\$	28,724,397	\$ 28,075,608
\$	29,295,150	\$ 28,672,100
	98.05%	97.92%
	86.45%	86.36%
	0.336465%	0.336465%
\$	129,546	\$ 35,305
\$	1,229,908	\$ 1,194,669
	10.53%	2.96%
	114.83%	104.56%
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a

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 SIX YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability	0.89002900%	0.91049900%	0.89965700%	0.99237900%
City's proportionate share of the net pension liability	\$ 72,649,884	\$ 55,881,392	\$ 56,983,376	\$ 63,840,446
City's covered payroll	\$ 20,160,698	\$ 19,960,909	\$ 19,548,776	\$ 19,839,596
City's proportionate share of the net pension liability as a percentage of its covered payroll	360.35%	279.95%	291.49%	321.78%
Plan fiduciary net position as a percentage of the total pension liability	63.07%	70.91%	68.36%	66.77%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.98849140%	0.98849140%
\$ 51,207,977	\$ 48,142,632
\$ 19,409,588	\$ 21,641,256
263.83%	222.46%
72.20%	73.00%

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS (1)

	<u>2019</u>	<u>2018 (2)</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 4,044,323	\$ 3,849,419	\$ 3,848,265	\$ 3,511,136
Contributions in relation to the contractually required contribution	<u>(4,044,323)</u>	<u>(3,849,419)</u>	<u>(3,848,265)</u>	<u>(3,511,136)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 28,888,021	\$ 27,495,850	\$ 29,602,038	\$ 29,259,467
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 136,138	\$ 133,454	\$ 146,741	\$ 147,826
Contributions in relation to the contractually required contribution	<u>(136,138)</u>	<u>(133,454)</u>	<u>(146,741)</u>	<u>(147,826)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 972,414	\$ 953,243	\$ 1,128,777	\$ 1,231,883
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 100,688	\$ 94,258	\$ 96,670	\$ 85,904
Contributions in relation to the contractually required contribution	<u>(100,688)</u>	<u>(94,258)</u>	<u>(96,670)</u>	<u>(85,904)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,006,880	\$ 942,580	\$ 966,700	\$ 715,867
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	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.

(2) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 3,584,026	\$ 3,515,418	\$ 3,727,373
<u>(3,584,026)</u>	<u>(3,515,418)</u>	<u>(3,727,373)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 29,866,883	\$ 29,295,150	\$ 28,672,100
12.00%	12.00%	13.00%
\$ 141,898	\$ 147,589	\$ 155,307
<u>(141,898)</u>	<u>(147,589)</u>	<u>(155,307)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,182,483	\$ 1,229,908	\$ 1,194,669
12.00%	12.00%	13.00%
\$ 121,358		
<u>(121,358)</u>		
<u>\$ -</u>		
\$ 1,011,317		
12.00%		

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Police:</i>				
Contractually required contribution	\$ 2,122,872	\$ 2,001,228	\$ 1,985,253	\$ 1,957,745
Contributions in relation to the contractually required contribution	<u>(2,122,872)</u>	<u>(2,001,228)</u>	<u>(1,985,253)</u>	<u>(1,957,745)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,173,011	\$ 10,532,779	\$ 10,448,700	\$ 10,303,921
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 2,328,059	\$ 2,262,561	\$ 2,235,369	\$ 2,172,541
Contributions in relation to the contractually required contribution	<u>(2,328,059)</u>	<u>(2,262,561)</u>	<u>(2,235,369)</u>	<u>(2,172,541)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,906,634	\$ 9,627,919	\$ 9,512,209	\$ 9,244,855
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,915,238	\$ 1,925,993	\$ 1,781,676	\$ 1,766,663	\$ 1,928,444	\$ 1,936,464
<u>(1,915,238)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,080,200	\$ 10,136,805	\$ 11,217,268	\$ 13,856,180	\$ 15,125,051	\$ 15,187,953
19.00%	19.00%	15.88%	12.75%	12.75%	12.75%
\$ 2,293,458	\$ 2,179,104	\$ 2,123,929	\$ 2,188,878	\$ 2,257,140	\$ 2,452,065
<u>(2,293,458)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,759,396	\$ 9,272,783	\$ 10,419,930	\$ 12,689,148	\$ 13,084,870	\$ 14,214,870
23.50%	23.50%	20.38%	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 THREE YEARS

	2019	2018 (1)	2017
City's proportion of the net OPEB liability	0.202446%	0.204259%	0.224638%
City's proportionate share of the net OPEB liability	\$ 26,394,121	\$ 22,181,075	\$ 22,689,180
City's covered payroll	\$ 29,391,673	\$ 31,697,515	\$ 31,207,217
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	89.80%	69.98%	72.70%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	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.

(1) Amounts for 2018 have been restated to reflect the removal of the Health District's proportionate share.

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 THREE YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.89002900%	0.91049900%	0.89965700%
City's proportionate share of the net OPEB liability	\$ 8,105,079	\$ 51,587,558	\$ 42,704,695
City's covered payroll	\$ 20,160,698	\$ 19,960,909	\$ 19,548,776
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.20%	258.44%	218.45%
Plan fiduciary net position as a percentage of the total OPEB liability	46.57%	14.13%	15.96%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS (1)

	<u>2019</u>	<u>2018 (2)</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 40,275	\$ 37,703	\$ 345,976	\$ 650,519
Contributions in relation to the contractually required contribution	<u>(40,275)</u>	<u>(37,703)</u>	<u>(345,976)</u>	<u>(650,519)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 30,867,315	\$ 29,391,673	\$ 31,697,515	\$ 31,207,217
Contributions as a percentage of covered payroll	0.13%	0.13%	1.09%	2.08%

(1) Information prior to 2013 not available.

(2) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 620,986	\$ 623,331	\$ 41,532
<u>(620,986)</u>	<u>(623,331)</u>	<u>(41,532)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 32,060,683	\$ 30,525,058	\$ 29,866,769
1.94%	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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Police:</i>				
Contractually required contribution	\$ 55,865	\$ 52,664	\$ 52,244	\$ 51,520
Contributions in relation to the contractually required contribution	<u>(55,865)</u>	<u>(52,664)</u>	<u>(52,244)</u>	<u>(51,520)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,173,011	\$ 10,532,779	\$ 10,448,700	\$ 10,303,921
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 49,533	\$ 48,140	\$ 47,561	\$ 46,224
Contributions in relation to the contractually required contribution	<u>(49,533)</u>	<u>(48,140)</u>	<u>(47,561)</u>	<u>(46,224)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,906,634	\$ 9,627,919	\$ 9,512,209	\$ 9,244,855
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 51,763	\$ 49,794	\$ 347,422	\$ 641,941	\$ 681,283	\$ 670,404
<u>(51,763)</u>	<u>(49,794)</u>	<u>(347,422)</u>	<u>(641,941)</u>	<u>(681,283)</u>	<u>(670,404)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,080,200	\$ 10,136,805	\$ 11,217,268	\$ 13,856,180	\$ 15,125,051	\$ 15,187,953
0.50%	0.50%	3.62%	6.75%	6.75%	6.75%
\$ 48,797	\$ 47,212	\$ 316,280	\$ 584,399	\$ 620,215	\$ 689,766
<u>(48,797)</u>	<u>(47,212)</u>	<u>(316,280)</u>	<u>(584,399)</u>	<u>(620,215)</u>	<u>(689,766)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,759,396	\$ 9,272,783	\$ 10,419,930	\$ 12,689,148	\$ 13,084,870	\$ 14,214,870
0.50%	0.50%	3.62%	6.75%	6.75%	6.75%

CITY OF CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2019.

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2019.

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

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 2017-2019.

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

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

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

**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. No budgetary schedule is presented for this fund as no revenue or expenditures were budgeted in 2019.

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 and 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 Canton Police Youth Corp fund, Canton Auxilliary Police fund, 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, 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, and the police EMS training and equipment grant 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. No budgetary schedule is presented for this fund as no revenues or expenditures were budgeted in 2019.

Hall of Fame Village Tourism Development District

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.

Pretrial Award Fund

To account for revenues and expenditures associated with the pretrial award program.

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 enforcement department.

Vacant/Foreclosure Depository Fund

This fund accounts for deposits held for vacant and foreclosed upon homes.

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., 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 2019.

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.

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

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.

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.

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.

3rd Street SE Bridge Proj GP 1167

To account for capital grants and all costs related to the 3rd Street Bridge project.

12th Street NW Bridge Replacement Project

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

41st Street NW Roadway Reconstruction Project Fund

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

30th Street NW Resurfacing Project Fund

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

49th Street NW Storm Sewer Rehab Project

To account for capital grants and all costs related to the 49th Street Northwest Storm Sewer Rehab 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.

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes	\$ 1,950,000	\$ 2,242,929	\$ 292,929
Municipal income taxes	34,972,000	37,592,802	2,620,802
Charges for services	8,312,737	8,550,771	238,034
Licenses, permits, and fees	773,600	779,220	5,620
Fines and forfeitures	345,250	277,698	(67,552)
Intergovernmental	6,978,500	7,085,798	107,298
Interest and investment income	420,000	867,228	447,228
Operating grants	2,065,000	2,107,573	42,573
Other	1,859,413	2,152,617	293,204
Total revenues	57,676,500	61,656,636	3,980,136
Expenditures:			
Current:			
General Government:			
<i>General Government - Support Administration:</i>			
Personal services	140,000	-	140,000
Materials and supplies	18,472	18,293	179
Contractual services	385,638	384,947	691
Capital outlay	11,369	11,369	-
Other	2,041	2,000	41
Total General Government - Support Administration	557,520	416,609	140,911
<i>Service Director - Service Director Administration:</i>			
Personal services	53,835	51,973	1,862
Materials and supplies	195	116	79
Contractual services	11,770	11,187	583
Other	3,440	3,235	205
Total Service Director - Service Director Administration	69,240	66,511	2,729
<i>Service Director - Purchase Administration:</i>			
Personal services	248,687	243,599	5,088
Materials and supplies	198,915	197,452	1,463
Contractual services	6,124	5,411	713
Capital outlay	1,847	1,847	-
Other	4,270	3,243	1,027
Total Service Director - Purchase Administration	459,843	451,552	8,291
<i>Service Director - Annexation:</i>			
Personal services	6,044	6,000	44
Contractual services	7,500	400	7,100
Total Service Director - Annexation	13,544	6,400	7,144
<i>Building and Maintenance - Other Building:</i>			
Personal services	722,824	700,262	22,562
Materials and supplies	80,665	79,306	1,359
Contractual services	760,454	758,381	2,073
Capital outlay	3,886	3,886	-
Other	4,832	4,625	207
Total Building and Maintenance - Other Building	1,572,661	1,546,460	26,201

(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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Mayor - Administration:</i>			
Personal services	415,302	383,583	31,719
Materials and supplies	6,635	5,516	1,119
Contractual services	31,540	26,396	5,144
Other	13,148	11,998	1,150
Total Mayor - Administration	466,625	427,493	39,132
<i>Mayor - Planning Department:</i>			
Personal services	233,171	223,703	9,468
Materials and supplies	2,290	1,732	558
Contractual services	935	935	-
Capital outlay	2,075	2,066	9
Other	475	449	26
Total Mayor - Planning Department	238,946	228,885	10,061
<i>Mayor - Human Resources Administration:</i>			
Personal services	152,644	142,321	10,323
Materials and supplies	6,758	5,696	1,062
Contractual services	32,533	30,737	1,796
Capital outlay	3,950	3,497	453
Other	2,522	2,178	344
Total Mayor - Human Resources Administration	198,407	184,429	13,978
<i>Council - Council Administration:</i>			
Personal services	582,736	572,355	10,381
Materials and supplies	3,194	2,214	980
Contractual services	40,306	36,462	3,844
Other	625	25	600
Total Council - Council Administration	626,861	611,056	15,805
<i>Courts/Judge - Judge Administration:</i>			
Personal services	2,088,736	1,960,262	128,474
Materials and supplies	65,029	51,725	13,304
Contractual services	171,161	159,108	12,053
Capital outlay	800	-	800
Other	500	-	500
Total Courts/Judge - Judge Administration	2,326,226	2,171,095	155,131
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	1,544,585	1,494,494	50,091
Materials and supplies	33,548	30,372	3,176
Contractual services	28,419	22,162	6,257
Capital outlay	3,688	3,639	49
Other	1,290	1,045	245
Total Courts/Clerk - Clerk of Courts Administration	1,611,530	1,551,712	59,818
<i>Law Director - Law Administration:</i>			
Personal services	1,487,011	1,454,094	32,917
Materials and supplies	13,470	6,836	6,634
Contractual services	11,244	8,267	2,977
Other	36,954	35,895	1,059
Total Law Director - Law Administration	1,548,679	1,505,092	43,587
<i>Law - Non Operational Legal Exp:</i>			
Materials and supplies	8,150	7,646	504
Contractual services	21,825	18,168	3,657
Other	175,000	103,928	71,072
Total Law - Non Operational Legal Exp	204,975	129,742	75,233
<i>Auditor - Auditor Administration:</i>			
Personal services	1,047,673	1,035,100	12,573
Materials and supplies	17,713	12,765	4,948
Contractual services	19,182	10,319	8,863
Other	208,820	123,022	85,798
Total Auditor - Auditor Administration	1,293,388	1,181,206	112,182
<i>Auditor - Legally Binding Expenses:</i>			
Contractual services	651,968	574,787	77,181
Other	52,266	48,246	4,020
Total Auditor - Legally Binding Expenses	704,234	623,033	81,201

(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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Treasurer - Administration & Operations:</i>			
Personal services	297,547	284,812	12,735
Materials and supplies	500	26	474
Contractual services	38,981	32,508	6,473
Other	610,666	349,134	261,532
<i>Total Treasurer - Administration & Operations</i>	<u>947,694</u>	<u>666,480</u>	<u>281,214</u>
<i>Board of Commission - Civil Service:</i>			
Personal services	300,182	284,802	15,380
Materials and supplies	6,512	5,909	603
Contractual services	55,432	34,259	21,173
Other	950	326	624
<i>Total Board of Commission - Civil Service</i>	<u>363,076</u>	<u>325,296</u>	<u>37,780</u>
<i>Board of Commission - Zoning Board:</i>			
Personal services	8,574	8,512	62
<i>Management Information Systems:</i>			
Personal services	1,164,655	1,138,589	26,066
Materials and supplies	23,508	22,953	555
Contractual services	156,963	126,688	30,275
Other	9,337	8,577	760
<i>Total Management Information Systems</i>	<u>1,354,463</u>	<u>1,296,807</u>	<u>57,656</u>
<i>Total General Government</i>	<u>14,566,486</u>	<u>13,398,370</u>	<u>1,168,116</u>
<i>Security of Persons and Property:</i>			
<i>Safety Director - Safety Director Administration:</i>			
Personal services	185,734	183,796	1,938
Materials and supplies	902	902	-
Contractual services	859	798	61
Other	138	-	138
<i>Total Safety Director - Safety Director Administration</i>	<u>187,633</u>	<u>185,496</u>	<u>2,137</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Safety Director - Code Enforcement Administration:</i>			
Materials and supplies	10,749	8,394	2,355
Contractual services	3,183,074	1,257,132	1,925,942
Other	657	-	657
Total Safety Director - Code Enforcement Administration	3,194,480	1,265,526	1,928,954
<i>Safety Director - Central Communication Administration:</i>			
Personal services	1,749,474	1,665,462	84,012
Materials and supplies	8,885	7,370	1,515
Contractual services	109,704	56,209	53,495
Other	4,409	2,623	1,786
Total Safety Director - Central Communication Administration	1,872,472	1,731,664	140,808
<i>Police Administration:</i>			
Personal services	16,646,940	16,429,913	217,027
Materials and supplies	418,283	413,067	5,216
Contractual services	1,066,271	1,047,893	18,378
Capital outlay	310,754	279,719	31,035
Other	109,013	97,685	11,328
Total Police Administration	18,551,261	18,268,277	282,984
<i>Fire Administration:</i>			
Personal services	14,981,371	14,759,477	221,894
Materials and supplies	542,612	539,784	2,828
Contractual services	599,888	599,692	196
Capital outlay	65,694	65,689	5
Other	54,050	51,603	2,447
Total Fire Administration	16,243,615	16,016,245	227,370
<i>Traffic Administration:</i>			
Personal services	723,058	712,187	10,871
<i>Traffic Divisions - Traffic Engineer/Parking Meter:</i>			
Personal services	60,163	59,423	740
Materials and supplies	11,113	9,535	1,578
Contractual services	6,951	6,951	-
Other	16,982	16,982	-
Total Traffic Divisions - Traffic Engineer/Parking Meter	95,209	92,891	2,318
Total Security of Persons and Property	40,867,728	38,272,286	2,595,442
Public Health:			
<i>Health - Administration:</i>			
Other	-	1,133,420	(1,133,420)
Total Public Health	-	1,133,420	(1,133,420)

(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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Transportation:			
<i>Engineering - Daily Operations:</i>			
Personal services	54,577	53,333	1,244
Materials and supplies	817	755	62
Contractual services	10,893	9,399	1,494
<i>Total Engineering - Daily Operations</i>	<u>66,287</u>	<u>63,487</u>	<u>2,800</u>
<i>Street - Maintenance:</i>			
Personal services	425,582	385,678	39,904
Materials and supplies	20,148	16,300	3,848
Contractual services	1,263,794	1,237,492	26,302
Other	84,290	79,958	4,332
<i>Total Street - Maintenance</i>	<u>1,793,814</u>	<u>1,719,428</u>	<u>74,386</u>
<i>Total Transportation</i>	<u>1,860,101</u>	<u>1,782,915</u>	<u>77,186</u>
Community Environment:			
<i>Community Development - Community Development Administration:</i>			
Personal services	916,099	799,193	116,906
Materials and supplies	3,051	2,552	499
Contractual services	39,980	6,720	33,260
Other	356,000	177,000	179,000
<i>Total Community Development - Community Development Administration</i>	<u>1,315,130</u>	<u>985,465</u>	<u>329,665</u>
<i>Community Improvement Corporation:</i>			
Other	50,000	50,000	-
<i>Total Community Environment</i>	<u>1,365,130</u>	<u>1,035,465</u>	<u>329,665</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities			
<i>Civic Center - Civic Center Administration:</i>			
Materials and supplies	150	150	-
Contractual services	593,677	503,177	90,500
Capital outlay	10,000	9,919	81
<i>Total Civic Center - Civic Center Administration</i>	<u>603,827</u>	<u>513,246</u>	<u>90,581</u>
Debt Service:			
Principal retirement	11,200,000	11,200,000	-
Interest and fiscal charges	358,075	269,258	88,817
<i>Total Debt Service</i>	<u>11,558,075</u>	<u>11,469,258</u>	<u>88,817</u>
Total expenditures	<u>70,821,347</u>	<u>67,604,960</u>	<u>3,216,387</u>
Excess of expenditures over revenues	(13,144,847)	(5,948,324)	7,196,523
Other financing sources (uses):			
Issuance of notes	8,500,000	6,850,000	(1,650,000)
Issuance of manuscript debt	3,550,000	2,150,000	(1,400,000)
Transfers in	939,704	1,564,704	625,000
Transfers (out)	(2,200,843)	(2,200,843)	-
Advances in	-	406,012	406,012
Advances (out)	(3,550,000)	(3,550,000)	-
<i>Total other financing sources (uses)</i>	<u>7,238,861</u>	<u>5,219,873</u>	<u>(2,018,988)</u>
Net change in fund balance	(5,905,986)	(728,451)	5,177,535
Fund balance at beginning of year (restated)	8,313,727	8,313,727	-
Prior year encumbrances appropriated	2,071,383	2,071,383	-
Fund balance at end of year	<u>\$ 4,479,124</u>	<u>\$ 9,656,659</u>	<u>\$ 5,177,535</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 9,323,062	\$ 3,749,167	\$ (5,573,895)
Other	150,948	149,654	(1,294)
Contributions	-	1,000	1,000
Total revenues	9,474,010	3,899,821	(5,574,189)
Expenditures:			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Materials and supplies	33,758	19,861	13,897
Contractual services	301,797	254,748	47,049
Capital outlay	45,302	42,556	2,746
Other	7,942,902	5,887,712	2,055,190
Total Community Development Administration	8,323,759	6,204,877	2,118,882
<i>Federal Stimulus Funding:</i>			
Contractual services	9,000	-	9,000
Other	35,945	-	35,945
Total Federal Stimulus Funding	44,945	-	44,945
<i>Community Development Demolition:</i>			
Contractual services	338,690	7,700	330,990
Other	7,496	-	7,496
Total Community Development Demolition	346,186	7,700	338,486
<i>Fair Housing Administration:</i>			
Personal services	266,350	175,679	90,671
Materials and supplies	9,168	2,468	6,700
Contractual services	77,000	-	77,000
Other	57,249	12,553	44,696
Total Fair Housing Administration	409,767	190,700	219,067

(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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total expenditures	9,124,657	6,403,277	2,721,380
Net change in fund balance	349,353	(2,503,456)	(2,852,809)
Fund balance (deficit) at beginning of year	(2,105,388)	(2,105,388)	-
Prior year encumbrances appropriated	2,536,001	2,536,001	-
Fund balance (deficit) at end of year	\$ 779,966	\$ (2,072,843)	\$ (2,852,809)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 9,889,948	\$ 10,572,957	\$ 683,009
Intergovernmental	-	6,300	6,300
Capital grants	1,970,000	559,156	(1,410,844)
Other	90,000	52,557	(37,443)
Total revenues	11,949,948	11,190,970	(758,978)
Expenditures:			
Capital Outlay:			
<i>Safety Director:</i>			
Central Communication Administration	17,200	14,943	2,257
Police Department - Police Administration	183,900	182,637	1,263
Fire Department - Fire Administration	240,362	240,344	18
Total Safety Director	441,462	437,924	3,538
<i>Traffic Divisions:</i>			
Traffic Signal	44,000	44,000	-
<i>Service Director:</i>			
Service Director Administration	372,610	338,281	34,329
Engineering Administration	7,217,088	7,086,811	130,277
Engineering - 3rd Street SE Bridge Rehabilitation Project	541,922	541,922	-
Purchasing Administration	27,857	27,429	428
Motor vehicle administration	40,000	34,658	5,342
Engineering - 30th St NW Resurface Project	3,203	3,203	-
Engineering - 11th Street Improvement Project	73,581	73,581	-
Engineering - Central Plaza Bronze Bust Project	36,200	36,200	-
Engineering - Tuscarawas Street W. Corridor Safety Project	51,103	21,103	30,000
Street Administration	1,171,006	857,001	314,005
Street Paving	2,336,317	1,933,888	402,429
AOC Compliance Organization	19,617	19,617	-
Building Maintenance Administration	574,310	574,197	113
Collection System Department	406,332	360,341	45,991
Engineering - Urban Forestry	69,616	64,809	4,807
Engineering - 38th Street NW Improvement Project	88,123	88,123	-
Engineering - Mahoning Rd. Corridor Project	2,778,403	2,756,402	22,001
Total Service Director	15,807,288	14,817,566	989,722
<i>Water:</i>			
37th Street Water Sewer Street Improvement Project	110,458	110,458	-
<i>Health:</i>			
Health Administration	133,905	133,359	546
<i>Management Information Systems:</i>			
Information Technology Manager	560,003	544,338	15,665
<i>Council:</i>			
Council Administration	1,500	1,500	-
<i>Auditor:</i>			
Auditor Administration	421,333	420,476	857

(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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Law:</i>			
Law - Administration	7,510	7,368	142
<i>Income Tax:</i>			
Income Tax - Administration	144,515	79,093	65,422
<i>Treasurer:</i>			
Treasurer - Administration	44,330	40,932	3,398
<i>Total Capital Outlay</i>	<u>17,716,304</u>	<u>16,637,014</u>	<u>1,079,290</u>
<i>Debt Service:</i>			
<i>Principal retirement:</i>			
Various purpose loans	482,192	482,181	11
<i>Interest and Fiscal Charges:</i>			
Various purpose loans	60,901	60,900	1
<i>Total Debt Service</i>	<u>543,093</u>	<u>543,081</u>	<u>12</u>
Total expenditures	<u>18,259,397</u>	<u>17,180,095</u>	<u>1,079,302</u>
Excess of expenditures over revenues	<u>(6,309,449)</u>	<u>(5,989,125)</u>	<u>320,324</u>
Other financing sources:			
Sale of assets	-	4,845	4,845
Loan proceeds - OPWC	255,000	110,458	(144,542)
Transfers in	320,000	-	(320,000)
Total other financing sources	<u>575,000</u>	<u>115,303</u>	<u>(459,697)</u>
Net change in fund balance	(5,734,449)	(5,873,822)	(139,373)
Fund balance at beginning of year	1,470,957	1,470,957	-
Prior year encumbrances appropriated	4,501,182	4,501,182	-
Fund balance at end of year	<u>\$ 237,690</u>	<u>\$ 98,317</u>	<u>\$ (139,373)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes	\$ 2,310,000	\$ 2,349,556	\$ 39,556
Expenditures:			
Capital Outlay:			
<i>Safety Director:</i>			
Central Communication Administration	250,000	84,651	165,349
Police Department - Police Administration	536,925	520,493	16,432
Fire Department - Fire Administration	1,251,538	1,251,456	82
<i>Total Safety Director</i>	<u>2,038,463</u>	<u>1,856,600</u>	<u>181,863</u>
<i>Traffic Divisions:</i>			
Traffic Divisions - Engineer Administration	38,650	8,650	30,000
Traffic Divisions - Traffic Sign & Paint	10,500	10,500	-
Traffic Divisions - Traffic Signal	20,000	20,000	-
<i>Total Traffic Divisions</i>	<u>69,150</u>	<u>39,150</u>	<u>30,000</u>
<i>Service Director:</i>			
Engineering Administration	9,255	9,255	-
Street Administration	659,755	474,178	185,577
Street Paving	223,500	223,500	-
Building Maintenance Administration	3,050	3,050	-
Collection System Department	8,850	8,850	-
<i>Total Service Director</i>	<u>904,410</u>	<u>718,833</u>	<u>185,577</u>
<i>Health:</i>			
Health Administration	11,000	11,000	-
<i>Mayor:</i>			
Mayor Administration	1,491	1,491	-
<i>Management Information Systems:</i>			
Information Technology Manager	1,750	1,750	-
<i>Judges:</i>			
Judge Administration	11,000	11,000	-
<i>Income Tax:</i>			
Income Tax Administration	5,155	5,155	-

(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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total expenditures	3,042,419	2,644,979	397,440
Excess of expenditures over revenues	(732,419)	(295,423)	436,996
Other financing sources:			
Sale of assets	4,905	36,810	31,905
Net change in fund balance	(727,514)	(258,613)	468,901
Fund balance at beginning of year	749,251	749,251	-
Prior year encumbrances appropriated	69,084	69,084	-
Fund balance at end of year	\$ 90,821	\$ 559,722	\$ 468,901

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 23,028,109	\$ 76,474	\$ 921,037	\$ 24,025,620
Cash with fiscal agent	-	3,019	-	3,019
Receivables:				
Property and other local taxes	4,677,654	-	-	4,677,654
Municipal income taxes	1,079,321	-	-	1,079,321
Accounts	155,224	6,620	-	161,844
Accrued interest	6	-	25	31
Due from other governments	1,745,937	-	1,323,115	3,069,052
Materials and supplies inventory	46,195	-	-	46,195
Total assets	<u>\$ 30,732,446</u>	<u>\$ 86,113</u>	<u>\$ 2,244,177</u>	<u>\$ 33,062,736</u>
Liabilities:				
Accounts payable	\$ 2,602,916	\$ -	\$ 1,450,320	\$ 4,053,236
Accrued wages and benefits payable	258,971	-	-	258,971
Due to other funds	3,660,450	-	-	3,660,450
Due to other governments	90,249	-	-	90,249
Retainage payable	45,212	-	-	45,212
Deposits held and due to others	89,159	-	-	89,159
Payroll withholding payable	33,791	-	-	33,791
Total liabilities	<u>6,780,748</u>	<u>-</u>	<u>1,450,320</u>	<u>8,231,068</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	3,663,854	-	-	3,663,854
Delinquent property tax revenue not available	1,013,800	-	-	1,013,800
Income tax revenue not available	286,016	-	-	286,016
Other local taxes not available	88,802	-	-	88,802
Intergovernmental revenue not available	625,970	-	249,184	875,154
Charges for services revenue not available	-	6,620	-	6,620
Miscellaneous revenue not available	8,756	-	-	8,756
Total deferred inflows of resources	<u>5,687,198</u>	<u>6,620</u>	<u>249,184</u>	<u>5,943,002</u>
Fund balances:				
Nonspendable	46,195	-	-	46,195
Restricted	16,051,314	79,493	974,263	17,105,070
Committed	2,172,726	-	-	2,172,726
Unassigned (deficit)	(5,735)	-	(429,590)	(435,325)
Total fund balances	<u>18,264,500</u>	<u>79,493</u>	<u>544,673</u>	<u>18,888,666</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,732,446</u>	<u>\$ 86,113</u>	<u>\$ 2,244,177</u>	<u>\$ 33,062,736</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, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other local taxes	\$ 3,389,339	\$ -	\$ -	\$ 3,389,339
Municipal income taxes	8,332,094	-	-	8,332,094
Charges for services	2,262,690	-	-	2,262,690
Licenses, permits, and fees	101,159	-	-	101,159
Fines and forfeitures	185,684	-	-	185,684
Intergovernmental.	4,065,894	-	-	4,065,894
Interest and investment income	3,024	16,047	908	19,979
Rental income.	85,667	-	-	85,667
Contributions and donations	610,324	-	-	610,324
Operating grants.	1,664,580	-	-	1,664,580
Capital grants	1,091,780	-	6,288,191	7,379,971
Payment in lieu of taxes.	1,050,880	-	-	1,050,880
Other local taxes	548,230	-	-	548,230
Other	261,515	312	-	261,827
Total revenues.	23,652,860	16,359	6,289,099	29,958,318
Expenditures:				
Current:				
General government.	4,627,758	-	-	4,627,758
Security of persons and property	4,139,787	-	-	4,139,787
Transportation.	3,728,155	-	-	3,728,155
Leisure time activities.	4,989,970	-	-	4,989,970
Capital outlay	2,130,207	-	7,512,919	9,643,126
Debt service:				
Principal retirement.	13,766	-	3,500,000	3,513,766
Interest and fiscal charges	-	-	123,625	123,625
Total expenditures	19,629,643	-	11,136,544	30,766,187
Excess (deficiency) of revenues over (under) expenditures	4,023,217	16,359	(4,847,445)	(807,869)
Other financing sources:				
Proceeds from sale of capital assets	3,080	-	-	3,080
Issuance of notes	-	-	3,500,000	3,500,000
Issuance of loans	-	-	1,529,697	1,529,697
Transfers in.	12,639	-	-	12,639
Total other financing sources.	15,719	-	5,029,697	5,045,416
Special item:				
Transfer of operations to Board of Health	(3,309,923)	-	-	(3,309,923)
Net change in fund balances	729,013	16,359	182,252	927,624
Fund balances at beginning of year (restated)	17,535,487	63,134	362,421	17,961,042
Fund balances at end of year	\$ 18,264,500	\$ 79,493	\$ 544,673	\$ 18,888,666

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CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2019

	Street Construction, Maintenance, and Repair	State Highway	Municipal Road	Cornerstone Parking Deck	Mills Industrial Park TIF
Assets:					
Equity in pooled cash and cash equivalents.	\$ 564,022	\$ 126,628	\$ 712,409	\$ 86,369	\$ 258,046
Receivables:					
Accounts	2,370	-	-	250	-
Accrued interest.	-	-	-	-	-
Property and other taxes	-	-	-	-	-
Income taxes	-	-	-	-	-
Due from other governments	1,131,673	72,019	104,347	-	-
Materials and supplies inventory	32,267	-	-	-	-
Total assets	<u>\$ 1,730,332</u>	<u>\$ 198,647</u>	<u>\$ 816,756</u>	<u>\$ 86,619</u>	<u>\$ 258,046</u>
Liabilities:					
Accounts payable	\$ 235,786	\$ 740	\$ 19,261	\$ 5,312	\$ -
Retainage payable	-	-	-	-	-
Accrued wages and benefits payable.	97,031	6,272	-	8,680	-
Due to other funds	285	44	-	-	-
Deposits held and due to others	-	-	-	-	-
Payroll withholding payable	11,908	818	-	1,190	-
Due to other governments	14,991	969	-	48,459	-
Total liabilities	<u>360,001</u>	<u>8,843</u>	<u>19,261</u>	<u>63,641</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	457,813	23,174	-	-	-
Other local taxes not available	-	-	-	-	-
Income tax revenue not available	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>457,813</u>	<u>23,174</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable.	32,267	-	-	-	-
Restricted.	880,251	166,630	797,495	22,978	258,046
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>912,518</u>	<u>166,630</u>	<u>797,495</u>	<u>22,978</u>	<u>258,046</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,730,332</u>	<u>\$ 198,647</u>	<u>\$ 816,756</u>	<u>\$ 86,619</u>	<u>\$ 258,046</u>

Gervasi 1700, LLC TIF	Lesh Rd./30th St. TIF	Crime Lab	Court Computer	Court	Law Department Dispute Resolution	SARTA Area Improvement
\$ 45,368	\$ 51,625	\$ 82,906	\$ 309,162	\$ 1,371,977	\$ 1,024	\$ 642
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,676	19,351	46,791	-	-
-	-	-	-	-	-	-
<u>\$ 45,368</u>	<u>\$ 51,625</u>	<u>\$ 85,582</u>	<u>\$ 328,513</u>	<u>\$ 1,418,768</u>	<u>\$ 1,024</u>	<u>\$ 642</u>
\$ -	\$ -	\$ -	\$ 6,736	\$ 7,104	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	4,250	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	600	1,148	-	-
-	-	-	657	1,243	-	-
-	-	-	12,243	9,495	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
45,368	51,625	85,582	316,270	1,409,273	1,024	642
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>45,368</u>	<u>51,625</u>	<u>85,582</u>	<u>316,270</u>	<u>1,409,273</u>	<u>1,024</u>	<u>642</u>
<u>\$ 45,368</u>	<u>\$ 51,625</u>	<u>\$ 85,582</u>	<u>\$ 328,513</u>	<u>\$ 1,418,768</u>	<u>\$ 1,024</u>	<u>\$ 642</u>

(Continued)

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2019

	Park Department	Youth Development	Federal Forfeiture	Probation Award	Enforcement and Education	Indigent Driver Alcohol Treatment
Assets:						
Equity in pooled cash and cash equivalents.	\$ 2,262,787	\$ 4,470	\$ 250,712	\$ 35,719	\$ 15,479	\$ 61,536
Receivables:						
Accounts	1,709	-	-	-	-	-
Accrued interest.	-	-	6	-	-	-
Property and other taxes	4,677,654	-	-	-	-	-
Income taxes	-	-	-	-	-	-
Due from other governments	-	-	-	-	951	1,681
Materials and supplies inventory	-	-	-	-	-	-
Total assets	<u>\$ 6,942,150</u>	<u>\$ 4,470</u>	<u>\$ 250,718</u>	<u>\$ 35,719</u>	<u>\$ 16,430</u>	<u>\$ 63,217</u>
Liabilities:						
Accounts payable.	\$ 158,304	\$ -	\$ 15,524	\$ -	\$ -	\$ 9,375
Retainage payable	-	-	-	-	-	-
Accrued wages and benefits payable.	96,321	-	550	-	-	-
Due to other funds	4,857	-	-	-	-	-
Deposits held and due to others	-	-	-	-	-	-
Payroll withholding payable	13,912	-	117	-	-	-
Due to other governments	18,034	-	85	-	-	-
Total liabilities	<u>291,428</u>	<u>-</u>	<u>16,276</u>	<u>-</u>	<u>-</u>	<u>9,375</u>
Deferred inflows of resources:						
Property taxes levied for the next fiscal year.	3,663,854	-	-	-	-	-
Delinquent property tax revenue not available	1,013,800	-	-	-	-	-
Intergovernmental revenue not available	-	-	-	-	-	-
Other local taxes not available	-	-	-	-	-	-
Income tax revenue not available	-	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	-	-	-
Total deferred inflows of resources	<u>4,677,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable.	-	-	-	-	-	-
Restricted.	19,818	4,470	234,442	35,719	16,430	53,842
Committed	1,953,250	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,973,068</u>	<u>4,470</u>	<u>234,442</u>	<u>35,719</u>	<u>16,430</u>	<u>53,842</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,942,150</u>	<u>\$ 4,470</u>	<u>\$ 250,718</u>	<u>\$ 35,719</u>	<u>\$ 16,430</u>	<u>\$ 63,217</u>

Law Enforcement Trust	Municipal Probation Services	Misdemeanor Community Sanction Grant	Prisoner Housing	Local Law Enforcement Block Grant	Supplementary Police Forces	Police	Fire
\$ 10,648	\$ 385,825	\$ 59,655	\$ 102,740	\$ 85,986	\$ 108	\$ 99,019	\$ 62,606
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
56,570	16,738	-	961	-	-	137,176	61,197
-	-	-	-	-	-	-	-
<u>\$ 67,218</u>	<u>\$ 402,563</u>	<u>\$ 59,655</u>	<u>\$ 103,701</u>	<u>\$ 85,986</u>	<u>\$ 108</u>	<u>\$ 236,195</u>	<u>\$ 123,803</u>
\$ 2,500	\$ 1,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	3,832	7,546	-	-	-	227	-
-	-	-	-	14,517	-	105,518	29,494
-	-	-	-	-	-	-	-
-	595	1,054	-	-	-	-	-
-	593	1,165	-	-	-	-	-
<u>2,500</u>	<u>6,362</u>	<u>9,765</u>	<u>-</u>	<u>14,517</u>	<u>-</u>	<u>105,745</u>	<u>29,494</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	54,235	43,845
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	54,235	43,845
-	-	-	-	-	-	-	-
64,718	396,201	49,890	103,701	71,469	108	76,215	50,464
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>64,718</u>	<u>396,201</u>	<u>49,890</u>	<u>103,701</u>	<u>71,469</u>	<u>108</u>	<u>76,215</u>	<u>50,464</u>
<u>\$ 67,218</u>	<u>\$ 402,563</u>	<u>\$ 59,655</u>	<u>\$ 103,701</u>	<u>\$ 85,986</u>	<u>\$ 108</u>	<u>\$ 236,195</u>	<u>\$ 123,803</u>

(Continued)

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2019

	Vacant/ Foreclosed Registry	Canton Merchandising	Market Square Donation	Jobs Ohio	HOF Village
Assets:					
Equity in pooled cash and cash equivalents	\$ 516,043	\$ 12,836	\$ 9,242	\$ -	\$ 77,949
Receivables:					
Accounts	-	-	-	-	134,648
Accrued interest	-	-	-	-	-
Property and other taxes	-	-	-	-	-
Income taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Materials and supplies inventory	-	13,928	-	-	-
Total assets	<u>\$ 516,043</u>	<u>\$ 26,764</u>	<u>\$ 9,242</u>	<u>\$ -</u>	<u>\$ 212,597</u>
Liabilities:					
Accounts payable	\$ 2,132	\$ 21	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Accrued wages and benefits payable	2,856	-	-	-	-
Due to other funds	-	-	-	5,735	-
Deposits held and due to others	-	-	-	-	-
Payroll withholding payable	202	-	-	-	-
Due to other governments	442	-	-	-	-
Total liabilities	<u>5,632</u>	<u>21</u>	<u>-</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	-	-	-	-	88,802
Income tax revenue not available	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,802</u>
Fund balances:					
Nonspendable	-	13,928	-	-	-
Restricted	510,411	12,815	9,242	-	123,795
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	(5,735)	-
Total fund balances (deficit)	<u>510,411</u>	<u>26,743</u>	<u>9,242</u>	<u>(5,735)</u>	<u>123,795</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 516,043</u>	<u>\$ 26,764</u>	<u>\$ 9,242</u>	<u>\$ -</u>	<u>\$ 212,597</u>

Neighborhood Development	Comp. Plan Implement.	Pretrial Award	Building Escrow	Vacant / Foreclosure Depository	Other	Total Nonmajor Special Revenue Funds
\$ 961,197	\$ 11,916,720	\$ 31,703	\$ 89,159	\$ 2,169,316	\$ 196,476	\$ 23,028,109
-	-	-	-	-	16,247	155,224
-	-	-	-	-	-	6
-	-	-	-	-	-	4,677,654
154,188	925,133	-	-	-	-	1,079,321
-	-	-	-	-	93,806	1,745,937
-	-	-	-	-	-	46,195
<u>\$ 1,115,385</u>	<u>\$ 12,841,853</u>	<u>\$ 31,703</u>	<u>\$ 89,159</u>	<u>\$ 2,169,316</u>	<u>\$ 306,529</u>	<u>\$ 30,732,446</u>
\$ 53,784	\$ 2,084,995	\$ -	\$ -	\$ -	\$ -	\$ 2,602,916
-	45,212	-	-	-	-	45,212
-	5,955	-	-	-	25,451	258,971
-	3,500,000	-	-	-	-	3,660,450
-	-	-	89,159	-	-	89,159
-	-	-	-	-	2,247	33,791
-	920	-	-	-	2,691	90,249
<u>53,784</u>	<u>5,637,082</u>	<u>-</u>	<u>89,159</u>	<u>-</u>	<u>30,389</u>	<u>6,780,748</u>
-	-	-	-	-	-	3,663,854
-	-	-	-	-	-	1,013,800
-	-	-	-	-	46,903	625,970
-	-	-	-	-	-	88,802
40,859	245,157	-	-	-	-	286,016
-	-	-	-	-	8,756	8,756
<u>40,859</u>	<u>245,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,659</u>	<u>5,687,198</u>
-	-	-	-	-	-	46,195
1,020,742	6,959,614	31,703	-	2,169,316	1,005	16,051,314
-	-	-	-	-	219,476	2,172,726
-	-	-	-	-	-	(5,735)
<u>1,020,742</u>	<u>6,959,614</u>	<u>31,703</u>	<u>-</u>	<u>2,169,316</u>	<u>220,481</u>	<u>18,264,500</u>
<u>\$ 1,115,385</u>	<u>\$ 12,841,853</u>	<u>\$ 31,703</u>	<u>\$ 89,159</u>	<u>\$ 2,169,316</u>	<u>\$ 306,529</u>	<u>\$ 30,732,446</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, 2019

	Street Construction, Maintenance, and Repair	State Highway	Municipal Road	Cornerstone Parking Deck	Mills Industrial Park TIF
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Income taxes	-	-	-	-	-
Charges for services	-	-	-	249,440	-
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	3,518,192	250,462	25,755	-	-
Interest and investment income	2,645	305	-	-	-
Rental income	-	-	-	3,189	-
Contributions and donations	-	-	-	-	-
Operating grants	-	-	-	-	-
Capital grants	-	-	1,091,780	-	-
Payment in lieu of taxes	-	-	-	-	75,111
Other local taxes	-	-	-	-	-
Other	49,825	2,350	-	3,568	-
Total revenues	3,570,662	253,117	1,117,535	256,197	75,111
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	1,572,967	10,346	-	416,584	-
Transportation	1,969,827	202,276	834,463	-	-
Leisure time activities	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Total expenditures	3,542,794	212,622	834,463	416,584	-
Excess of revenues over (under) expenditures	27,868	40,495	283,072	(160,387)	75,111
Other financing sources:					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Special item:					
Transfer of operations to Board of Health	-	-	-	-	-
Net change in fund balance	27,868	40,495	283,072	(160,387)	75,111
Fund balances (deficit) at beginning of year (restated)	884,650	126,135	514,423	183,365	182,935
Fund balances (deficit) at end of year	\$ 912,518	\$ 166,630	\$ 797,495	\$ 22,978	\$ 258,046

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	17,330	266,046	602,448	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	640	143	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
21,739	96,167	6,146	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,516	4,656	15	-
<u>21,739</u>	<u>96,167</u>	<u>6,146</u>	<u>-</u>	<u>17,330</u>	<u>269,202</u>	<u>607,247</u>	<u>15</u>	<u>-</u>
-	96,167	-	-	-	234,023	413,768	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
13,766	-	-	-	-	-	-	-	-
<u>13,766</u>	<u>96,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,023</u>	<u>413,768</u>	<u>-</u>	<u>-</u>
7,973	-	6,146	-	17,330	35,179	193,479	15	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	(3,309,923)	-	-	-	-	-
7,973	-	6,146	(3,309,923)	17,330	35,179	193,479	15	-
37,395	-	45,479	3,309,923	68,252	281,091	1,215,794	1,009	642
<u>\$ 45,368</u>	<u>\$ -</u>	<u>\$ 51,625</u>	<u>\$ -</u>	<u>\$ 85,582</u>	<u>\$ 316,270</u>	<u>\$ 1,409,273</u>	<u>\$ 1,024</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, 2019

	<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	\$ 3,389,339	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Income taxes	-	-	-	-	-	-
Charges for services	255	-	-	-	-	-
Licenses, permits, and fees	101,159	-	-	-	-	-
Fines and forfeitures	-	-	7,275	-	5,013	83,474
Intergovernmental	158,399	-	-	-	-	-
Interest and investment income.	-	-	74	-	-	-
Rental income	82,478	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Operating grants	-	-	-	27,000	-	-
Capital grants.	-	-	-	-	-	-
Payment in lieu of taxes	1,882	-	-	-	-	-
Other local taxes.	-	-	-	-	-	-
Other.	36,267	-	179	-	-	-
Total revenues	<u>3,769,779</u>	<u>-</u>	<u>7,528</u>	<u>27,000</u>	<u>5,013</u>	<u>83,474</u>
Expenditures:						
Current:						
General government	-	-	-	12,851	-	73,875
Security of persons and property	-	-	147,078	-	10,694	-
Transportation	-	-	-	-	-	-
Leisure time activities	3,623,437	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Total expenditures.	<u>3,623,437</u>	<u>-</u>	<u>147,078</u>	<u>12,851</u>	<u>10,694</u>	<u>73,875</u>
Excess (deficiency) of revenues over (under) expenditures	146,342	-	(139,550)	14,149	(5,681)	9,599
Other financing sources:						
Proceeds from sale of capital assets	3,060	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources	<u>3,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special item:						
Transfer of operations to Board of Health	-	-	-	-	-	-
Net change in fund balance	<u>149,402</u>	<u>-</u>	<u>(139,550)</u>	<u>14,149</u>	<u>(5,681)</u>	<u>9,599</u>
Fund balances (deficit)						
at beginning of year (restated).	<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>
Fund balances (deficit) at end of year	<u>\$ 1,973,068</u>	<u>\$ 4,470</u>	<u>\$ 234,442</u>	<u>\$ 35,719</u>	<u>\$ 16,430</u>	<u>\$ 53,842</u>

Law Enforcement Trust	Municipal Probation Services	Misdemeanor Community Sanction Grant	Prisoner Housing	Local Law Enforcement Block Grant	Supplementary Police Forces	Police	Fire
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	219,421	-	-	-	-	-	-
75,927	-	-	13,212	-	-	-	-
-	-	-	-	113,086	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	75	200
-	-	127,953	-	-	-	587,974	614,836
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,267	3,127	-	-	1,846	893	-
<u>75,927</u>	<u>227,688</u>	<u>131,080</u>	<u>13,212</u>	<u>113,086</u>	<u>1,846</u>	<u>588,942</u>	<u>615,036</u>
-	176,922	183,363	-	-	-	4,724	-
35,772	-	-	-	73,111	1,846	832,609	913,275
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>35,772</u>	<u>176,922</u>	<u>183,363</u>	<u>-</u>	<u>73,111</u>	<u>1,846</u>	<u>837,333</u>	<u>913,275</u>
40,155	50,766	(52,283)	13,212	39,975	-	(248,391)	(298,239)
20	-	-	-	-	-	-	-
-	-	-	-	-	-	12,639	-
<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,639</u>	<u>-</u>
-	-	-	-	-	-	-	-
40,175	50,766	(52,283)	13,212	39,975	-	(235,752)	(298,239)
24,543	345,435	102,173	90,489	31,494	108	311,967	348,703
<u>\$ 64,718</u>	<u>\$ 396,201</u>	<u>\$ 49,890</u>	<u>\$ 103,701</u>	<u>\$ 71,469</u>	<u>\$ 108</u>	<u>\$ 76,215</u>	<u>\$ 50,464</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, 2019

	<u>Vacant/ Foreclosed Registry</u>	<u>Canton Merchandising</u>	<u>Market Square Donation</u>	<u>Jobs Ohio</u>	<u>HOF Village</u>	<u>Neighborhood Development</u>
Revenues:						
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Income taxes	-	-	-	-	-	1,220,227
Charges for services	107,750	-	-	-	-	-
Licenses, permits, and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-
Rental income	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	849,835	-
Other local taxes	-	-	-	-	548,230	-
Other	66,031	549	-	-	-	-
Total revenues	<u>173,781</u>	<u>549</u>	<u>-</u>	<u>-</u>	<u>1,398,065</u>	<u>1,220,227</u>
Expenditures:						
Current:						
General government	13,423	449	-	-	-	660,703
Security of persons and property	112,542	-	-	-	-	-
Transportation	-	-	-	-	-	-
Leisure time activities	-	-	-	-	1,366,533	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Total expenditures	<u>125,965</u>	<u>449</u>	<u>-</u>	<u>-</u>	<u>1,366,533</u>	<u>660,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,816</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>31,532</u>	<u>559,524</u>
Other financing sources:						
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special item:						
Transfer of operations to Board of Health	-	-	-	-	-	-
Net change in fund balance	47,816	100	-	-	31,532	559,524
Fund balances (deficit)						
at beginning of year (restated)	<u>462,595</u>	<u>26,643</u>	<u>9,242</u>	<u>(5,735)</u>	<u>92,263</u>	<u>461,218</u>
Fund balances (deficit) at end of year	<u>\$ 510,411</u>	<u>\$ 26,743</u>	<u>\$ 9,242</u>	<u>\$ (5,735)</u>	<u>\$ 123,795</u>	<u>\$ 1,020,742</u>

Comp. Plan Implement.	Pretrial Award	Vacant / Foreclosure Depository	Other	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 3,389,339
7,111,867	-	-	-	8,332,094
-	-	800,000	-	2,262,690
-	-	-	-	101,159
-	-	-	-	185,684
-	-	-	-	4,065,894
-	-	-	-	3,024
-	-	-	-	85,667
610,049	-	-	-	610,324
-	34,000	-	272,817	1,664,580
-	-	-	-	1,091,780
-	-	-	-	1,050,880
-	-	-	-	548,230
2,910	-	-	78,516	261,515
<u>7,724,826</u>	<u>34,000</u>	<u>800,000</u>	<u>351,333</u>	<u>23,652,860</u>
1,687,962	2,297	733,083	334,148	4,627,758
-	-	-	12,963	4,139,787
697,000	-	-	24,589	3,728,155
-	-	-	-	4,989,970
2,130,207	-	-	-	2,130,207
-	-	-	-	13,766
<u>4,515,169</u>	<u>2,297</u>	<u>733,083</u>	<u>371,700</u>	<u>19,629,643</u>
<u>3,209,657</u>	<u>31,703</u>	<u>66,917</u>	<u>(20,367)</u>	<u>4,023,217</u>
-	-	-	-	3,080
-	-	-	-	12,639
-	-	-	-	15,719
-	-	-	-	(3,309,923)
3,209,657	31,703	66,917	(20,367)	729,013
3,749,957	-	2,102,399	240,848	17,535,487
<u>\$ 6,959,614</u>	<u>\$ 31,703</u>	<u>\$ 2,169,316</u>	<u>\$ 220,481</u>	<u>\$ 18,264,500</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,959,750	\$ 3,323,258	\$ (636,492)
Interest and investment income	-	2,645	2,645
Other	8,000	48,060	40,060
Total revenues	3,967,750	3,373,963	(593,787)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions - Traffic Engineer/Parking Meter:</i>			
Personal services	345,301	311,538	33,763
Materials and supplies	18,311	18,011	300
Contractual services	29,589	29,396	193
Capital outlay	26,520	26,519	1
Other	452	451	1
<i>Total Traffic Divisions - Traffic Engineer/Parking Meter</i>	<i>420,173</i>	<i>385,915</i>	<i>34,258</i>
<i>Traffic Divisions - Traffic Sign and Paint:</i>			
Personal services	262,510	261,544	966
Materials and supplies	137,346	136,254	1,092
Contractual services	57,870	55,619	2,251
Other	1,805	1,804	1
<i>Total Traffic Divisions - Traffic Sign and Paint</i>	<i>459,531</i>	<i>455,221</i>	<i>4,310</i>
<i>Traffic Divisions - Traffic Signal:</i>			
Personal services	362,305	325,960	36,345
Materials and supplies	82,631	82,631	-
Contractual services	158,188	157,702	486
Capital outlay	302,173	302,173	-
Other	6,501	6,501	-
<i>Total Traffic Divisions - Traffic Signal</i>	<i>911,798</i>	<i>874,967</i>	<i>36,831</i>
<i>Total Security of Persons and Property</i>	<i>1,791,502</i>	<i>1,716,103</i>	<i>75,399</i>
Transportation:			
<i>Engineering - Daily Operations:</i>			
Personal services	22,072	21,484	588
Materials and supplies	230,000	203,134	26,866
Contractual services	31,000	31,000	-
<i>Total Engineering - Daily Operations</i>	<i>283,072</i>	<i>255,618</i>	<i>27,454</i>
<i>Street Maintenance:</i>			
Personal services	1,043,413	936,059	107,354
Materials and supplies	924,776	837,775	87,001
Contractual services	90,772	76,496	14,276
Capital outlay	596,916	338,600	258,316
Other	18,638	14,305	4,333
<i>Total Street Maintenance</i>	<i>2,674,515</i>	<i>2,203,235</i>	<i>471,280</i>
<i>Total Transportation</i>	<i>2,957,587</i>	<i>2,458,853</i>	<i>498,734</i>
Total expenditures	4,749,089	4,174,956	574,133
Net change in fund balance	(781,339)	(800,993)	(19,654)
Fund balance at beginning of year	318,341	318,341	-
Prior year encumbrances appropriated	518,084	518,084	-
Fund balance at end of year	\$ 55,086	\$ 35,432	\$ (19,654)

**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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 267,250	\$ 234,871	\$ (32,379)
Interest and investment income	-	305	305
Other	-	2,350	2,350
Total revenues	267,250	237,526	(29,724)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions - Traffic Signal:</i>			
Materials and supplies	9,950	9,950	-
Contractual services	10,000	10,000	-
<i>Total Traffic Divisions - Traffic Signal</i>	<i>19,950</i>	<i>19,950</i>	<i>-</i>
Transportation:			
<i>Street Maintenance:</i>			
Personal services	137,793	129,082	8,711
Materials and supplies	35,419	8,334	27,085
Contractual services	80,250	74,975	5,275
Capital outlay	1,000	-	1,000
<i>Total Street Maintenance</i>	<i>254,462</i>	<i>212,391</i>	<i>42,071</i>
Total expenditures	274,412	232,341	42,071
Net change in fund balance	(7,162)	5,185	12,347
Fund balance at beginning of year	99,153	99,153	-
Prior year encumbrances appropriated	10,751	10,751	-
Fund balance at end of year	\$ 102,742	\$ 115,089	\$ 12,347

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 915,000	\$ 1,041,006	\$ 126,006
Other	114,000	-	(114,000)
Intergovernmental-federal	90,000	66,966	(23,034)
Total revenues	1,119,000	1,107,972	(11,028)
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Daily Operations:</i>			
Materials and supplies	576,282	567,563	8,719
Contractual services	10,206	10,206	-
Capital outlay	645,612	645,611	1
<i>Total Engineering - Daily Operations</i>	<i>1,232,100</i>	<i>1,223,380</i>	<i>8,720</i>
Net change in fund balance	(113,100)	(115,408)	(2,308)
Fund balance at beginning of year	85,313	85,313	-
Prior year encumbrances appropriated	500,821	500,821	-
Fund balance at end of year	\$ 473,034	\$ 470,726	\$ (2,308)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 276,000	\$ 249,440	\$ (26,560)
Rental income	10,000	2,939	(7,061)
Other	180,000	3,568	(176,432)
Total revenues	466,000	255,947	(210,053)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Personal services	165,131	161,140	3,991
<i>Traffic Division - Traffic Engineer/Parking Meter:</i>			
Personal services	48,292	48,289	3
Materials and supplies	7,478	7,381	97
Contractual services	229,779	229,770	9
Capital outlay	8,730	8,730	-
Other	1,288	907	381
<i>Total Traffic Division - Traffic Engineer/Parking Meter</i>	<i>295,567</i>	<i>295,077</i>	<i>490</i>
Total expenditures	460,698	456,217	4,481
Net change in fund balance	5,302	(200,270)	(205,572)
Fund balance at beginning of year	224,274	224,274	-
Prior year encumbrances appropriated	21,933	21,933	-
Fund balance at end of year	\$ 251,509	\$ 45,937	\$ (205,572)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in lieu of taxes	\$ 50,000	\$ 75,111	\$ 25,111
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Daily Operations:</i>			
Materials and supplies	182,000	-	182,000
Net change in fund balance	(132,000)	75,111	207,111
Fund balance at beginning of year	182,935	182,935	-
Fund balance at end of year	\$ 50,935	\$ 258,046	\$ 207,111

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in lieu of taxes	\$ 24,000	\$ 21,739	\$ (2,261)
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Daily Operations:</i>			
Materials and supplies	34,000	-	34,000
Debt Service:			
Principal retirement	14,000	13,766	234
Total expenditures	48,000	13,766	34,234
Net change in fund balance	(24,000)	7,973	31,973
Fund balance at beginning of year	37,395	37,395	-
Fund balance at end of year	\$ 13,395	\$ 45,368	\$ 31,973

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in lieu of taxes	\$ 120,000	\$ 96,167	\$ (23,833)
Expenditures:			
Current:			
General Government			
<i>Historic Onesto TIF:</i>			
Other	60,000	57,280	2,720
<i>Innovation District TIF:</i>			
Other	60,000	38,887	21,113
Total expenditures	120,000	96,167	23,833
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)
 LESH RD./30TH ST. TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in lieu of taxes	\$ 5,000	\$ 6,146	\$ 1,146
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Daily Operations:</i>			
Materials and supplies	45,000	-	45,000
Net change in fund balance	(40,000)	6,146	46,146
Fund balance at beginning of year	45,479	45,479	-
Fund balance at end of year	\$ 5,479	\$ 51,625	\$ 46,146

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 20,000	\$ 15,130	\$ (4,870)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Capital outlay	63,721	-	63,721
Net change in fund balance	(43,721)	15,130	58,851
Fund balance at beginning of year	67,776	67,776	-
Fund balance at end of year	\$ 24,055	\$ 82,906	\$ 58,851

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 230,000	\$ 263,735	\$ 33,735
Other	50,000	2,516	(47,484)
Total revenues	280,000	266,251	(13,749)
Expenditures:			
Current:			
General Government:			
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	197,700	106,779	90,921
Materials and supplies	71,663	60,700	10,963
Contractual services	94,615	89,487	5,128
Capital outlay	34,685	3,750	30,935
Other	20,000	-	20,000
<i>Total Courts/Clerk - Clerk of Courts Administration</i>	<i>418,663</i>	<i>260,716</i>	<i>157,947</i>
Net change in fund balance	(138,663)	5,535	144,198
Fund balance at beginning of year	255,390	255,390	-
Prior year encumbrances appropriated	16,387	16,387	-
Fund balance at end of year	\$ 133,114	\$ 277,312	\$ 144,198

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 475,000	\$ 498,434	\$ 23,434
Other	5,000	4,656	(344)
Total revenues	480,000	503,090	23,090
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	256,904	199,910	56,994
Materials and supplies	41,474	29,069	12,405
Contractual services	188,215	153,463	34,752
Capital outlay	70,698	64,595	6,103
Other	60,865	28,573	32,292
<i>Total Courts/Judge - Judge Administration</i>	<i>618,156</i>	<i>475,610</i>	<i>142,546</i>
Net change in fund balance	(138,156)	27,480	165,636
Fund balance at beginning of year	708,077	708,077	-
Prior year encumbrances appropriated	49,473	49,473	-
Fund balance at end of year	\$ 619,394	\$ 785,030	\$ 165,636

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 20,500	\$ 26,542	\$ 6,042
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge- Judge Administration:</i>			
Materials and supplies	6,862	6,862	-
Contractual services	23,386	-	23,386
Capital outlay	28,139	5,607	22,532
<i>Total Courts/Judge - Judge Administration</i>	58,387	12,469	45,918
Net change in fund balance	(37,887)	14,073	51,960
Fund balance at beginning of year	47,594	47,594	-
Prior year encumbrances appropriated	5,852	5,852	-
Fund balance at end of year	\$ 15,559	\$ 67,519	\$ 51,960

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 1,000	\$ 2,459	\$ 1,459
Expenditures:			
Current:			
General Government			
<i>Courts/Judge - Judge Administration:</i>			
Contractual services	9,389	7,844	1,545
Net change in fund balance	(8,389)	(5,385)	3,004
Fund balance at beginning of year	7,773	7,773	-
Prior year encumbrances appropriated	616	616	-
Fund balance at end of year	\$ -	\$ 3,004	\$ 3,004

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 70,000	\$ 68,687	\$ (1,313)
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge- Judge Administration:</i>			
Contractual services	86,344	49,464	36,880
Excess of revenues (deficiency) over (under) expenditures	(16,344)	19,223	35,567
Other financing (uses):			
Transfers out	(37,500)	(37,500)	-
Net change in fund balance	(53,844)	(18,277)	35,567
Fund balance at beginning of year	390,521	390,521	-
Prior year encumbrances appropriated	1,909	1,909	-
Fund balance at end of year	\$ 338,586	\$ 374,153	\$ 35,567

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 200	\$ 15	\$ (185)
Expenditures:			
Current:			
General Government:			
<i>Law Director - Administration:</i>			
Contractual services	994	-	994
Net change in fund balance	(794)	15	809
Fund balance at beginning of year	1,009	1,009	-
Fund balance at end of year	\$ 215	\$ 1,024	\$ 809

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Daily Operations:</i>			
Contractual services	\$ 642	\$ -	\$ 642
Net change in fund balance	(642)	-	642
Fund balance at beginning of year	<u>642</u>	<u>642</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 642</u></u>	<u><u>\$ 642</u></u>

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 3,270,000	\$ 3,389,339	\$ 119,339
Intergovernmental	176,000	158,399	(17,601)
Licenses and permits	124,250	101,159	(23,091)
Rental income	65,500	81,706	16,206
Contributions and donations	2,000	1,882	(118)
Other	2,250	36,998	34,748
Total revenues	3,640,000	3,769,483	129,483
Expenditures:			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Personal services	2,276,011	2,218,553	57,458
Materials and supplies	546,088	426,803	119,285
Contractual services	1,064,780	940,806	123,974
Capital outlay	654,050	352,898	301,152
Other	115,359	88,846	26,513
<i>Total Park Division - Special Parks Funds</i>	<i>4,656,288</i>	<i>4,027,906</i>	<i>628,382</i>
Excess of expenditures over revenues	(1,016,288)	(258,423)	757,865
Other financing sources:			
Sale of capital assets	-	3,060	3,060
Net change in fund balance	(1,016,288)	(255,363)	760,925
Fund balance at beginning of year	1,657,833	1,657,833	-
Prior year encumbrances appropriated	341,246	341,246	-
Fund balance at end of year	\$ 982,791	\$ 1,743,716	\$ 760,925

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, 2019

	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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 50,000	\$ 7,275	\$ (42,725)
Investment income.	-	74	74
Other	-	179	179
Total revenues	50,000	7,528	(42,472)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Personal services	42,670	9,327	33,343
Materials and supplies.	83,637	62,494	21,143
Contractual services.	29,952	27,764	2,188
Capital outlay	153,109	66,277	86,832
Other	31,102	4,905	26,197
<i>Total Police Administration</i>	<i>340,470</i>	<i>170,767</i>	<i>169,703</i>
Net change in fund balance	(290,470)	(163,239)	127,231
Fund balance at beginning of year	351,295	351,295	-
Prior year encumbrances appropriated.	39,558	39,558	-
Fund balance at end of year.	\$ 100,383	\$ 227,614	\$ 127,231

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 27,001	\$ 27,000	\$ (1)
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge- Judge Administration:</i>			
Personal services	17,747	4,605	13,142
Materials and supplies	3,700	3,669	31
Contractual services.	19,711	2,712	16,999
Capital outlay.	1,990	1,990	-
Other	4,853	4,741	112
<i>Total Courts/Judge- Judge Administration</i>	48,001	17,717	30,284
Net change in fund balance	(21,000)	9,283	30,283
Fund balance at beginning of year	17,746	17,746	-
Prior year encumbrances appropriated.	4,500	4,500	-
Fund balance at end of year.	\$ 1,246	\$ 31,529	\$ 30,283

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 5,000	\$ 4,262	\$ (738)
Total revenues	5,000	4,262	(738)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	15,395	13,430	1,965
Net change in fund balance	(10,395)	(9,168)	1,227
Fund balance at beginning of year	20,971	20,971	-
Prior year encumbrances appropriated	1,040	1,040	-
Fund balance at end of year	\$ 11,616	\$ 12,843	\$ 1,227

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 46,500	\$ 46,106	\$ (394)
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Contractual services	93,500	90,250	3,250
Excess of expenditures over revenues	(47,000)	(44,144)	2,856
Other financing sources:			
Transfers in	33,000	37,500	4,500
Net change in fund balance	(14,000)	(6,644)	7,356
Fund balance at beginning of year	36,330	36,330	-
Prior year encumbrances appropriated.	6,100	6,100	-
Fund balance at end of year.	\$ 28,430	\$ 35,786	\$ 7,356

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 25,000	\$ 24,499	\$ (501)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and supplies.	21,067	16,802	4,265
Contractual services.	12,837	12,195	642
Capital outlay	2,345	1,647	698
Other	5,395	3,945	1,450
<i>Total Police Administration.</i>	41,644	34,589	7,055
Excess of expenditures over revenues.	(16,644)	(10,090)	6,554
Other financing sources (uses):			
Sale of assets.	-	20	(20)
Total other financing sources (uses)	-	20	(20)
Net change in fund balance	(16,644)	(10,070)	6,534
Fund balance at beginning of year	12,365	12,365	-
Prior year encumbrances appropriated.	8,033	8,033	-
Fund balance at end of year.	\$ 3,754	\$ 10,328	\$ 6,554

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 205,000	\$ 221,237	\$ 16,237
Operating grants	10,000	-	(10,000)
Other	-	8,267	8,267
Total revenues	215,000	229,504	14,504
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	207,744	138,544	69,200
Materials and supplies	17,010	15,686	1,324
Contractual services	5,725	4,506	1,219
Capital outlay	25,925	25,925	-
Other	34,210	26,571	7,639
<i>Total Courts/Judge - Judge Administration</i>	<i>290,614</i>	<i>211,232</i>	<i>79,382</i>
Net change in fund balance	(75,614)	18,272	93,886
Fund balance at beginning of year	316,007	316,007	-
Prior year encumbrances appropriated	22,506	22,506	-
Fund balance at end of year	\$ 262,899	\$ 356,785	\$ 93,886

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 165,000	\$ 170,603	\$ 5,603
Other	-	3,127	3,127
Total Revenues.	165,000	173,730	8,730
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	173,626	167,513	6,113
Materials and supplies	6,350	6,350	-
Other	9,807	7,064	2,743
<i>Total Courts/Judge- Judge Administration.</i>	189,783	180,927	8,856
Net change in fund balance	(24,783)	(7,197)	17,586
Fund balance at beginning of year	65,064	65,064	-
Fund balance at end of year.	\$ 40,281	\$ 57,867	\$ 17,586

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 12,000	\$ 13,172	\$ 1,172
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Contractual services	64,000	-	64,000
Net change in fund balance	(52,000)	13,172	65,172
Fund balance at beginning of year	89,568	89,568	-
Fund balance at end of year	\$ 37,568	\$ 102,740	\$ 65,172

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 182,383	\$ 113,086	\$ (69,297)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and supplies	16,348	16,079	269
Capital outlay	58,382	58,381	1
Other	46,542	-	46,542
<i>Total Police Administration</i>	<u>121,272</u>	<u>74,460</u>	<u>46,812</u>
Net change in fund balance	61,111	38,626	(22,485)
Fund balance at beginning of year	46,011	46,011	-
Prior year encumbrances appropriated	-	-	-
Fund balance at end of year	<u>\$ 107,122</u>	<u>\$ 84,637</u>	<u>\$ (22,485)</u>

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, 2019

	<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	\$ 108	\$ -	\$ 108
Net change in fund balance	(108)	-	108
Fund balance at beginning of year.	<u>108</u>	<u>108</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ 108</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON AUXILIARY POLICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 1,846	\$ 1,846	\$ -
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	\$ 1,846	\$ 1,846	\$ -
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)
 D.A.R.E. PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
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	151	151	-
Fund balance at end of year.	\$ -	\$ 151	\$ 151

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating Grants	\$ 40,000	\$ -	\$ (40,000)
Other	-	893	893
Total Revenues	40,000	893	(39,107)
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Other	4,724	4,724	-
Net change in fund balance	35,276	(3,831)	(39,107)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated.	4,724	4,724	-
Fund balance at end of year.	\$ 35,276	\$ 893	\$ (39,107)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 53,411	\$ 13,725	\$ (39,686)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	134,000	94,314	39,686
Net change in fund balance	(80,589)	(80,589)	-
Fund balance at beginning of year	80,589	80,589	-
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)
 2016 COPS HIRING PROGRAM GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 360,000	\$ 316,837	\$ (43,163)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	<u>436,000</u>	<u>422,313</u>	<u>13,687</u>
Net change in fund balance	(76,000)	(105,476)	(29,476)
Fund balance at beginning of year	<u>105,476</u>	<u>105,476</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 29,476</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (29,476)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
General operating:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies.	\$ 1,000	\$ -	\$ 1,000
Net change in fund balance	(1,000)	-	1,000
Fund balance at beginning of year	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 1,000	\$ 75	\$ (925)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and supplies	3,149	-	3,149
Contractual services	8,972	7,030	1,942
Capital outlay	8,100	-	8,100
<i>Total Police Administration</i>	20,221	7,030	13,191
Net Change in Fund Balance	(19,221)	(6,955)	12,266
Fund balance at beginning of year	15,748	15,748	-
Prior year encumbrances appropriated.	4,123	4,123	-
Fund balance at end of year	\$ 650	\$ 12,916	\$ 12,266

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, 2019

	<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.	\$ 20,081	\$ -	\$ 20,081
Excess of expenditures over revenues	(20,081)	-	20,081
Other financing sources (uses):			
Transfers in	\$ 12,639	\$ 12,639	\$ -
Net change in fund balance	(7,442)	12,639	20,081
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>\$ 20,081</u>	<u>\$ 20,081</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other financing sources (uses):			
Advances out	\$ (70,500)	\$ (70,500)	\$ -
Net change in fund balance.	(70,500)	(70,500)	-
Fund balance at beginning of year.	70,500	70,500	-
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)
 FY17 BULLET PROOF VEST PARTNERS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 20,115	\$ -	\$ (20,115)
Excess of revenues over expenditures	<u>20,115</u>	<u>-</u>	<u>(20,115)</u>
Other financing (uses):			
Advances out	<u>(20,115)</u>	<u>-</u>	<u>20,115</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)
 2017 COPS HIRING GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 850,000	\$ 328,781	\$ (521,219)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	300,000	285,499	14,501
Net change in fund balance	550,000	43,282	(506,718)
Fund balance at beginning of year	18,726	18,726	-
Fund balance at end of year.	\$ 568,726	\$ 62,008	\$ (506,718)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 21	\$ 21	\$ -
Fund balance at end of year.	\$ 21	\$ 21	\$ -

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 1,500	\$ 1,500	\$ -
Fund balance at end of year	<u>\$ 1,500</u>	<u>\$ 1,500</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)
 FIRE GRANTS AND DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Donations	\$ -	\$ 200	\$ 200
Net change in fund balance	-	200	200
Fund balance at beginning of year	\$ 1	\$ 1	\$ -
Fund balance at end of year.	<u>\$ 1</u>	<u>\$ 201</u>	<u>\$ 200</u>

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 12,148	\$ 5,540	\$ (6,608)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Contractual services.	3,193	862	2,331
Capital outlay	1,669	1,669	-
<i>Total Fire Administration</i>	4,862	2,531	2,331
Excess of revenues over expenditures	7,286	3,009	(4,277)
Other financing (uses):			
Advances out	(138,484)	(134,484)	4,000
Net change in fund balance	(131,198)	(131,475)	(277)
Fund balance at beginning of year	130,336	130,336	-
Prior year encumbrances appropriated.	1,139	1,139	-
Fund balance at end of year.	\$ 277	\$ -	\$ (277)

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 166,000	\$ 149,718	\$ (16,282)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Capital outlay	<u>166,000</u>	<u>164,690</u>	<u>1,310</u>
Excess of expenditures over revenues	<u>-</u>	<u>(14,972)</u>	<u>(14,972)</u>
Other financing sources:			
Advances out	<u>(151,028)</u>	<u>(151,028)</u>	<u>-</u>
Net change in fund balance	(151,028)	(166,000)	(14,972)
Fund balance at beginning of year	<u>166,000</u>	<u>166,000</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 14,972</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (14,972)</u></u>

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, 2019

	<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>			
Materials and supplies	\$ 7,713	\$ -	\$ 7,713
Net change in fund balance	(7,713)	-	7,713
Fund balance at beginning of year.	<u>7,713</u>	<u>7,713</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 7,713</u></u>	<u><u>\$ 7,713</u></u>

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, 2019

	<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>\$ 1,167</u>	<u>\$ 1,167</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants.	\$ 150,000	\$ 141,402	\$ (8,598)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Other.	197,635	189,037	8,598
Net change in fund balance	(47,635)	(47,635)	-
Fund balance at beginning of year.	47,635	47,635	-
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)
 FIRE FEMA SAFER GRANT 2017 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants.	\$ 435,000	\$ 395,613	\$ (39,387)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Other.	435,000	395,613	39,387
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)
VACANT/FORECLOSED REGISTRY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 160,000	\$ 107,750	\$ (52,250)
Other	5,500	66,031	60,531
Total revenues	<u>165,500</u>	<u>173,781</u>	<u>8,281</u>
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	33,088	32,581	507
Security of Persons and Property:			
<i>Safety Director - Code Enforcement Administration:</i>			
Materials and supplies	35,592	35,585	7
Contractual services	227,600	95,091	132,509
Capital outlay	14,081	14,081	-
Other	1,000	-	1,000
<i>Total Safety Director - Code Enforcement Administration</i>	<u>278,273</u>	<u>144,757</u>	<u>133,516</u>
Community Environment:			
<i>Community Development - Fair Housing:</i>			
Contractual services	4,300	-	4,300
Total expenditures	<u>315,661</u>	<u>177,338</u>	<u>138,323</u>
Net change in fund balance	(150,161)	(3,557)	146,604
Fund balance at beginning of year	435,637	435,637	-
Prior year encumbrances appropriated	47,765	47,765	-
Fund balance at end of year	<u>\$ 333,241</u>	<u>\$ 479,845</u>	<u>\$ 146,604</u>

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 950,000	\$ -	\$ (950,000)
Expenditures:			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Capital outlay	9	-	9
Net change in fund balance	949,991	-	(949,991)
Fund balance (deficit) at beginning of year	-	-	-
Prior year encumbrances appropriated	-	-	-
Fund balance at end of year	\$ 949,991	\$ -	\$ (949,991)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 400	\$ 549	\$ 149
Expenditures:			
Current:			
General Government:			
<i>Council Administration:</i>			
Materials and supplies.	2,000	-	2,000
Contractual services.	528	128	400
<i>Total Council Administration</i>	2,528	128	2,400
Net change in fund balance	(2,128)	421	2,549
Fund balance at beginning of year	12,012	12,012	-
Prior year encumbrances appropriated.	312	312	-
Fund balance at end of year.	\$ 10,196	\$ 12,745	\$ 2,549

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
General Government:			
<i>Service Director Administration:</i>			
Contractual services.	\$ 53,242	\$ 44,000	\$ 9,242
Net change in fund balance	(53,242)	(44,000)	9,242
Fund balance at beginning of year	9,242	9,242	-
Prior year encumbrances appropriated.	44,000	44,000	-
Fund balance at end of year.	\$ -	\$ 9,242	\$ 9,242

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in lieu of taxes	\$ 849,835	\$ 849,835	\$ -
Other local taxes	667,321	510,751	(156,570)
Total Revenues	1,517,156	1,360,586	(156,570)
Expenditures:			
Current:			
Leisure Time Activities:			
<i>Hall of Fame Village - Tourism Development District:</i>			
Other	1,560,000	1,366,533	193,467
Net change in fund balance	(42,844)	(5,947)	36,897
Fund balance at beginning of year	83,896	83,896	-
Fund balance at end of year	\$ 41,052	\$ 77,949	\$ 36,897

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 1,806,803	\$ 1,174,735	\$ (632,068)
Expenditures:			
Current:			
General Government:			
<i>General Government - Support Administration:</i>			
Materials and supplies.	521,000	521,000	-
Contractual services.	511,216	48,800	462,416
Capital outlay	1,005,000	-	1,005,000
<i>Total General Government - Support Administration</i>	<u>2,037,216</u>	<u>569,800</u>	<u>1,467,416</u>
 <i>Mayor - Administration:</i>			
Materials and supplies.	237,089	237,089	-
Transportation:			
<i>Engineering - Daily Operations:</i>			
Materials and supplies.	53,784	53,784	-
 Total expenditures	<u>2,328,089</u>	<u>860,673</u>	<u>1,467,416</u>
 Net change in fund balance.	(521,286)	314,062	835,348
 Fund balance at beginning of year.	284,196	284,196	-
Prior year encumbrances appropriated	239,508	239,508	-
Fund balance at end of year	<u>\$ 2,418</u>	<u>\$ 837,766</u>	<u>\$ 835,348</u>

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 12,000,000	\$ 7,048,406	\$ (4,951,594)
Other	-	2,910	2,910
Contributions and donations	-	610,049	610,049
Total revenues	12,000,000	7,661,365	(4,338,635)
Expenditures:			
Current:			
General Government:			
<i>General Government - Support Administration:</i>			
Materials and supplies.	37,000	24,287	12,713
Contractual services.	2,063,877	742,041	1,321,836
Capital outlay	10,477,750	10,471,825	5,925
Other	3,575,700	75,645	3,500,055
<i>Total General Government - Support Administration</i>	<i>16,154,327</i>	<i>11,313,798</i>	<i>4,840,529</i>
<i>Mayor - Administration:</i>			
Contractual services.	357,700	357,700	-
Transportation:			
<i>Engineering - Daily Operations:</i>			
Materials and supplies.	1,376,563	1,376,563	-
Contractual services.	2,050	2,050	-
Capital outlay.	117,060	117,060	-
<i>Total Transportation</i>	<i>1,495,673</i>	<i>1,495,673</i>	<i>-</i>
Total Expenditures	18,007,700	13,167,171	4,840,529
Excess of expenditures over revenues	(6,007,700)	(5,505,806)	501,894
Other financing sources (uses):			
Advances in	3,500,000	3,500,000	-
Net change in fund balance.	(2,507,700)	(2,005,806)	501,894
Fund balance at beginning of year.	2,774,975	2,774,975	-
Prior year encumbrances appropriated	359,730	359,730	-
Fund balance at end of year	\$ 627,005	\$ 1,128,899	\$ 501,894

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PRERIAL AWARD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants.	\$ 34,000	\$ 34,000	\$ -
Expenditures:			
Current:			
General government:			
<i>Courts/judge - judge administration</i>			
Personal services.	10,000	2,297	7,703
Contractual services.	24,000	-	24,000
<i>Total Courts/judge - judge administration</i>	34,000	2,297	31,703
Net change in fund balance	34,000	31,703	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year.	\$ 34,000	\$ 31,703	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BUILDING ESCROW FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 200,000	\$ 96,989	\$ (103,011)
Expenditures:			
Current:			
General Government:			
<i>Safety Director - Code Enforcement Administration</i>			
Other	<u>200,000</u>	<u>85,735</u>	<u>114,265</u>
Net change in fund balance.	-	11,254	11,254
Fund balance at beginning of year.	<u>77,905</u>	<u>77,905</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 77,905</u></u>	<u><u>\$ 89,159</u></u>	<u><u>\$ 11,254</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/FORECLOSURE DEPOSITORY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 1,500,000	\$ 800,000	\$ (700,000)
Expenditures:			
Current:			
General Government:			
<i>Safety Director - Code Enforcement Administration</i>			
Other	<u>1,878,875</u>	<u>742,083</u>	<u>1,136,792</u>
Net change in fund balance.	(378,875)	57,917	436,792
Fund balance at beginning of year.	<u>2,102,399</u>	<u>2,102,399</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,723,524</u></u>	<u><u>\$ 2,160,316</u></u>	<u><u>\$ 436,792</u></u>

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
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	<u>143</u>	<u>143</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 143</u>

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, 2019

	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, 2019

	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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 53,000	\$ 73,035	\$ 20,035
Expenditures:			
Current:			
General Government			
<i>Law Director - Law Administration:</i>			
Capital outlay	10,000	-	10,000
Other	33,890	26,635	7,255
<i>Total Law Director - Law Administration</i>	<u>43,890</u>	<u>26,635</u>	<u>17,255</u>
Transportation:			
<i>Street Maintenance:</i>			
Contractual services.	400	-	400
Capital outlay.	75,273	51,647	23,626
Other	10,000	-	10,000
<i>Total Street Maintenance</i>	<u>85,673</u>	<u>51,647</u>	<u>34,026</u>
<i>Total Expenditures</i>	<u>129,563</u>	<u>78,282</u>	<u>51,281</u>
Net change in fund balance.	(76,563)	(5,247)	71,316
Fund balance at beginning of year.	49,758	49,758	-
Prior year encumbrances appropriated	29,788	29,788	-
Fund balance at end of year	<u>\$ 2,983</u>	<u>\$ 74,299</u>	<u>\$ 71,316</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, 2019

	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, 2019

	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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 14,586	\$ 14,586	\$ -
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	15,099	-	15,099
Materials and supplies	20,000	-	20,000
<i>Total Courts/Judge - Judge Administration</i>	<u>35,099</u>	<u>-</u>	<u>35,099</u>
Net change in fund balance	(20,513)	14,586	35,099
Fund balance at beginning of year	<u>20,513</u>	<u>20,513</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 35,099</u>	<u>\$ 35,099</u>

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 113,579	\$ 87,563	\$ (26,016)
Other	-	7	7
Total Revenues	113,579	87,570	(26,009)
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	42,741	42,741	-
Other	84	84	-
<i>Total Courts/judge - judge administration</i>	<i>42,825</i>	<i>42,825</i>	<i>-</i>
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	59,251	51,283	7,968
Total Expenditures	102,076	94,108	7,968
Excess of revenues over (under) expenditures	11,503	(6,538)	(18,041)
Other financing sources (uses):			
Advances in	18,000	18,000	-
Advances out	(18,000)	(18,000)	-
Total other financing sources (uses)	-	-	-
Net change in fund balance.	11,503	(6,538)	(18,041)
Fund balance at beginning of year.	14,279	14,279	-
Fund balance at end of year	\$ 25,782	\$ 7,741	\$ (18,041)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 80,000	\$ 80,000	\$ -
Other	-	576	576
Total Revenues	80,000	80,576	576
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	128,347	99,395	28,952
Net change in fund balance.	(48,347)	(18,819)	29,528
Fund balance at beginning of year.	63,631	63,631	-
Fund balance at end of year	\$ 15,284	\$ 44,812	\$ 29,528

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 150,000	\$ 81,287	\$ (68,713)
Expenditures:			
Current:			
General Government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	180,785	132,740	48,045
Contractual services	9,680	7,097	2,583
Other	8,979	507	8,472
<i>Total Courts/Judge - Judge Administration</i>	199,444	140,344	59,100
Excess of expenditures over revenues	(49,444)	(59,057)	(9,613)
Other financing sources (uses):			
Advances in	32,000	32,000	-
Advances out	(32,000)	(32,000)	-
Total other financing sources (uses)	-	-	-
Net change in fund balance.	(49,444)	(59,057)	(9,613)
Fund balance at beginning of year.	59,057	59,057	-
Fund balance at end of year.	\$ 9,613	\$ -	\$ (9,613)

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, 2019

	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, 2019

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 3,800,000	\$ 3,176,297	\$ (623,703)
Other	20,000	22,565	2,565
Total revenues	3,820,000	3,198,862	(621,138)
Expenditures:			
Current:			
General Government			
<i>Law Administration:</i>			
Personal services	81,489	78,987	2,502
<i>Income Tax Administration:</i>			
Personal services	1,131,859	1,098,469	33,390
Materials and supplies	101,229	75,535	25,694
Contractual services	157,409	105,227	52,182
Capital outlay	62,341	43,095	19,246
Other	2,288,434	2,026,943	261,491
<i>Total Income Tax Administration</i>	<i>3,741,272</i>	<i>3,349,269</i>	<i>392,003</i>
Total Expenditures	3,822,761	3,428,256	394,505
Net change in fund balance	(2,761)	(229,394)	(226,633)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	229,394	229,394	-
Fund balance at end of year	\$ 226,633	\$ -	\$ (226,633)

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2019

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 76,474	\$ -	\$ 76,474
Cash with fiscal agent.	3,019	-	3,019
Receivables:			
Accounts	-	6,620	6,620
Total assets.	<u>\$ 79,493</u>	<u>\$ 6,620</u>	<u>\$ 86,113</u>
Deferred inflows of resources:			
Charges for services revenue not available	\$ -	\$ 6,620	\$ 6,620
Fund balances:			
Restricted	79,493	-	79,493
Total deferred inflows of resources and fund balances	<u>\$ 79,493</u>	<u>\$ 6,620</u>	<u>\$ 86,113</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, 2019

	<u>General Obligation Bond Retirement</u>	<u>Total Non Major Debt Service</u>
Revenues:		
Interest and investment income	\$ 16,047	\$ 16,047
Other	<u>312</u>	<u>312</u>
Total revenues	<u>16,359</u>	<u>16,359</u>
Net change in fund balances	16,359	16,359
Fund balances at beginning of year.	<u>63,134</u>	<u>63,134</u>
Fund balances at end of year	<u>\$ 79,493</u>	<u>\$ 79,493</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ 15,000	\$ 16,047	\$ 1,047
Other	4,500	312	(4,188)
Total revenues	19,500	16,359	(3,141)
Expenditures:			
Current:			
Debt Service:			
Interest and fiscal charges	40,000	-	40,000
Net change in fund balance	(20,500)	16,359	36,859
Fund balance at beginning of year	60,115	60,115	-
Fund balance at end of year	\$ 39,615	\$ 76,474	\$ 36,859

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CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2019

	2015 Construction Reconstruction Note	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construction/ Reconstruction Bond
Assets:				
Equity in pooled cash and cash equivalents.	\$ 287,698	\$ 170,629	\$ 450,275	\$ 10,691
Receivables:				
Accrued interest	-	-	25	-
Due from other governments	-	280,921	-	-
Total assets	<u>\$ 287,698</u>	<u>\$ 451,550</u>	<u>\$ 450,300</u>	<u>\$ 10,691</u>
Liabilities:				
Accounts payable	\$ 176,088	\$ 45,258	\$ -	\$ -
Deferred inflows of resources:				
Intergovernmental revenue not available	-	6,374	-	-
Fund balances:				
Restricted	111,610	399,918	450,300	10,691
Unassigned (deficit).	-	-	-	-
Total fund balances (deficit)	<u>111,610</u>	<u>399,918</u>	<u>450,300</u>	<u>10,691</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 287,698</u>	<u>\$ 451,550</u>	<u>\$ 450,300</u>	<u>\$ 10,691</u>

2006 Judges Facilities/ City Hall Renovation Bond	Mahoning Rd. Corridor Project	11th St. NW Improvement Project	Traffic Signal Comm. Upgrade	Tuscarawas Street West Corridor Safety Project	Ridgewood E. Phase 1 Part 2 Roadway Reconstruction Project
\$ 1,744	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	725,862	-	2,473	554	53,444
<u>\$ 1,744</u>	<u>\$ 725,862</u>	<u>\$ -</u>	<u>\$ 2,473</u>	<u>\$ 554</u>	<u>\$ 53,444</u>
\$ -	\$ 804,326	\$ 106,448	\$ 2,473	\$ 554	\$ 53,444
-	206,775	-	-	554	-
1,744	-	-	-	-	-
-	(285,239)	(106,448)	-	(554)	-
1,744	(285,239)	(106,448)	-	(554)	-
<u>\$ 1,744</u>	<u>\$ 725,862</u>	<u>\$ -</u>	<u>\$ 2,473</u>	<u>\$ 554</u>	<u>\$ 53,444</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)
 DECEMBER 31, 2019

	<u>3rd Street SE Bridge Project</u>	<u>12th St. NW Bridge Replacement Street Project</u>	<u>Totals Nonmajor Capital Projects Funds</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ -	\$ -	\$ 921,037
Receivables:			
Accrued interest	-	-	25
Due from other governments	106,484	153,377	1,323,115
Total assets	<u>\$ 106,484</u>	<u>\$ 153,377</u>	<u>\$ 2,244,177</u>
Liabilities:			
Accounts payable	\$ 108,352	\$ 153,377	\$ 1,450,320
Deferred inflows of resources:			
Intergovernmental revenue not available	35,481	-	249,184
Fund balances:			
Restricted	-	-	974,263
Unassigned (deficit).	(37,349)	-	(429,590)
Total fund balances (deficit)	<u>(37,349)</u>	<u>-</u>	<u>544,673</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 106,484</u>	<u>\$ 153,377</u>	<u>\$ 2,244,177</u>

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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, 2019

	2015 Construction Reconstruction Note	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construction/ Reconstruction Bond
Revenues:				
Interest and investment income	\$ 612	\$ -	\$ 296	\$ -
Capital grants	-	274,547	-	-
Total revenues	<u>612</u>	<u>274,547</u>	<u>296</u>	<u>-</u>
Expenditures:				
Capital outlay	299,995	54,806	-	-
Debt service:				
Principal retirement	3,500,000	-	-	-
Interest and fiscal charges	123,625	-	-	-
Total expenditures	<u>3,923,620</u>	<u>54,806</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(3,923,008)</u>	<u>219,741</u>	<u>296</u>	<u>-</u>
Other financing sources:				
Note issuance	3,500,000	-	-	-
Issuance of loans	-	4,433	-	-
Total other financing sources	<u>3,500,000</u>	<u>4,433</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(423,008)	224,174	296	-
Fund balances (deficit) at beginning of year	<u>534,618</u>	<u>175,744</u>	<u>450,004</u>	<u>10,691</u>
Fund balances (deficit) at end of year	<u>\$ 111,610</u>	<u>\$ 399,918</u>	<u>\$ 450,300</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	Fulton Road Resurfacing Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	3,832,860	103,513	438,761	-
-	-	3,832,860	103,513	438,761	-
-	5,643	4,165,463	184,175	335,375	51,821
-	-	-	-	-	-
-	-	-	-	-	-
-	5,643	4,165,463	184,175	335,375	51,821
-	(5,643)	(332,603)	(80,662)	103,386	(51,821)
-	-	-	-	-	-
-	-	521,001	-	138,367	51,821
-	-	521,001	-	138,367	51,821
-	(5,643)	188,398	(80,662)	241,753	-
1,744	5,643	(473,637)	(25,786)	(241,753)	-
\$ 1,744	\$ -	\$ (285,239)	\$ (106,448)	\$ -	\$ -

(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, 2019

	Tuscarawas Street West Corridor Safety Project	Ridgewood E. Phase 1 Part 2 Roadway Reconstruction Project	3rd Street SE Bridge Project	12th St. NW Bridge Replacement Street Project
Revenues:				
Interest and investment income	\$ -	\$ -	\$ -	\$ -
Capital grants	26,522	150,000	166,736	386,800
Total revenues	26,522	150,000	166,736	386,800
Expenditures:				
Capital outlay	26,467	632,625	204,085	312,562
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	26,467	632,625	204,085	312,562
Excess of revenues over (under) expenditures	55	(482,625)	(37,349)	74,238
Other financing sources:				
Note issuance	-	-	-	-
Issuance of loans	-	482,625	-	-
Total other financing sources	-	482,625	-	-
Net change in fund balances	55	-	(37,349)	74,238
Fund balances (deficit) at beginning of year	(609)	-	-	(74,238)
Fund balances (deficit) at end of year	\$ (554)	\$ -	\$ (37,349)	\$ -

47th Street NW Sewer Repair Project GP 1198	47th Street NW Sewer Repair Project GP 1241	41st Street NW Roadway Reconstruction Project	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ 908
538,062	352,002	18,388	6,288,191
<u>538,062</u>	<u>352,002</u>	<u>18,388</u>	<u>6,289,099</u>
770,129	451,385	18,388	7,512,919
-	-	-	3,500,000
-	-	-	123,625
<u>770,129</u>	<u>451,385</u>	<u>18,388</u>	<u>11,136,544</u>
<u>(232,067)</u>	<u>(99,383)</u>	<u>-</u>	<u>(4,847,445)</u>
-	-	-	3,500,000
<u>232,067</u>	<u>99,383</u>	<u>-</u>	<u>1,529,697</u>
<u>232,067</u>	<u>99,383</u>	<u>-</u>	<u>5,029,697</u>
-	-	-	182,252
-	-	-	362,421
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 544,673</u>

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest and investment income	\$ -	\$ 669	\$ 669
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Service Director Administration	410,936	407,912	3,024
Debt Service:			
<i>Principle Retirement:</i>			
Various purpose loans	3,500,000	3,500,000	-
<i>Interest and Fiscal Charges:</i>			
Various purpose loans	123,625	123,625	-
Total Debt Service	<u>3,623,625</u>	<u>3,623,625</u>	<u>-</u>
<i>Total expenditures</i>	<u>4,034,561</u>	<u>4,031,537</u>	<u>3,024</u>
Excess of expenditures over revenues	<u>(4,034,561)</u>	<u>(4,030,868)</u>	<u>3,693</u>
Other financing sources:			
Note issuance	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>
Net change in fund balance.	(534,561)	(530,868)	3,693
Fund balance at beginning of year	490,385	490,385	-
Prior year encumbrances appropriated	44,176	44,176	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 3,693</u>	<u>\$ 3,693</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering Administration	172,565	130,898	41,667
Excess of Expenditures Over Revenues	(172,565)	(130,898)	(41,667)
 Other financing sources:			
OPWC	-	4,433	4,433
Net change in fund balance.	(172,565)	(126,465)	(37,234)
 Fund balance at beginning of year	155,973	155,973	-
Prior year encumbrances appropriated	19,771	19,771	-
Fund balance at end of year.	<u><u>\$ 3,179</u></u>	<u><u>\$ 49,279</u></u>	<u><u>\$ (37,234)</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest and investment income	\$ -	\$ 296	\$ 296
Net change in fund balance.	-	296	296
Fund balance at beginning of year	<u>449,979</u>	<u>449,979</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 449,979</u>	<u>\$ 450,275</u>	<u>\$ 296</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 10,691	\$ 10,691	\$ -
Fund balance at end of year.	<u>\$ 10,691</u>	<u>\$ 10,691</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)
 2006 JUDGES FACILITIES/CITY HALL RENOVATION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 850,000	\$ -	\$ (850,000)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering - 12th Street N. Corridor Project	5,643	5,643	-
Net change in fund balance	844,357	(5,643)	(850,000)
Fund balance (deficit) at beginning of year	(72,666)	(72,666)	-
Prior year encumbrances appropriated	78,309	78,309	-
Fund balance (deficit) at end of year	\$ 850,000	\$ -	\$ (850,000)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 8,300,000	\$ 3,534,533	\$ (4,765,467)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering - Mahoning Road Corridor Project	5,486,521	5,486,521	-
Excess of revenues over (under) expenditures	2,813,479	(1,951,988)	(4,765,467)
Other financing sources:			
Issuance of loans	-	472,706	472,706
Net change in fund balance	2,813,479	(1,479,282)	(4,292,761)
Fund balance (deficit) at beginning of year.	(6,301,899)	(6,301,899)	-
Prior year encumbrances appropriated.	6,301,899	6,301,899	-
Fund balance (deficit) at end of year	\$ 2,813,479	\$ (1,479,282)	\$ (4,292,761)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 278,632	\$ 110,291	\$ (168,341)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering - 11th St. NW Improvement Project	228,860	228,860	-
Net change in fund balance	49,772	(118,569)	(168,341)
Fund balance (deficit) at beginning of year	(121,100)	(121,100)	-
Prior year encumbrances appropriated	121,100	121,100	-
Fund balance (deficit) at end of year	\$ 49,772	\$ (118,569)	\$ (168,341)

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, 2019

	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	51,821	51,821	-
Excess of revenues over (under) expenditures	64,834	(51,821)	(116,655)
Other financing sources:			
Issuance of loans	-	51,821	51,821
Net change in fund balance	64,834	-	(64,834)
Fund balance (deficit) at beginning of year	(51,821)	(51,821)	-
Prior year encumbrances appropriated	51,821	51,821	-
Fund balance (deficit) at end of year	\$ 64,834	\$ -	\$ (64,834)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 1,050,000	\$ 705,675	\$ (344,325)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering - Traffic Signal Comm Upgrade Project	965,392	865,392	100,000
Excess of revenues over (under) expenditures	84,608	(159,717)	(244,325)
Other financing sources:			
Issuance of loans	-	138,367	138,367
Net change in fund balance	84,608	(21,350)	(105,958)
Fund balance at beginning of year.	(865,392)	(865,392)	-
Prior year encumbrances appropriated.	865,392	865,392	-
Fund balance (deficit) at end of year	\$ 84,608	\$ (21,350)	\$ (105,958)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 39,000	\$ 26,522	\$ (12,478)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering - Tusc St W Corr Safety Project 92562	38,855	38,855	-
Net change in fund balance	145	(12,333)	(12,478)
Fund balance (deficit) at beginning of year	(38,855)	(38,855)	-
Prior year encumbrances appropriated	38,855	38,855	-
Fund balance (deficit) at end of year	\$ 145	\$ (12,333)	\$ (12,478)

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, 2019

	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	482,775	429,181	(53,594)
Net change in fund balance	150	(53,444)	(53,594)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 150	\$ (53,444)	\$ (53,594)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 3RD STREET SE BRIDGE PROJECT GP 1167 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 458,400	\$ 95,733	\$ (362,667)
Expenditures:			
Capital Outlay:			
<i>Service director:</i>			
3rd St SE Bridge Project GP 1167	458,000	293,107	164,893
<i>Water:</i>			
37th Street Water Sewer Str. Improvement Project	(181,556)	(181,556)	-
Total Expenditures	276,444	111,551	164,893
Excess of revenues over (under) expenditures	181,956	(15,818)	(197,774)
Other financing sources:			
Issuance of loans	(255,000)	(181,556)	73,444
Net change in fund balance	(73,044)	(197,374)	(124,330)
Fund balance at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ (73,044)	\$ (197,374)	\$ (124,330)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 2,000,000	\$ 586,342	\$ (1,413,658)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering - 12th Street NW Bridge Replacement Project.	876,836	876,836	-
Net change in fund balance	1,123,164	(290,494)	(1,413,658)
Fund balance (deficit) at beginning of year.	(767,153)	(767,153)	-
Prior year encumbrances appropriated.	767,153	767,153	-
Fund balance (deficit) at end of year	\$ 1,123,164	\$ (290,494)	\$ (1,413,658)

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 538,062	\$ 538,062	\$ -
Expenditures:			
Capital Outlay:			
<i>Water:</i>			
47th Street NW/Pack Avenue NW SWR 1198	<u>770,129</u>	<u>770,129</u>	<u>-</u>
Excess of expenditures over revenues	<u>(232,067)</u>	<u>(232,067)</u>	<u>-</u>
Other financing sources:			
Issuance of loans	<u>358,708</u>	<u>232,067</u>	<u>(126,641)</u>
Net change in fund balance	126,641	-	(126,641)
Fund balance at beginning of year.	(770,129)	(770,129)	-
Prior year encumbrances appropriated.	770,129	770,129	-
Fund balance (deficit) at end of year	<u><u>\$ 126,641</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (126,641)</u></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, 2019

	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	452,889	452,889	-
Excess of expenditures over revenues	(100,887)	(100,887)	-
Other financing sources:			
Issuance of loans	150,858	99,383	(51,475)
Net change in fund balance	49,971	(1,504)	(51,475)
Fund balance at beginning of year.	(452,889)	(452,889)	-
Prior year encumbrances appropriated.	452,889	452,889	-
Fund balance (deficit) at end of year	\$ 49,971	\$ (1,504)	\$ (51,475)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 51,103	\$ 18,388	\$ (32,715)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering - 41th St. NW Roadway Reconstruction Project.	51,103	51,103	-
Net change in fund balance	-	(32,715)	(32,715)
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	\$ -	\$ (32,715)	\$ (32,715)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 381,460	\$ -	\$ (381,460)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
Engineering - 30th Street NW Resurfacing Project.	60,857	60,857	-
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	\$ 320,603	\$ (60,857)	\$ (381,460)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 49TH STREET NW STORM SEWER REHAB FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Capital grants	\$ 753,329	\$ -	\$ (753,329)
Expenditures:			
Capital Outlay:			
<i>Service Director:</i>			
47th Street NW Storm Sewer Rehab Project	<u>1,076,184</u>	<u>481,330</u>	<u>594,854</u>
Excess of expenditures over revenues	<u>(322,855)</u>	<u>(481,330)</u>	<u>(158,475)</u>
Other financing sources:			
OPWC	<u>322,855</u>	<u>-</u>	<u>322,855</u>
Net change in fund balance	-	(481,330)	164,380
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (481,330)</u>	<u>\$ 164,380</u>

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources:			
Issuance of loans	105,000	-	(105,000)
Net change in fund balance	105,000	-	(105,000)
Fund balance (deficit) at beginning of year	(4,397)	(4,397)	-
Prior year encumbrances appropriated	4,397	4,397	-
Fund balance (deficit) at end of year	<u>\$ 105,000</u>	<u>\$ -</u>	<u>\$ (105,000)</u>

**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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 18,941,500	\$ 19,282,560	\$ 341,060
Rental income	26,000	27,376	1,376
Capital grants	2,195,313	1,970,868	(224,445)
Other.	-	226,492	226,492
Total revenues.	21,162,813	21,507,296	344,483
Expenses:			
Personal services.	7,610,794	7,399,606	211,188
Materials and supplies	2,125,019	1,956,577	168,442
Contractual services	7,074,710	6,022,727	1,051,983
Capital outlay	16,389,514	12,716,055	3,673,459
Claims	162,655	117,384	45,271
Other.	83,086	54,313	28,773
Debt service:			
Principal retirement	2,185,516	2,001,917	183,599
Interest and fiscal charges	709,953	709,942	11
Total expenses.	36,341,247	30,978,521	5,362,726
Excess of expenses over revenues	(15,178,434)	(9,471,225)	5,707,209
Nonoperating revenues (expenses):			
Sale of assets.	5,000	44,186	39,186
Transfer in.	213,105	275,992	62,887
Transfer (out).	(342,700)	(318,692)	24,008
Loan proceeds.	9,125,076	1,234,068	(7,891,008)
Capital contributions	-	667,038	667,038
Total nonoperating revenues (expenses)	9,000,481	1,902,592	(7,097,889)
Net change in fund balance	(6,177,953)	(7,568,633)	(1,390,680)
Fund balance at beginning of year	11,921,376	11,921,376	-
Prior year encumbrances appropriated.	4,533,131	4,533,131	-
Fund balance at end of year	\$ 10,276,554	\$ 8,885,874	\$ (1,390,680)

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 16,226,700	\$ 17,138,802	\$ 912,102
Intergovernmental	4,034,981	1,746,795	(2,288,186)
Operating grants	850,000	-	(850,000)
Rental income	2,500	10,871	8,371
Other	6,037,000	153,307	(5,883,693)
Total revenues	27,151,181	19,049,775	(8,101,406)
Expenses:			
Personal services	7,490,442	6,520,032	970,410
Materials and supplies	1,818,794	1,524,545	294,249
Contractual services	8,332,427	7,011,547	1,320,880
Capital outlay	30,935,803	10,514,984	20,420,819
Claims	534,754	517,970	16,784
Other	258,724	202,465	56,259
Debt service:			
Principal retirement	4,224,124	4,224,121	3
Interest and fiscal charges	2,366,591	2,366,590	1
Total expenses	55,961,659	32,882,254	23,079,405
Excess of expenses over revenues	(28,810,478)	(13,832,479)	14,977,999
Nonoperating revenues (expenses):			
Sale of assets	1,500	10,274	8,774
Transfer in	2,384,383	1,963,233	(421,150)
Transfer (out)	(1,993,633)	(1,993,633)	-
Issuance of loans	12,000,000	2,225,132	(9,774,868)
Total nonoperating revenues (expenses)	12,392,250	2,205,006	(10,187,244)
Net change in fund balance	(16,418,228)	(11,627,473)	4,790,755
Fund balance (deficit) at beginning of year	11,031,417	11,031,417	-
Prior year encumbrances appropriated	11,378,647	11,378,647	-
Fund balance at end of year	\$ 5,991,836	\$ 10,782,591	\$ 4,790,755

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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 6,972,500	\$ 6,760,106	\$ (212,394)
Operating grants	50,000	30,786	(19,214)
Other	129,500	94,874	(34,626)
Total revenues	<u>7,152,000</u>	<u>6,885,766</u>	<u>(266,234)</u>
Expenses:			
Personal services	4,252,351	4,067,808	184,543
Materials and supplies	310,618	284,213	26,405
Contractual services	2,422,515	2,402,203	20,312
Capital outlay	823,797	751,297	72,500
Claims	9,240	2,291	6,949
Other	35,259	33,637	1,622
Total expenses	<u>7,853,780</u>	<u>7,541,449</u>	<u>312,331</u>
Excess of expenses over revenues	<u>(701,780)</u>	<u>(655,683)</u>	<u>46,097</u>
Nonoperating revenues (expenses):			
Sale of assets	-	(16,751)	(16,751)
Transfer (out)	(50,000)	(50,000)	-
Total nonoperating revenues (expenses)	<u>(50,000)</u>	<u>(66,751)</u>	<u>(16,751)</u>
Net change in fund balance	(751,780)	(722,434)	29,346
Fund balance at beginning of year	521,297	521,297	-
Prior year encumbrances appropriated	326,796	326,796	-
Fund balance at end of year	<u>\$ 96,313</u>	<u>\$ 125,659</u>	<u>\$ 29,346</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, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and fees	\$ 2,208,550	\$ 2,318,353	\$ 109,803
Other	1,250	44,247	42,997
Total revenues	<u>2,209,800</u>	<u>2,362,600</u>	<u>152,800</u>
Expenses:			
Personal services	1,756,188	1,495,103	261,085
Materials and supplies	80,921	68,998	11,923
Contractual services	887,621	706,422	181,199
Capital outlay	205,470	170,477	34,993
Claims	9,500	4,639	4,861
Other	14,894	9,845	5,049
Total expenses	<u>2,954,594</u>	<u>2,455,484</u>	<u>499,110</u>
Net change in fund balance	(744,794)	(92,884)	651,910
Fund balance at beginning of year	1,497,970	1,497,970	-
Prior year encumbrances appropriated.	94,836	94,836	-
Fund balance at end of year	<u>\$ 848,012</u>	<u>\$ 1,499,922</u>	<u>\$ 651,910</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, 2019

	Workers' Compensation Retrospective	Health Insurance	Compensated Absences Claim	Total Nonmajor Internal Service
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 2,634,225	\$ 2,917,374	\$ 551,794	\$ 6,103,393
Receivables:				
Accounts.	-	58,547	109,783	168,330
Due from other funds.	-	-	99,297	99,297
Due from other governments	-	12,540	-	12,540
Due from component unit	87,296	19,764	-	107,060
Total assets.	2,721,521	3,008,225	760,874	6,490,620
Liabilities:				
Current liabilities:				
Accounts payable.	929	524,913	-	525,842
Payroll withholding payable	788	788	21,229	22,805
Accrued wages and benefits payable	5,333	5,333	173,397	184,063
Due to other governments	824	824	26,790	28,438
Compensated absences payable	-	-	2,087,818	2,087,818
Claims payable.	507,304	377,904	-	885,208
Total current liabilities.	515,178	909,762	2,309,234	3,734,174
Non-current liabilities:				
Compensated absences payable	-	-	5,911,588	5,911,588
Claims payable	1,161,836	-	-	1,161,836
Total non-current liabilities	1,161,836	-	5,911,588	7,073,424
Total liabilities	1,677,014	909,762	8,220,822	10,807,598
Net position:				
Unrestricted (deficit)	\$ 1,044,507	\$ 2,098,463	\$ (7,459,948)	\$ (4,316,978)

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, 2019

	Workers' Compensation Retrospective	Health Insurance	Compensated Absences Claim	Total Nonmajor Internal Service
Operating revenues:				
Charges for services	\$ 1,180,622	\$ 11,569,491	\$ 3,952,141	\$ 16,702,254
Other	-	1,827,789	-	1,827,789
Total operating revenues.	<u>1,180,622</u>	<u>13,397,280</u>	<u>3,952,141</u>	<u>18,530,043</u>
Operating expenses:				
Personal services.	218,039	122,585	-	340,624
Contract services.	112,229	1,132,285	15,611	1,260,125
Benefit claims and expenses	-	-	4,156,194	4,156,194
Insurance claims and expenses.	1,315,501	10,954,084	-	12,269,585
Other.	340	-	-	340
Total operating expenses.	<u>1,646,109</u>	<u>12,208,954</u>	<u>4,171,805</u>	<u>18,026,868</u>
Operating income (loss).	<u>(465,487)</u>	<u>1,188,326</u>	<u>(219,664)</u>	<u>503,175</u>
Special item: transfer of operations to Board of Health	83,791	25,144	645,063	753,998
Change in net position	(381,696)	1,213,470	425,399	1,257,173
Net position (deficit) at beginning of year	<u>1,426,203</u>	<u>884,993</u>	<u>(7,885,347)</u>	<u>(5,574,151)</u>
Net position (deficit) at end of year	<u>\$ 1,044,507</u>	<u>\$ 2,098,463</u>	<u>\$ (7,459,948)</u>	<u>\$ (4,316,978)</u>

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Workers' Compensation Retrospective	Health Insurance	Compensated Absences Claim	Total Nonmajor Internal Service
Cash flows from operating activities:				
Cash received from charges for services	\$ 1,180,622	\$ 11,569,491	\$ 3,952,141	\$ 16,702,254
Cash received from other operations	59,361	2,164,495	105,533	2,329,389
Cash payments for personal services	(106,677)	(110,614)	-	(217,291)
Cash payments for contractual services	(112,229)	(1,132,285)	(9,100)	(1,253,614)
Cash payments for insurance claims	(1,319,006)	(11,071,669)	-	(12,390,675)
Cash payments for benefits claims	-	-	(3,988,791)	(3,988,791)
Cash payments for other expenses	(340)	-	-	(340)
Net cash provided by (used in) operating activities	(298,269)	1,419,418	59,783	1,180,932
Cash and cash equivalents at beginning of year	2,932,494	1,497,956	492,011	4,922,461
Cash and cash equivalents at end of year	<u>\$ 2,634,225</u>	<u>\$ 2,917,374</u>	<u>\$ 551,794</u>	<u>\$ 6,103,393</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (465,487)	\$ 1,188,326	\$ (219,664)	\$ 503,175
Changes in assets and liabilities:				
Decrease in accounts receivable	308,711	349,246	23,765	681,722
(Increase) decrease in due from other governments . . .	-	(12,540)	67,050	54,510
Decrease in due from other funds	-	-	177,959	177,959
(Increase) decrease in due from component unit	(3,505)	5,380	-	1,875
Increase (decrease) in accounts payable	(140,701)	9,258	-	(131,443)
Increase in accrued wages and benefits	1,667	1,667	26,739	30,073
Increase in due to other governments	258	258	4,131	4,647
Increase in payroll withholding payable	788	788	21,229	22,805
(Decrease) in compensated absences payable	-	-	(41,426)	(41,426)
(Decrease) in claims payable	-	(122,965)	-	(122,965)
Net cash provided by (used in) operating activities	<u>\$ (298,269)</u>	<u>\$ 1,419,418</u>	<u>\$ 59,783</u>	<u>\$ 1,180,932</u>

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, 2019

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 1,500,000	\$ 1,180,622	\$ (319,378)
Other	1,000,000	59,361	(940,639)
Total revenues	<u>2,500,000</u>	<u>1,239,983</u>	<u>(1,260,017)</u>
Expenses:			
Personal services	234,368	107,465	126,903
Materials and supplies	2,850	-	2,850
Contractual services	231,674	124,788	106,886
Benefit claims and expenses	1,400,000	1,319,006	80,994
Other	3,200	340	2,860
Total expenses	<u>1,872,092</u>	<u>1,551,599</u>	<u>320,493</u>
Net change in fund balance	627,908	(311,616)	(939,524)
Fund balance at beginning of year	2,904,853	2,904,853	-
Prior year encumbrances appropriated	27,641	27,641	-
Fund balance at end of year	<u><u>\$ 3,560,402</u></u>	<u><u>\$ 2,620,878</u></u>	<u><u>\$ (939,524)</u></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, 2019

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 10,500,000	\$ 11,569,491	\$ 1,069,491
Other	2,435,000	2,164,495	(270,505)
Total revenues	<u>12,935,000</u>	<u>13,733,986</u>	<u>798,986</u>
Expenses:			
Personal services	113,230	111,402	1,828
Materials and supplies	3,700	-	3,700
Contractual services	1,607,662	1,384,419	223,243
Insurance claims and expenses	12,429,949	12,049,705	380,244
Total expenses	<u>14,154,541</u>	<u>13,545,526</u>	<u>609,015</u>
Net change in fund balance	(1,219,541)	188,460	1,408,001
Fund balance at beginning of year	1,085,838	1,085,838	-
Prior year encumbrances appropriated	412,118	412,118	-
Fund balance at end of year	<u>\$ 278,415</u>	<u>\$ 1,686,416</u>	<u>\$ 1,408,001</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, 2019

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 3,705,000	\$ 3,952,141	\$ 247,141
Other	87,000	84,304	(2,696)
Total revenues	<u>3,792,000</u>	<u>4,036,445</u>	<u>244,445</u>
Expenses:			
Contractual services	21,100	9,100	12,000
Benefit claim expenses	4,160,000	3,988,791	171,209
Total expenses	<u>4,181,100</u>	<u>3,997,891</u>	<u>183,209</u>
Net change in fund balance.	(389,100)	38,554	427,654
Fund balance at beginning of year	491,441	491,441	-
Prior year encumbrances appropriated	570	570	-
Fund balance at end of year	<u>\$ 102,911</u>	<u>\$ 530,565</u>	<u>\$ 427,654</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, 2019

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Interest	\$ -	\$ 3,735	\$ 3,735
Other	25,000	43,564	18,564
Total revenues	<u>25,000</u>	<u>47,299</u>	<u>22,299</u>
Expenses:			
Personal services	58,043	45,452	12,591
Materials and supplies	142	-	142
Contractual services	80,800	52,750	28,050
Insurance claim expenses	422,782	341,382	81,400
Total expenses	<u>561,767</u>	<u>439,584</u>	<u>122,183</u>
Excess of expenses over revenues	<u>(536,767)</u>	<u>(392,285)</u>	<u>144,482</u>
Nonoperating revenue:			
Transfers in	<u>280,000</u>	<u>253,100</u>	<u>(26,900)</u>
Net change in fund balance.	(256,767)	(139,185)	117,582
Fund balance at beginning of year	699,949	699,949	-
Prior year encumbrances appropriated	63,734	63,734	-
Fund balance at end of year	<u>\$ 506,916</u>	<u>\$ 624,498</u>	<u>\$ 117,582</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, 2019

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 2,745,679	\$ 2,214,073	\$ (531,606)
Other	100,000	82,317	(17,683)
Total revenues	<u>2,845,679</u>	<u>2,296,390</u>	<u>(549,289)</u>
Expenses:			
Personal services	1,380,293	1,321,409	58,884
Materials and supplies	1,244,475	1,101,857	142,618
Contractual services	466,632	326,069	140,563
Capital outlay.	22,400	18,244	4,156
Insurance claim expenses	120	20	100
Other.	9,781	7,583	2,198
Total expenses	<u>3,123,701</u>	<u>2,775,182</u>	<u>348,519</u>
Net change in fund balance.	(278,022)	(478,792)	(200,770)
Fund balance at beginning of year	175,438	175,438	-
Prior year encumbrances appropriated	304,062	304,062	-
Fund balance at end of year	<u>\$ 201,478</u>	<u>\$ 708</u>	<u>\$ (200,770)</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:

Custodial Funds

Custodial funds 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.

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.

Building Department State Assessment Fund:

To account for assessments that are collected by the City on building projects on behalf of the state.

Jackson-Canton JEDD Clearing Fund:

To account for the receipt and disbursement of JEDD income taxes.

Municipal Court Fund:

To account for municipal court activities, including the civil division and trusteeship accounts not currently reflected on the City's records.

Board of Health Fund:

To account for Board of Health monies held by the City for various health education, prevention, and treatment programs in the City.

**CITY OF CANTON
STARK COUNTY, OHIO**

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2019

	Downtown Special Improvement District Fund	Building Department State Assesment Fund	Jackson - Canton JEDD Clearing Fund	Municipal Court Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 527	\$ 260,018	\$ -
Cash in segregated accounts	-	-	-	51,112
Receivables (net of allowances for uncollectibles):				
Accounts	6,604	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>6,604</u>	<u>527</u>	<u>260,018</u>	<u>51,112</u>
Liabilities:				
Due to primary government	-	-	-	-
Due to other governments	-	-	-	51,112
Payroll withholding payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,112</u>
Net position:				
Restricted for individuals, organizations and other governments	<u>6,604</u>	<u>527</u>	<u>260,018</u>	<u>-</u>
Total net position	<u>\$ 6,604</u>	<u>\$ 527</u>	<u>\$ 260,018</u>	<u>\$ -</u>

<u>Board of Health Fund</u>	<u>Total</u>
\$ 4,369,757	\$ 4,630,302
-	51,112
76,069	82,673
<u>744,617</u>	<u>744,617</u>
<u>5,190,443</u>	<u>5,508,704</u>
61,960	61,960
-	51,112
<u>26,911</u>	<u>26,911</u>
<u>88,871</u>	<u>139,983</u>
<u>5,101,572</u>	<u>5,368,721</u>
<u>\$ 5,101,572</u>	<u>\$ 5,368,721</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Downtown Special Improvement District Fund	Building Department State Assesment Fund	Jackson - Canton JEDD Clearing Fund	Municipal Court Fund
Additions:				
Amounts received as fiscal agent	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures for other governments	-	9,012	-	1,656,600
Property tax collection for other governments	184,708	-	382,405	-
Total additions	184,708	9,012	382,405	1,656,600
Deductions:				
Distributions as fiscal agent	-	-	-	-
Fines and forfeitures distributions to other governments	-	9,436	-	1,656,600
Property tax distributions to other governments	185,173	-	212,271	-
Total deductions	185,173	9,436	212,271	1,656,600
Net change in fiduciary net position	(465)	(424)	170,134	-
Net position beginning of year (restated)	7,069	951	89,884	-
Net position end of year	\$ 6,604	\$ 527	\$ 260,018	\$ -

<u>Board of Health Fund</u>	<u>Total</u>
\$ 7,784,334	\$ 7,784,334
-	1,665,612
-	567,113
<u>7,784,334</u>	<u>10,017,059</u>
5,868,896	5,868,896
-	1,666,036
-	397,444
<u>5,868,896</u>	<u>7,932,376</u>
1,915,438	2,084,683
<u>3,186,134</u>	<u>3,284,038</u>
<u>\$ 5,101,572</u>	<u>\$ 5,368,721</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 These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S1 - S10
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, municipal income taxes.	S11 - S12
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S13 - S23
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S24 - S25
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S27 - S32

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)

	2019	2018	2017	2016
Governmental Activities				
Net investment in capital assets	\$ 148,563,517	\$ 134,323,608	\$ 127,232,203	\$ 120,105,838
Restricted	26,137,839	19,608,510	20,359,389	17,870,574
Unrestricted	(76,901,325)	(118,676,629)	(119,444,515)	(63,674,938)
Total Governmental Activities Net Position	<u>\$ 97,800,031</u>	<u>\$ 35,255,489</u>	<u>\$ 28,147,077</u>	<u>\$ 74,301,474</u>
Business-Type Activities				
Net investment in capital assets	\$ 109,824,923	\$ 93,402,528	\$ 80,091,786	\$ 81,244,719
Unrestricted	20,788,924	27,255,096	34,552,456	37,500,121
Total Business-Type Activities Net Position	<u>\$ 130,613,847</u>	<u>\$ 120,657,624</u>	<u>\$ 114,644,242</u>	<u>\$ 118,744,840</u>
Primary Government				
Net investment in capital assets	\$ 258,388,440	\$ 227,726,136	\$ 207,323,989	\$ 201,350,557
Restricted	26,137,839	19,608,510	20,359,389	17,870,574
Unrestricted	(56,112,401)	(91,421,533)	(84,892,059)	(26,174,817)
Total Primary Government Net Position	<u>\$ 228,413,878</u>	<u>\$ 155,913,113</u>	<u>\$ 142,791,319</u>	<u>\$ 193,046,314</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.

2015	2014	2013	2012	2011	2010
\$ 114,318,575	\$ 106,702,688	\$ 99,188,330	\$ 96,544,493	\$ 97,348,306	\$ 96,658,405
21,643,804	19,038,897	20,669,995	25,988,085	30,727,668	34,583,408
(62,270,207)	10,069,695	8,055,536	5,978,878	807,948	(4,901,157)
<u>\$ 73,692,172</u>	<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>
\$ 75,533,187	\$ 70,635,102	\$ 70,583,131	\$ 68,382,938	\$ 64,432,996	\$ 65,466,731
33,635,250	42,265,775	40,577,502	37,550,898	35,129,231	31,989,581
<u>\$ 109,168,437</u>	<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>
\$ 189,851,762	\$ 177,337,790	\$ 169,771,461	\$ 164,927,431	\$ 161,781,302	\$ 162,125,136
21,643,804	19,038,897	20,669,995	25,988,085	30,727,668	34,583,408
(28,634,957)	52,335,470	48,633,038	43,529,776	35,937,179	27,088,424
<u>\$ 182,860,609</u>	<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>

CITY OF CANTON
STARK COUNTY, OHIO
 CHANGES IN NET POSITION
 LAST TEN YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
Expenses				
<i>Governmental activities:</i>				
General government	\$ 28,025,343	\$ 23,835,090	\$ 20,575,714	\$ 21,401,267
Security of persons and property	8,837,144	51,177,610	42,659,988	45,317,984
Public health	1,232,398	9,104,599	7,188,358	6,627,161
Transportation	12,622,505	13,157,017	10,885,075	14,177,868
Community environment	5,321,317	6,073,153	8,408,420	6,829,268
Leisure time activities	6,667,334	5,396,449	5,003,179	3,703,459
Economic development	-	-	-	-
Interest and fiscal charges	458,779	832,149	412,469	361,969
<i>Total governmental activities expenses</i>	<u>63,164,820</u>	<u>109,576,067</u>	<u>95,133,203</u>	<u>98,418,976</u>
<i>Business-type activities:</i>				
Water	17,040,979	18,111,531	17,763,510	14,639,812
Sewer	15,504,917	17,822,870	17,427,064	12,423,601
Refuse	7,391,458	6,739,833	6,717,023	6,892,183
Building	2,560,417	2,222,500	1,903,631	1,768,265
<i>Total business-type activities expenses</i>	<u>42,497,771</u>	<u>44,896,734</u>	<u>43,811,228</u>	<u>35,723,861</u>
Total Primary Government Expenses	<u>\$ 105,662,591</u>	<u>\$ 154,472,801</u>	<u>\$ 138,944,431</u>	<u>\$ 134,142,837</u>
Program Revenues				
<i>Governmental activities:</i>				
Charges for services:				
EMS charges	\$ 2,465,507	\$ 2,271,759	\$ 1,879,750	\$ 1,721,128
Leisure time activities	183,892	183,261	196,873	46,712
Licenses, permits, and fees	779,435	824,804	706,182	1,083,886
Municipal court revenue	3,580,152	3,652,096	3,527,414	3,397,151
Other activities	7,274,893	7,505,583	7,762,803	4,821,212
Operating grants and contributions	14,009,562	19,621,140	16,479,341	16,591,905
Capital grants and contributions	9,479,469	8,231,824	6,972,483	11,438,948
<i>Total governmental activities program revenues</i>	<u>37,772,910</u>	<u>42,290,467</u>	<u>37,524,846</u>	<u>39,100,942</u>
<i>Business-type activities:</i>				
Charges for services:				
Water	19,654,394	19,153,280	18,460,579	17,025,059
Sewer	17,461,965	15,955,328	15,804,202	14,340,312
Refuse	7,399,720	5,817,983	5,787,333	5,849,351
Building	2,328,174	2,413,530	1,893,728	2,011,319
Operating grants and contributions	25,514	75,606	78,591	47,971
Capital grants and contributions	4,987,298	6,881,345	2,562,096	4,854,422
<i>Total business-type activities program revenues</i>	<u>51,857,065</u>	<u>50,297,072</u>	<u>44,586,529</u>	<u>44,128,434</u>
Total Primary Government Program Revenues	<u>\$ 89,629,975</u>	<u>\$ 92,587,539</u>	<u>\$ 82,111,375</u>	<u>\$ 83,229,376</u>

	2015	2014	2013	2012	2011	2010
\$	20,813,879	\$ 19,609,570	\$ 16,648,538	\$ 18,204,815	\$ 18,507,298	\$ 17,916,837
	42,879,044	38,759,803	37,209,092	37,355,205	39,761,690	38,021,732
	6,186,052	6,196,761	5,948,698	5,867,708	6,371,348	6,789,047
	14,538,968	12,065,377	13,253,789	12,752,256	12,218,799	12,594,651
	12,051,165	8,106,584	6,012,767	5,080,295	8,563,514	9,206,391
	3,417,987	3,549,040	3,329,290	2,101,343	2,361,904	2,919,500
	263,186	-	-	-	-	-
	386,900	442,388	542,745	573,423	791,471	815,188
	<u>100,537,181</u>	<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>
	14,174,629	15,387,377	13,029,402	12,706,700	12,478,010	10,975,361
	14,155,798	12,796,231	12,516,730	12,705,127	13,239,984	11,135,229
	6,354,269	6,257,256	5,924,125	5,342,650	5,532,632	4,948,513
	-	-	-	-	-	-
	<u>34,684,696</u>	<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>135,221,877</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>
\$	954,809	\$ 2,963,877	\$ 1,790,137	\$ 1,989,838	\$ 1,538,870	\$ 990,133
	45,781	30,379	29,550	10,890	230,691	593,174
	1,499,109	1,512,407	1,510,822	2,014,416	1,496,552	1,540,878
	2,765,518	2,867,661	3,401,332	3,458,555	3,561,424	4,091,161
	8,727,538	7,497,735	6,496,325	8,477,516	7,020,751	6,949,537
	9,787,441	12,203,279	9,361,804	6,951,732	11,296,786	11,304,031
	13,910,356	5,755,827	3,956,443	759,525	5,146,994	6,681,818
	<u>37,690,552</u>	<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>
	17,576,612	15,545,481	14,919,158	14,564,110	13,688,619	14,679,276
	14,925,552	13,407,709	13,914,466	14,487,135	13,232,669	13,061,066
	5,762,077	5,962,885	5,801,598	6,002,093	6,030,792	6,511,534
	-	-	-	-	-	-
	121,130	69,919	67,026	140,855	189,868	87,506
	9,770	600,402	1,943,958	1,869,089	12,655	207,969
	<u>38,395,141</u>	<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>76,085,693</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>

- (Continued)

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
Net (Expenses)/Revenues				
Governmental Activities	\$ (25,391,910)	\$ (67,285,600)	\$ (57,608,357)	\$ (59,318,034)
Business-Type Activities	9,359,294	5,400,338	775,301	8,404,573
Total Primary Government				
Net Expense	<u>\$ (16,032,616)</u>	<u>\$ (61,885,262)</u>	<u>\$ (56,833,056)</u>	<u>\$ (50,913,461)</u>
General Revenues and				
Other Changes in Net Position				
<i>Governmental activities:</i>				
Taxes:				
Municipal income taxes	\$ 63,689,354	\$ 53,456,724	\$ 50,015,065	\$ 44,357,696
Property and other taxes	5,435,783	5,503,406	5,158,048	4,746,457
Grants and entitlements not restricted to specific programs	7,090,245	7,116,496	7,470,873	6,728,791
Payment in lieu of taxes	1,050,880	144,666	101,910	120,375
Other local taxes	534,451	661,955	89,096	-
Interest and investment earnings	1,720,593	663,771	490,540	425,963
Other	4,020,169	6,846,994	4,549,880	4,057,189
Proceeds on sale of capital assets	-	-	-	-
Transfers	-	-	-	(509,135)
<i>Total governmental activities</i>	<u>83,541,475</u>	<u>74,394,012</u>	<u>67,875,412</u>	<u>59,927,336</u>
<i>Business-type activities:</i>				
Interest and investment earnings	-	-	-	-
Other	549,431	582,975	3,635,391	652,386
Gain on sale of capital assets	47,498	30,069	15,353	10,309
Transfers	-	-	-	509,135
<i>Total business-type activities</i>	<u>596,929</u>	<u>613,044</u>	<u>3,650,744</u>	<u>1,171,830</u>
Total Primary Government	<u>\$ 84,138,404</u>	<u>\$ 75,007,056</u>	<u>\$ 71,526,156</u>	<u>\$ 61,099,166</u>
Special Item				
<i>Governmental activities:</i>				
Transfer of operations to Board of Health	<u>\$ 2,292,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position				
Governmental activities	\$ 60,442,143	\$ 7,108,412	\$ 10,267,055	\$ 609,302
Business-type activities	9,956,223	6,013,382	4,426,045	9,576,403
<i>Total Primary Government</i>	<u>\$ 70,398,366</u>	<u>\$ 13,121,794</u>	<u>\$ 14,693,100</u>	<u>\$ 10,185,705</u>

2015	2014	2013	2012	2011	2010
\$ (62,846,629)	\$ (55,898,358)	\$ (56,398,506)	\$ (58,272,573)	\$ (58,283,956)	\$ (56,112,614)
3,710,445	1,145,532	5,175,949	6,308,805	1,903,977	7,488,248
<u>\$ (59,136,184)</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>

\$ 45,014,757	\$ 50,699,714	\$ 45,912,805	\$ 44,311,327	\$ 42,597,239	\$ 38,633,612
4,463,752	4,916,636	2,473,315	3,769,181	2,691,214	3,711,729
6,815,424	5,040,384	5,356,271	8,245,851	9,021,156	8,796,360
43,687	25,948	35,312	-	-	-
-	-	-	-	-	-
433,892	206,592	58,749	56,735	88,038	235,190
-	2,906,503	1,964,459	1,503,350	6,412,177	2,384,563
4,060,560	-	-	13,663	17,398	-
-	-	-	-	-	-
<u>60,832,072</u>	<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>

-	-	1	3	15	55
877,805	558,770	50,847	22,840	169,404	306,861
(10,410)	35,942	-	39,961	32,519	2,798
-	-	-	-	-	-
<u>867,395</u>	<u>594,712</u>	<u>50,848</u>	<u>62,804</u>	<u>201,938</u>	<u>309,714</u>
<u>\$ 61,699,467</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>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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\$ (2,014,557)	\$ 7,897,419	\$ (597,595)	\$ (372,466)	\$ 2,543,266	\$ (2,351,160)
4,577,840	1,740,244	5,226,797	6,371,609	2,105,915	7,797,962
<u>\$ 2,563,283</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>

CITY OF CANTON
STARK COUNTY, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
General Fund				
Nonspendable	\$ 510,065	\$ 464,494	\$ 459,000	\$ 471,541
Restricted	-	-	-	-
Committed	741,790	1,051,732	1,166,310	1,091,198
Assigned	1,524,342	1,637,333	1,227,262	-
Unassigned	10,801,876	3,173,724	-	(3,376,238)
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 13,578,073</u>	<u>\$ 6,327,283</u>	<u>\$ 2,852,572</u>	<u>\$ (1,813,499)</u>
All Other				
Governmental Funds				
Nonspendable	\$ 46,195	\$ 37,174	\$ 38,603	\$ 36,881
Restricted	19,099,477	16,698,662	13,268,417	13,633,249
Committed	8,341,151	8,055,997	7,485,097	6,374,838
Unassigned (deficit)	(435,325)	(821,758)	(1,749,678)	(1,917,973)
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue				
Funds	-	-	-	-
Capital Projects				
Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Total All Other				
Governmental Funds	<u>\$ 27,051,498</u>	<u>\$ 23,970,075</u>	<u>\$ 19,042,439</u>	<u>\$ 18,126,995</u>

Note: Fund balance classifications beginning in 2009 reflect the City's implementation of GASB Statement No. 54.

2015	2014	2013	2012	2011	2010
\$ 409,573	\$ 400,706	\$ 382,303	\$ 289,197	\$ 281,811	\$ 262,064
-	-	-	89,191	62,514	50,320
836,374	772,068	950,255	1,081,844	711,295	620,913
-	3,471,995	550,226	-	-	-
(4,470,003)	1,435,402	6,502,030	7,602,998	5,235,907	3,797,436
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (3,224,056)</u>	<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>
\$ 102,984	\$ 130,508	\$ 41,347	\$ 1,649,712	\$ 1,726,284	\$ 1,864,369
12,525,422	10,153,844	12,031,197	9,947,224	11,534,643	16,648,605
4,479,326	4,044,125	3,395,680	3,670,094	3,693,165	2,744,056
(938,552)	(97,954)	(193,112)	(5,810)	(215,388)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,169,180</u>	<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>

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
Revenues:				
Property and other taxes	\$ 5,632,268	\$ 5,269,540	\$ 5,209,704	\$ 4,481,612
Municipal income taxes	62,602,915	53,880,960	49,666,607	45,247,080
Charges for services	12,826,300	11,989,243	11,980,318	11,607,591
Licenses, permits, and fees	880,594	1,245,021	1,164,527	945,545
Fines and forfeitures	461,489	789,067	603,176	569,407
Intergovernmental	11,226,345	10,730,164	11,059,243	10,338,129
Interest	1,741,967	696,345	511,078	413,629
Rental income	85,667	82,107	96,253	73,504
Contributions and donations	611,324	199,163	35,736	267,628
Operating grants	7,514,991	15,254,021	13,051,518	12,285,017
Capital grants	8,039,240	9,561,286	6,071,653	10,405,265
Payment in lieu of taxes	1,050,880	144,666	101,910	120,375
Other	3,124,164	3,492,385	1,899,292	2,064,772
Total revenues	115,798,144	113,333,968	101,451,015	98,819,554
Expenditures:				
General government	23,541,894	20,752,447	17,550,219	19,467,660
Security of persons and property	41,788,214	41,818,175	37,561,425	37,688,666
Public health	1,133,420	8,343,159	6,288,435	6,124,178
Transportation	5,202,623	6,431,466	4,358,155	5,553,419
Community environment	5,055,249	5,884,420	8,182,275	6,689,550
Leisure time activities	5,342,993	4,331,273	3,894,076	2,857,130
Capital outlay	23,674,315	15,302,467	18,790,506	14,745,973
Economic development	-	-	-	-
Debt service				
Principal	6,076,322	7,230,906	5,288,125	5,893,021
Interest and fiscal charges	465,901	652,771	403,894	370,289
Total expenditures	112,280,931	110,747,084	102,317,110	99,389,886
Excess (deficiency) of revenues over (under) expenditures	3,517,213	2,586,884	(866,095)	(570,332)
Other financing sources (uses):				
Sale of assets	44,735	6,533	70,168	31,257
Issuance of notes/loans/capital leases	7,854,000	6,308,930	8,127,442	3,907,447
Transfers in	12,639	55,335	367,442	40,000
Transfers out	(12,639)	(555,335)	(2,117,442)	(40,000)
Total other financing sources (uses)	7,898,735	5,815,463	6,447,610	3,938,704
Special item:				
Transfer of operations to Board of Health	(3,186,134)	-	-	-
Net change in fund balances	\$ 8,229,814	\$ 8,402,347	\$ 5,581,515	\$ 3,368,372
<i>Debt service as a percentage of noncapital expenditures</i>	7.50%	8.25%	6.79%	7.18%

	2015	2014	2013	2012	2011	2010
\$	4,316,978	\$ 4,192,204	\$ 2,574,747	\$ 3,392,212	\$ 2,679,060	\$ 3,692,536
	46,693,386	48,536,712	45,921,847	44,401,532	42,268,045	39,995,514
	11,038,335	11,414,960	10,974,528	12,025,673	11,672,616	12,277,821
	1,499,109	1,530,879	1,510,822	1,558,750	1,496,552	1,540,878
	463,574	427,981	1,110,272	484,718	387,942	548,171
	10,575,834	8,827,418	8,321,048	8,442,716	9,022,823	9,246,604
	426,685	206,936	58,749	56,735	88,038	235,190
	69,812	54,916	51,364	78,507	230,131	414,189
	29,356	2,984	50,525	-	-	-
	8,855,961	9,381,059	8,849,719	8,636,489	11,768,162	11,635,287
	13,546,094	5,514,695	2,937,038	796,834	4,731,620	6,639,897
	43,687	25,948	35,312	-	-	-
	1,971,568	1,860,401	902,642	3,101,659	4,704,783	2,200,776
	<u>99,530,379</u>	<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>
	19,845,271	18,764,120	15,873,077	17,778,987	17,472,868	16,961,740
	40,092,514	37,200,157	35,303,024	35,807,944	37,583,710	35,892,847
	5,976,475	6,002,662	5,756,640	5,850,491	6,201,749	6,631,976
	6,540,963	4,487,506	3,726,545	3,309,625	3,762,830	3,730,733
	12,031,983	8,087,672	5,998,243	5,160,101	8,534,770	9,176,385
	2,685,847	2,759,895	2,629,571	1,436,169	1,688,857	2,243,340
	20,336,052	15,709,827	11,532,622	9,010,943	12,357,459	13,286,944
	263,186	-	-	-	-	-
	3,000,277	3,095,171	2,681,335	2,775,078	3,659,941	3,159,790
	375,133	453,690	500,053	592,355	791,471	815,188
	<u>111,147,701</u>	<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>
	(11,617,322)	(4,583,607)	(702,497)	1,254,132	(3,003,883)	(3,472,080)
	78,017	97,758	37,973	40,087	46,351	40,101
	4,173,735	1,136,617	-	-	-	54,641
	80,000	-	40,000	65,000	44,000	40,000
	(80,000)	-	(40,000)	(65,000)	(44,000)	(40,000)
	<u>4,251,752</u>	<u>1,234,375</u>	<u>37,973</u>	<u>40,087</u>	<u>46,351</u>	<u>94,742</u>
	-	-	-	-	-	-
\$	<u>(7,365,570)</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>
	3.63%	4.28%	4.21%	4.38%	5.36%	4.82%

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
2019	2.50%	\$ 64,723,178	\$ 50,232,415	77.61%	\$ 5,891,045	9.10%	\$ 5,558,594	8.59%	\$ 3,041,124	4.70%
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%

(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 2019 AND 2010

Tax Year 2019

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	462	5.17%	\$ 68,731,048	23.13%
\$75,001-\$100,000	470	5.26%	40,286,084	13.56%
\$50,001-\$75,000	1,043	11.66%	63,795,642	21.47%
\$25,001-\$50,000	2,324	25.99%	83,650,708	28.15%
Under \$25,000	4,643	51.92%	40,666,676	13.69%
Total	8,942	100.00%	\$ 297,130,158	100.00%

Tax Year 2010

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	628	1.97%	\$ 92,835,864	13.89%
\$75,001-\$100,000	901	2.83%	77,041,554	11.52%
\$50,001-\$75,000	2,466	7.75%	149,132,950	22.31%
\$25,001-\$50,000	6,034	18.96%	212,423,414	31.77%
Under \$25,000	21,797	68.49%	137,141,543	20.51%
Total	31,826	100.00%	\$ 668,575,325	100.00%

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
2019	\$ -	\$ 5,337,601	\$ 5,025,000	\$ 1,402,920	\$ -	\$ 99,264,617	\$ -
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

(1) Source: US Census Bureau.

	Total Primary Government	Total Personal Income	Percent of Personal Income	Population (1)	Per Capita
\$	111,030,138	\$ 1,970,535,328	5.63%	70,002	\$ 1,586
	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

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		
2019	\$ -	\$ -	\$ -	\$ 86,113	\$ (86,113)
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

(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
\$ 2,545,988,405	0.00%	\$ (1.23)
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

CITY OF CANTON
STARK COUNTY, OHIO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019

	<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	\$ 11,765,521	100.00%	\$ 11,765,521
Overlapping Debt			
Stark County	17,704,400	10.39%	1,839,487
Canton City Schools	14,885,000	90.55%	13,478,368
Plain Local Schools	5,105,000	21.83%	1,114,422
Canton Local Schools	32,687,423	8.57%	2,801,312
Osnaburg Local Schools	6,309,752	5.48%	345,774
Total Overlapping Debt	<u>76,691,575</u>		<u>19,579,363</u>
Total	<u>\$ 88,457,096</u>		<u>\$ 31,344,884</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Overall Debt Limitation (10.5% of Assessed Valuation)	\$ 90,005,488	\$ 79,844,609	\$ 78,317,764	\$ 76,590,382
Net Debt Within 10.5% Limitations	<u>(79,493)</u>	<u>(63,134)</u>	<u>1,021,133</u>	<u>2,042,627</u>
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$ 90,084,981</u>	<u>\$ 79,907,743</u>	<u>\$ 77,296,631</u>	<u>\$ 74,547,755</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0.09%	-0.08%	1.30%	2.67%
<hr/>				
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$ 47,145,732	\$ 41,823,367	\$ 41,023,591	\$ 40,118,772
Net Debt Within 5.5% Limitations	<u>(79,493)</u>	<u>(63,134)</u>	<u>1,021,133</u>	<u>2,042,627</u>
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$ 47,225,225</u>	<u>\$ 41,886,501</u>	<u>\$ 40,002,458</u>	<u>\$ 38,076,145</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0.17%	-0.15%	2.49%	5.09%

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.

2015	2014	2013	2012	2011	2010
\$ 76,590,382	\$ 76,036,730	\$ 75,406,074	\$ 77,280,680	\$ 90,978,118	\$ 91,928,124
<u>4,093,073</u>	<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>\$ 72,497,309</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>
5.34%	13.25%	14.13%	15.95%	17.13%	20.20%
\$ 40,118,772	\$ 39,828,763	\$ 39,498,420	\$ 40,480,356	\$ 47,655,205	\$ 48,152,827
<u>4,093,073</u>	<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>\$ 36,025,699</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>
10.20%	25.30%	26.97%	30.46%	32.70%	38.56%

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	
2019	\$ 19,880,871	\$ 13,013,933	\$ 6,866,938	\$ 2,015,894	\$ 708,081	2.52
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

(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	
2019	\$ 17,621,516	\$ 11,200,671	\$ 6,420,845	\$ 4,224,121	\$ 2,366,590	0.97
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

(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 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>
2019	70,002	\$ 1,970,535,328	\$ 28,150	4.5%
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%

(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

2019

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	4,381	12.84%
Mercy Medical	Health Service	2,802	8.21%
Stark County	Government	2,762	8.09%
Canton City Schools	Education	2,241	6.57%
Fresh Mark Inc	Meat processing	1,925	5.64%
Timken Steel	Steel	1,359	3.98%
City of Canton	Municipal Government	929	2.72%
MK Morse Co	Saw Blades and Accessories	515	1.51%
Republic Engineer	Hot-rolled and cold finisher steel bars and specialty steels	476	1.39%
Nationwide	Insurance Provider	241	0.71%
Total		<u>17,631</u>	<u>51.66%</u>
Estimated Total Employment within the City		<u>34,128</u>	

2010

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	4,143	13.02%
Stark County	County Government	2,526	7.94%
Mercy Medical Center	Health Service	2,356	7.40%
The Timken Co.	Tapered roller bearings and steel	2,355	7.40%
Canton City School District	Education	1,359	4.27%
City of Canton	Municipal Government	1,041	3.27%
Fresh Mark Inc.	Meat Processing	859	2.70%
Nationwide Insurance	Insurance Provider	815	2.56%
Republic Engineered Steels, Inc.	Hot-rolled and cold finished steel bars and specialty steels	788	2.48%
United States Postal Service	Federal Government	514	1.62%
Total		<u>16,756</u>	<u>52.66%</u>
Estimated Total Employment within the City		<u>31,826</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	2019	2018	2017	2016	2015	2014
Governmental Employees						
General government	157	179	178	182	183	188
Security of persons and property	374	361	347	372	380	379
Public health	55	51	47	51	52	53
Transportation	50	46	38	47	47	50
Community development	16	15	13	16	16	16
Leisure time activities	30	27	28	17	21	21
Total Governmental Employees	682	679	651	685	699	707
Business-Type Employees						
Water	85	85	89	86	90	85
Sewer	80	80	72	74	75	73
Refuse	61	60	62	61	67	63
Building Code	21	21	23	-	-	-
Total Business-Type Employees	247	246	246	221	232	221
Total Employees	929	925	897	906	931	928

Method: Part-time and seasonal employees are not included

Source: City of Canton Auditor's Office

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
183	175	181	183
361	367	375	396
52	49	47	51
46	44	46	45
15	14	19	23
14	14	16	21
<u>671</u>	<u>663</u>	<u>684</u>	<u>719</u>
85	84	88	87
76	75	71	73
61	56	57	54
-	-	-	-
<u>222</u>	<u>215</u>	<u>216</u>	<u>214</u>
<u>893</u>	<u>878</u>	<u>900</u>	<u>933</u>

CITY OF CANTON
STARK COUNTY, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2019	2018	2017	2016	2015	2014
General Government						
Departmental vehicles	52	48	43	38	43	38
Security of Persons and Property						
Police stations	5	5	5	5	5	5
Police department vehicles	113	118	125	132	129	124
Fire stations	7	7	7	7	7	7
Fire department vehicles	49	49	46	48	48	46
Intersections with traffic lights	198	199	200	200	200	203
Traffic department vehicles	16	17	17	17	16	15
Public Health						
Departmental vehicles	25	27	24	24	24	21
Transportation						
Area (in square miles)	25.70	25.70	25.70	25.70	25.70	25.70
Miles of streets	413.87	414.31	414.11	413.73	413.44	413.44
Bridges	24	24	24	24	24	24
Miles of storm sewers	219.55	219.35	219.35	219.15	218.96	218.96
Departmental vehicles	104	98	96	103	108	99
Leisure Time Activities						
Number of parks	61	61	61	61	61	61
Park acreage	825	825	825	825	812	812
Number of shelters	25	25	25	25	25	25
Number of baseball fields	41	41	41	43	43	43
Walking tracks	4	4	4	4	4	4
Walking bridges	17	17	17	17	17	17
Play equipment sets	44	43	43	43	41	41
Restrooms	21	20	20	21	20	20
Number of tennis courts	8	8	8	8	8	8
Swimming pools	1	1	1	1	1	-
Community centers	1	1	1	1	1	1
Departmental vehicles	48	51	50	50	49	46
Water						
Miles of water mains	668.10	666.28	666.65	664.23	663.99	661.24
Water treatment plants	3	3	3	1	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	5,475	5,449	5,430	3,321	3,309	3,274
Departmental vehicles	92	92	90	89	87	81
Sewer						
Miles of sanitary sewers	364.31	363.25	364.25	363.00	363.00	363.00
Sewer treatment plants	1	1	1	1	1	1
Maximum daily capacity in gallons (in millions)						
Wet weather	88,000	88,000	88,000	67,000	67,000	67,000
Dry weather	39,000	39,000	39,000	39,000	39,000	39,000
Departmental vehicles	69	69	71	69	71	67
Refuse						
Departmental vehicles	26	27	27	26	26	29
Building Code						
Departmental vehicles	6	4	2	-	-	-

Source: Various City of Canton Departments

2013	2012	2011	2010
38	22	22	22
5	5	5	5
122	123	123	124
8	8	8	8
44	39	39	40
236	213	213	224
16	17	17	17
19	12	12	12
25.70	25.70	25.70	25.70
414.11	414.11	414.11	414.30
24	23	23	23
217.48	217.48	217.48	217.40
102	110	110	112
61	61	61	61
812	812	812	812
24	23	23	23
43	43	43	43
4	4	4	4
17	16	16	16
39	39	39	37
19	19	19	19
8	8	8	8
-	-	-	-
1	1	1	1
45	45	45	46
668.32	660.03	660.03	658.80
3	3	3	3
40,500	40,500	40,500	40,500
3,258	3,258	3,258	3,252
81	71	71	68
360.00	360.00	360.00	363.00
1	1	1	1
67,000	67,000	67,000	67,000
39,000	39,000	39,000	39,000
68	63	63	63
28	20	20	23
-	-	-	-

CITY OF CANTON
STARK COUNTY, OHIO
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2019	2018	2017	2016
General Government				
Auditor				
Purchase orders issued	7,197	6,974	6,182	6,677
Checks issued	15,211	14,830	14,430	15,420
Payroll checks issued	35,631	34,193	34,407	-
Civil service				
Tests administered	40	31	31	21
Courts				
Cases heard	27,936	28,372	29,582	27,066
Trials held	103	108	122	162
Probation cases	282	285	362	381
Community service				
Cases	1,879	2,215	2,108	2,166
House arrest cases	-	-	-	-
Income tax				
Refunds issued	1,647	1,811	1,606	2,652
Tax notifications mailed	39,940	39,160	36,685	36,681
Law department				
Claims	178	306	214	115
Trials conducted	40	137	73	68
Pretrials conducted	3,945	5,114	9,474	7,660
Prosecutor hearings	34	101	323	132
Criminal intakes	1,678	1,677	430	1,772
Security of Persons and Property				
Code enforcement				
Building permits issued	782	899	903	3,131
Building permits estimated value (in millions)	\$148,864	\$39,526	\$23,256	\$164,796
Police				
Physical arrests	3,360	3,594	2,544	2,191
Traffic violations	7,329	7,827	5,545	3,065
Parking violations	9,424	7,891	7,116	-
Fire				
Calls answered	16,318	15,175	16,681	15,529
Public Health				
Birth certificates issued	10,557	9,280	9,723	9,650
Death certificates issued	6,666	6,881	6,492	6,667
Nursing				
Home visits	276	329	266	-
Air pollution complaints				
Investigated	209	258	274	199
Food service inspections	1,192	1,159	1,309	553
Transportation				
Road salt expense	\$610,710	\$389,807	\$354,748	\$528,478
Leisure Time Activities				
Shelter/building permits issued	759	738	746	858
Water				
Number of service connections	44,575	44,543	44,509	44,480
Daily average consumption in gallons (in millions)	21.107	21.869	19.467	21.988
Sewer				
Number of active sewer accounts	25,981	25,981	25,981	26,433
Daily average treatment in gallons (in millions)	30.70	30.06	29.06	28.46

Source: Various City of Canton Departments

2015	2014	2013	2012	2011	2010
7,754	7,143	6,924	6,608	6,666	7,228
16,682	16,953	15,946	16,156	16,542	16,431
27,952	28,402	27,335	26,963	28,285	29,027
27	34	30	28	15	12
27,051	26,761	25,745	27,027	30,649	39,557
169	198	180	180	215	290
425	465	442	427	418	395
2,250	2,171	1,971	2,021	2,080	2,681
-	109	107	216	164	120
2,526	2,564	2,718	2,934	2,935	2,870
33,978	30,604	31,650	40,471	34,908	32,693
422	487	180	139	245	176
284	299	119	83	84	22
7,961	6,489	7,218	6,572	6,829	7,735
212	67	76	103	55	121
1,190	1,872	1,919	1,952	1,966	2,107
641	638	685	706	1,071	819
\$107,339	\$47,834	\$75,616	\$42,528	\$68,127	\$42,510
-	2,390	2,013	2,613	3,471	4,201
-	3,086	2,074	3,726	8,850	15,328
9,800	9,145	10,100	10,104	8,556	10,422
15,350	13,835	14,276	13,789	13,429	20,687
9,411	9,553	9,619	3,950	10,263	12,413
6,653	6,678	6,798	1,822	8,144	7,875
329	322	307	350	395	408
266	276	249	220	282	63
2,019	2,278	2,539	878	946	971
\$590,690	\$270,154	\$500,693	\$465,348	\$817,201	\$516,835
879	708	450	529	473	453
44,431	44,367	44,360	44,292	44,184	44,171
21.147	20.089	17.897	19.150	19,106	19,970
26,510	26,514	27,763	26,815	26,804	27,000
30.04	30.14	27.18	27.82	34,030	30,326

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CANTON, OHIO



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CITY OF CANTON
STARK COUNTY, OHIO

Supplemental Reports

**For the Year Ended
December 31, 2019**

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**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, 2019

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	(C) PASSED THROUGH TO SUBRECIPIENTS	(A),(F) 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-WA1219/76-2-0011-WA1320	\$ 646,324	\$ 1,321,333
<i>Passed through Ohio Department of Natural Resources:</i>				
Urban and Community Forestry Program	10.675	16-DG-11420004-255		175,457
Total U.S. Department of Agriculture			646,324	1,496,790
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through N/A:</i>				
CDBG- Entitlement Grants Cluster:				
(D) Community Development Block Grants/Entitlement Grants	14.218	N/A		3,078,920
Total CDBG- Entitlement Grants Cluster				3,078,920
Emergency Solutions Grant Program	14.231	N/A		285,025
Home Investment Partnerships Program	14.239	N/A		571,374
Fair Housing Assistance Program State and Local:				
Fair Housing Assistance Program State and Local	14.401	N/A		139,281
Fair Housing Assistance Program State and Local	14.401	N/A		44,546
Fair Housing Assistance Program State and Local	14.401	N/A		5,332
Total Fair Housing Assistance Program State and Local				189,159
Total U.S. Department of Housing and Urban Development				4,124,478
U.S. DEPARTMENT OF JUSTICE				
<i>Passed Through N/A:</i>				
Violence Against Women Formula Grants	16.588	N/A		60,000
Public Safety Partnership and Community Policing Grants				
2015 Public Safety Partnership and Community Policing Grants	16.710	N/A		94,314
2016 Public Safety Partnership and Community Policing Grants	16.710	N/A		422,313
2017 Public Safety Partnership and Community Policing Grants	16.710	N/A		285,500
Total Public Safety Partnership and Community Policing Grants				802,127
Edward Byrne Memorial Justice Assistance Grant Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A		37,027
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A		36,084
Total Edward Byrne Memorial Justice Assistance Grant Program				73,111
Total U.S. Department of Justice				935,238
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-90365		3,280,892
Highway Planning and Construction	20.205	PID-91972		166,736
Highway Planning and Construction	20.205	PID-90671		101,556
Highway Planning and Construction	20.205	PID-90465		110,291
Highway Planning and Construction	20.205	PID-92562		26,522
Highway Planning and Construction	20.205	PID-99897		293,993
Total Highway Planning and Construction Cluster				3,979,990
Federal Transit Cluster:				
(E) (G) Federal Transit Formula Grants	20.507	N/A		165,063
Total Federal Transit Cluster				165,063
<i>Passed Through Ohio Department of Public Safety:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	69A37518300004020OH0		12,268
Total Highway Safety Cluster				12,268
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	69A37518300004020OH0		16,957
Total U.S. Department of Transportation				4,174,278
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Passed Through the Ohio Environmental Protection Agency:</i>				
(E) Air Pollution Control Program Support	66.001	N/A		248,316
Total U.S. Environmental Protection Agency				248,316
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Stark County Health Department:</i>				
Public Health Emergency Preparedness	93.069	76-1-001-2-PH0219/76-1-001-2-PH0320		85,571
<i>Passed Through Ohio Department of Health:</i>				
(E) Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	N/A		135,104
Immunization Cooperative Agreements	93.268	76-2-001-2-GV0119	35,791	58,708
Immunization Cooperative Agreements	93.268	76-2-001-2-GV0220	28,636	46,971
Total Immunization Cooperative Agreements			64,427	105,679
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	76-2-0012-HP1219		5,625
Medicaid Cluster:				
(E) Medical Assistance Program	93.778	N/A		64,226
Total Medicaid Cluster				64,226
(E) (H) Head Start	93.600	N/A	1,579	10,681
HIV Prevention Activities - Health Department Based	93.940	76-2-0012-HP1219	54,320	207,048
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	76-2-0012-ST1119	711	35,361
Maternal and Child Health Services Block Grant to the States	93.994	76-2-001-1-DS1219		51,090
Maternal and Child Health Services Block Grant to the States	93.994	76-2-001-1-OE0119/76-2-001-1-OE0220		72,618
Total Maternal and Child Health Services Block Grant to the States				123,708
Total U.S. Department of Health and Human Services			121,037	773,003
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through N/A:</i>				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A		531,126
Assistance to Firefighters Grant	97.044	N/A		153,441
Total U.S. Department of Homeland Security				684,567
Total Federal Financial Assistance			\$ 767,361	\$ 12,436,670

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**CITY OF CANTON
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 2019 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) 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 minimis rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimis indirect cost rate.

(C) 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.

(D) 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. At December 31, 2019, the gross amount of loans outstanding under this program was \$549,824.

(E) Pass-through grant numbers were unable to be obtained for these grants.

(F) 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.

(G) Passed through Stark Area Regional Transit Authority

(H) Passed through Stark County YWCA

**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 units, 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, 2019, 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 August 15, 2020, wherein we noted as discussed in Note 3 to the financial statements, the City of Canton adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted as discussed in Note 25, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

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.
August 15, 2020

Independent Auditor's Report on Compliance with Requirements Applicable to the 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 the 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 the City of Canton's major federal program for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Canton's major federal program.

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 the City of Canton's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and 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 the City of Canton's major program. However, our audit does not provide a legal determination of the City of Canton's compliance.

Opinion on the 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 its major federal program for the year ended December 31, 2019.

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.

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 units, each major fund and the aggregate remaining fund information of the City of Canton as of and for the year ended December 31, 2019, 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 August 15, 2020. Our opinion also explained that the City of Canton adopted *Governmental Account Standard No. 84* 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.

Julian & Grube, Inc.
August 15, 2020

**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019**

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 Program:</i>	CDBG- Entitlement Grants 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>	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS

None

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF CANTON

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/6/2020

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

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